

FRANCHISE DISCLOSURE DOCUMENT



DABOBA USA, Inc.
A Delaware Corporation,
77 Las Tunas Drive
Suite 205
Arcadia, CA 91007
+949.662.4128
malaysia.boba@gmail.com, and
WWW.DABOBA.MY;
WWW.DABOBA.US

The franchise offered is a counter service Boba tea shop that specializes in bubble tea drinks, other tea-based drinks, coffee drinks, and related products.

The total investment necessary to begin operation of a Daboba franchise is \$217,500 - \$503,000. This includes \$108,100 - \$114,700 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Melissa Chow, 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007 and +949.662.4128.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: July 3, 2023.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much will I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibit G
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit I include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only Bubble Tea business in my market?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings
What's it like to be a Daboba franchisee?	Item 20 and Exhibits I and J list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Consider these facts about franchising before investing in any franchise:

1. **Continuing Responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.
2. **Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchised business or may harm your franchised business
3. **Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.
4. **Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.
5. **Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.
6. **Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.
7. **When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Supplier and Inventory.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING PROVISIONS APPLY ONLY TO
TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives the franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the license of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a

franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 6TH FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.

Table of Contents

Item	Page
Item 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
Item 2 BUSINESS EXPERIENCE.....	3
Item 3 LITIGATION.....	3
Item 4 BANKRUPTCY.....	3
Item 5 INITIAL FEES.....	4
Item 6 OTHER FEES.....	5
Item 7 ESTIMATED INITIAL INVESTMENT.....	10
Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	12
Item 9 FRANCHISEE'S OBLIGATIONS.....	14
Item 10 FINANCING.....	16
Item 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING....	16
Item 12 TERRITORY.....	24
Item 13 TRADEMARKS.....	25
Item 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	26
Item 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	27
Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	27
Item 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....	28
Item 18 PUBLIC FIGURES.....	34
Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS.....	34
Item 20 OUTLETS AND FRANCHISEE INFORMATION.....	35
Item 21 FINANCIAL STATEMENTS.....	38
ITEM 22 CONTRACTS.....	38
ITEM 23 RECEIPTS.....	38

EXHIBITS

- A. List of State Administrators
- B. Agents for Service of Process
- C. State Addenda to FDD
- D. Franchise Agreement, including Owner's Guaranty
- E. State Specific Amendments to Franchise Agreement
- F. Table of Contents of Operations Manual
- G. List of Franchisees
- H. Franchisees Who Left System or Have Not Communicated
- I. Financial Statements
- J. Confidentiality Agreement
- K. General Release
- L. Offer Letter
- M. Receipt Pages

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE DISCLOSURE DOCUMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT C** OR THE STATE SPECIFIC FRANCHISE AGREEMENT AMENDMENTS IN **EXHIBIT E**, EXCEPT THAT ADDITIONAL DISCLOSURES RELATED TO MICHIGAN LAW CAN BE FOUND RIGHT BEFORE THIS TABLE OF CONTENTS.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is **DABOBA USA , Inc.**, and will be referred to in this document as “**Daboba**”, “**we**”, “**us**” or “**our**”. A person who buys a franchise from us will be referred to as “**you**.” If you are a corporation, partnership or other entity, “**you**” also includes your owners your partners, shareholders and any other person or entity directly or indirectly owning an interest in you.

We are DABOBA USA, Inc. a Delaware corporation, organized on January 10, 2023. Our principal place of business address is 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007. We do not do business under any other name. Our agents for the service of process are disclosed in **Exhibit B**.

Parents, Predecessors and Affiliates

Our parent is BOBA TEA SDN BHD a Malaysian company (“**Parent**”), whose principal business address is Unit 13A Jalan Pelukis U1/46 Temasya Industrial Park 40150 Shah Alam Selangor.

We do not have any predecessors.

We have several affiliates, but none that offers, or has offered franchises, and none that offers products or services to our franchisees.

The Franchises We Offer

We grant franchises for selling tea based drinks in a tea shop, including but not limited to boba or bubble tea, to be operated under the Daboba name. We do not operate businesses of the type being franchised to you. We do not engage in other business activities and have never offered franchises in any other line of business. However Parent, has licensed Daboba locations in Malaysia and has previously licensed Daboba locations in the U.S. As of the date of this FDD we are in the process of converting the U.S. licensees of Parent to our franchisees.

The business you will conduct (we will call it the “**Franchised Business**” or “**Daboba Location**”) refers to a business using the Daboba Let’s Chill with Daboba™ service mark and associated logos and symbols we designate from time to time (we will call these marks, logos and symbols the “**Licensed Marks**”) to provide counter service bubble tea and other related beverages. The Franchised Business will use the methods and procedures we have developed (our “**System**”) and includes standards and methods of operation, accounting, marketing, advertising and public relations, and the standards for conducting a Franchised Business. Our standards and procedures for conducting a Franchised Business are set forth in our Operations Manual.

We offer you the right to operate one Daboba location under our Franchise Agreement. The Franchise Agreement is attached as **Exhibit D**. In the past, Parent offered two different forms of license agreements – one that is similar to our Franchise Agreement, and one that, for a higher initial franchise fee, gave the licensee the right to get a portion of the revenue that the franchisor received from franchisees in a designated area. We are not offering the license

agreement with area rights. Instead, those licensees will be offered to enter into our standard form of Franchise Agreement, but with an addendum that will allow them continue receive a portion of revenue from franchisees in their designated area.

General Market For Your Products or Services

The market for the products of Daboba Location is the general public, focused on people that enjoy specialty beverages, specifically those based on tea. The franchise will compete with local, regional, and national brands that sell specialty drinks and snacks, specifically tea based products and bubble tea. The market is developing. There are competitors that sell products that are reasonably similar to Daboba's products. The market for some of our beverages products is not seasonal.

Competition

As a franchisee, you will compete with other national regional and local restaurants and other retail locations offering a variety of beverage products and snack food items, such as coffee and tea drinks, and other companies providing similar services. Competition includes quick serve restaurants, ice cream shops, coffee shops, and convenient stores that sell specialty beverages and snacks, and other boba tea branded location, including Gong Cha, The Alleys, and KungFu Tea.

Laws and Regulations

Our franchisees are subject to the following types of laws and regulations specific to the industry in which the Franchised Business operates in addition to laws applicable to business generally in your state: food service, health and sanitation laws and regulations. Your Franchised Business will also be subject to federal regulation from the Food and Drug Administration. In addition, general laws affecting the operation of any business, such as laws and ordinances regarding business permits, business licensing, and construction will affect you. Check with a lawyer to learn about specific laws applicable to your business in your location.

Our Prior Experience

Since 2018 Parent licenses Daboba Locations in Malaysia, Cambodia, and Brunei and currently has 34 of Daboba Locations there. We started offering franchises for the Franchises Business as of the date of this FDD. Previously, Parent sold licenses to operate Daboba Locations under the Licensed Marks and our System to several businesses within the U.S. Parent began licensing these locations in 2020 and ceased doing so in the fall of 2022. At this time we are in the process of converting these locations to franchised Daboba Locations with us.

Your Owner's Obligations

If you are an entity, all Owners must sign an Owner's Guaranty in the form attached to the Franchise Agreement. In addition, all Owners must sign the Owner's Acknowledgement in the Franchise Agreement agreeing to accept and be bound by their separate rights and obligations in the Franchise Agreement.

Item 2

BUSINESS EXPERIENCE

Director: Jun Meng Choong

Mr. Choong has been one of our Directors since our inception in January, 2023. He has also been the Group Director and co-CEO for the Double O Holding Group since January 2021, and with our parent since October 2018. He currently works out of Shah Alam, Selangor, Malaysia.

Director and Owner: Ee Lin Choong

Ms. Choong has been one of our Directors since our inception in January, 2023. She has also been the Group Director and co-CEO for the Double O Holding Group since January 2021, and with our parent since October 2018. She works out of Shah Alam, Selangor, Malaysia.

Chief Executive Officer: Jim Truong

Mr. Truong has been our CEO since our inception in January, 2023. He has also been the CEO of OSE, in San Francisco, California, since April, 2019. Before that, he was the CEO of Mochanin LLC, in San Jose, California, from July, 2003 through May 2003. He now works out of Temecula, California.

General Manager: Li Sia (Melissa) Chow

Ms. Chow has been our General Manager since our inception in January, 2023. She has also held the titles of Chief Business Officer and Chief Level Officer for the Double O Holding Group since January 2021, and with our parent since October 2018. She currently works out of Shah Alam, Selangor, Malaysia.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

All franchisees pay an initial franchise fee (the “**Initial Franchise Fee**”) of \$48,000. The Initial Franchise Fee includes much of the equipment you will need to open your Franchised Business, such as the boba making machine and syrup machines. Of the Initial Franchise Fee, \$30,000 is payable in advance, at the time you sign an Offer Letter from us to you, and the remaining \$18,000 is paid when you sign the Franchise Agreement. Each portion of the Initial Franchise Fee is non-refundable once paid.

Before you open your business you will also be required to purchase a starting inventory of ingredients, materials, and small equipment (measuring spoons and similar smaller items) from us for \$36,500, but there is other equipment you will have to buy from other suppliers, such as refrigeration and sinks. There is also a \$3,000 POS hardware fee payable to us for the POS hardware.

You also have to pay us a \$5,000 fee for the floorplan design that we will provide for your DABOBA location. We also charge a \$5,000 agreement fee to cover some of the expense involved in preparing the Franchise Agreement.

Before you open your DABOBA location you will have to pass an pre-opening inspection. If you don't, we will charge you \$1,000 for the re-inspection. Also, if you do not open your location by the date for the intended grand opening you will have to pay us \$400 per day until the actual grand opening for the delay in opening.

Because both the equipment and the ingredients that you will be purchasing from us are imported from abroad we need to order them in good time before your scheduled opening. We pay for the warehouse storage for those items. You will be required to pay us a warehouse storage fee of \$600 to off-set our costs for the warehousing.

You must also pay us \$5,000 for the initial training we will provide you, and reimburse us for our expenses in providing that training. Those expenses will include room and board for the trainers, as well as their travel expenses. At this time, it is likely that at least one of the trainers will be flying in from Malaysia, so the expenses will include international airfare.

The fees disclosed in this Item are non-refundable once paid to us.

Item 6

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty ⁽¹⁾	6% of Gross Sales ⁽²⁾	On the Payment Date, the 7 th day of each month. ⁽³⁾	See Note 2 for the Gross Sales definition.
Brand Development Fund Fee ⁽¹⁾	Up to 3% of Gross Sales ⁽²⁾ , currently 1.5% of Gross Sales	On the Payment Date, the 7 th day of each month. ⁽³⁾	See Note 4.
Technology Fee ⁽¹⁾	Currently no fee, intended to off-set technology related cost w incur	On the Payment Date, the 7 th day of each month.	We may charge you a technology fee to off-set our expenses for technology-related costs related to an intranet, franchisee portal, maintenance of our website online hosting, and similar items.
Advertising Cooperative Fee ⁽¹⁾	Currently no fee, up to 2% of Gross Sales	On the Payment Date, the 7 th day of each month. ⁽³⁾	Payable if we establish a local or regional advertising cooperative for your area. See Note 5.
Insufficient Funds Fee ⁽¹⁾	\$250 per occurrence	Upon demand	Payable if there are insufficient funds to make payments for which you submitted a check, or for EFT payments.
Interest ⁽¹⁾	5% per year, or the maximum rate permitted by law.	Upon demand	Payable if you do not pay us fees and other payments on time.
Monthly POS Fee ⁽¹⁾	Currently \$199.97/month	Upon demand	See Note 6.
Audits Fee ⁽¹⁾	Actual expense, including attorney's, audit, and accounting fees	Upon demand	The fee is payable if an investigation or audit reveals that you underreported your Gross Sales by 2% or more. If an investigation or audit reveals that there was any underreporting of Gross Sales you will also have to pay the fees owed.
Mystery Shopper Fee ⁽¹⁾	Reasonable fee to off-set our expense for mystery shopping	Upon demand	

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	your Franchised Business.		
Insurance ⁽¹⁾	As incurred	Upon demand	Payable if you fail to obtain the insurance required by the Franchise Agreement and we buy it on your behalf.
Alternative Supplier or Supplies Review Fee ⁽¹⁾	\$500, or our actual cost, if higher	Upon demand	Payable if you want use a different supplier than our approved supplier, or if you want to use a different product or service than those we have approved.
Liquidated Damages ⁽¹⁾	The monthly, ongoing fees for the 12 months immediately before termination, or if you have not operated for 12 months, 12 month projection of the fees, based on your period of operation.	Upon demand	Payable if we terminate the Franchise Agreement, or if you terminate the Franchise Agreement without cause.
Transfer Fee ⁽¹⁾	50% of the then current Initial Franchise Fee.	Upon transfer	Payable when you transfer your franchise, or direct or indirect interest in you (if you are an entity). Transfers must first be approved by us.
New Owner Training Fee ⁽¹⁾	\$5,000, plus our travel expenses.	Upon transfer	Payable when you transfer your franchise to a new owner.
Additional or Remedial Training, On-Site Support ⁽¹⁾	Currently \$800 per day for a minimum of 4 days to repeat initial training; varies for other training and support, but it will be an amount to off-set our reasonable expenses for	Upon request	See Note 7.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	providing the training.		
Franchisee Conference Non-Attendance Fee ⁽¹⁾	Reasonable fee to off-set our expenses for non-attendance	Upon request	If you do not attend a mandatory franchisee conference or meeting we may charge this fee. It may include your pro rata share of the conference venue, reimbursement for meals ordered for you, and similar expenses.
Successor Agreement Fee ⁽¹⁾	\$15,000	Upon execution of the Successor Franchise Agreement	Payable at the time you and we enter into a new franchise agreement at the end of the term of your Franchise Agreement. You must satisfy the conditions listed in the Franchise Agreement for us to agree to enter into a successor agreement with you.
Indemnification ⁽¹⁾	As incurred.	Upon demand	You and your owners must indemnify, defend and hold harmless, us and our directors, officers, employees, agents, successors and/or assignees for and against all claims, proceedings, costs and damages arising out of the operation of the DABOBA Location, your breach of the Franchise Agreement including any breach of agreement which may be entered between you and any other persons in connection with the operation of your business, any tax liability and all injuries caused to any person, damage to property and all insurance matters.
Relocation Fee ⁽¹⁾	50% of then current Initial Franchise Fee	Upon demand	Payable if you relocate your DABOBA Location. Relocation requires our prior, written consent.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Attorney's Fees and Expenses ⁽¹⁾	As incurred	Upon demand	If you do not comply with the Franchise Agreement and we incur legal fees and costs to enforce our rights, we have the right to charge those fees and costs to you.

Notes:

(1) These payments are uniform and are not refundable. None of these fees are imposed or collected on behalf of a third party, except for the Advisory Franchisee Committee which will be set and may be collected by the Advisory Franchisee Committee.

(2) "Gross Sales" means all sales and sums invoiced by the Franchisee whether or not received, and all cash and credit transactions including the value of all goods and services sold or rendered in the relevant trading period whether or not invoiced, including the redemption of gift card value and all other income of every nature and kind received in or about the conduct of the Franchisee using the trade name "DABOBA" and regardless of the collection or loss of profits, but shall not include service tax, sales tax, goods and services tax or any other form of consumption tax, foreign tax, customer refunds, discounts given by the Franchisee as part of the promotion approved by the Franchisor in writing (or such other levy imposed from time to time by the tax authority) which are or are to be transmitted to the Appropriate Authority. The revenue from the sale and reloads of gift cards shall not be included in Gross Sales at the time of sale or reload, but will be included at the time the value of the gift card is redeemed by customers.

If you don't report your Gross Sales to us in a timely fashion, we will estimate what your Gross Sales to determine your estimated Gross Sales. We will base your Royalty payment and other payments that are calculated based on your Gross Sales off the estimated Gross Sales, though you will have 14 days from the date we estimate the Gross Sales to submit the report necessary for you and us to reconcile any difference in amount.

(3) These fees are payable on the "Payment Date," which currently is the 7th day of each calendar month. During the term of your Franchise Agreement we may change the Payment Date and we may also change the frequency of payments. For example, we could change the payment frequency from monthly to weekly.

(4) You have to contribute to the Brand Development Fund, which is used to promote DABOBA Outlets and otherwise develop and maintain the DABOBA brand. The Brand Development Fund may be used to meet any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use within the DABOBA System, including, without

limitation, costs associated with developing, preparing, directing, administering, maintaining, and disseminating advertising, marketing, promotional, and public relations materials; conducting marketing research and new product development; in-store promotions, point-of-sale advertising, menu and menu boards and other sales aids; maintaining a national sales and marketing staff and related expenses or hiring outside agencies; development, maintenance and updates to the online presence of the DABOBA brand; joint promotional programs for all our brands; and preparing, producing, broadcasting, and disseminating advertising and promotions, including, without limitation, radio, television, newspaper, magazine and Internet advertising, market surveys, public relations activities, and employment of advertising agencies. The franchisees that were previously licensees of our parent company may not be contributing to the Brand Development Fund at the same rate as you will contribute. The Brand Development Fund Fee is currently 1.5% of your Gross Sales, and payable monthly on the Payment Date. We may increase or decrease the Brand Development Fund Fee on 30 days' notice to you. In addition to the Brand Development Fund Fee we may also charge you a separate fee on a project basis for marketing and advertising materials, and other marketing and advertising projects.

- (5) We have the right to establish local and regional advertising cooperatives, but have not done so at this time. If we set up cooperatives we expect that DABOBA Outlets that we own will also participate. Those locations would be treated as other cooperative members and have the same voting rights.
- (6) A Point of Sales System fee will be charged to pay for the POS system you are required to use. The fee is currently \$199.97/month, but we may increase it to cover our expenses for providing the POS system to you. This will not be your only expense for the POS system. You may have to pay for updates and upgrades and you must provide the infrastructure (such as network connectivity) for the POS system to work. You may also need to maintain additional payment systems as part of the DABOBA System.
- (7) If we provide you with additional training and support we will charge you a fee. For example, if you request additional training or support we will charge you a reasonable fee. We may also develop optional and mandatory training courses that we make available to/require you to take. The fees for those types of training sessions will be reasonable, generally set so to off-set our expenses in providing the training. If you hire a new general manager, or if inspections and audits of your DABOBA Outlet show a need for remedial training, we will also require that you or your general manager participate in a repeat of all or part of the initial training. We currently charge \$800 per day for that training and require a minimum of 4 days of training. You will also be responsible for travel expenses and room and board for all your training participants. You will also have to pay the salary for your general manager.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ⁽¹⁾	\$48,000	Wire transfer	\$30,000 when you sign the Offer Letter, and \$18,000 when you sign the Franchise Agreement	Us
Training Expenses ⁽²⁾	\$15,000 - \$20,000	As arranged	As arranged	Us, hotels, airlines, restaurants, rental car
Real Property, whether purchased or leased ⁽³⁾	See Note 3	See Note 3	See Note 3	Landlord
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs, whether purchased or leased ⁽⁴⁾	\$100,000 - \$320,000	As arranged	As arranged	Us, contractors, vendors
POS Hardware	\$3,000	As arranged	As arranged	Vendor
Opening Inventory, including small equipment items ⁽⁵⁾	\$36,500	Wire transfer	Before opening	TopSun Logistics
Security Deposits, utility deposits, business licenses and pre-paid expenses ⁽⁶⁾	\$1,500 - \$10,000	As arranged	As arranged	
Opening advertising ⁽⁷⁾	\$2,000 - \$3,000	As arranged	As arranged	

Column 1	Column 2	Column 3	Column 4	Column 5
Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Insurance ⁽⁸⁾	\$1,500 - \$2,500	As arranged	As arranged	Third Party
Additional Funds ⁽⁹⁾ – 3 months	\$10,000 - \$60,000	As arranged	As arranged	
Total	\$217,500 - \$503,000			

Notes:

This is our best estimate on the costs you will incur to develop and open a franchised business based on our experience. The factors that underlie this estimate can vary considerably depending on a number of variables, and the mutual investment you may make may be lesser or greater than the estimates given. Whether the different required payments are refundable and when they may be refundable will depend on your agreement with the party the payment is made to. Neither we, nor any of our affiliates offer any financing of your initial investment.

Notes:

- (1) The initial franchise fee is paid in two installments. The first is paid when you sign the Offer Letter. The balance of the initial franchise fee is paid when you sign the Franchise Agreement. Each installment of the initial franchise fee is non-refundable once paid.
- (2) We will provide training at your location or virtually. We charge a \$5,000 training fee for the initial training. You will also be responsible for our expenses (including international airfare) for our trainers, and for the expenses incurred by your training participants, such as travel, room and board, and any salary or other compensation and benefits you pay them during participating in the training.
- (3) You will need approximately 1,000 to 1,200 square feet for the franchised unit. The cost per square foot of commercial space varies considerably depending upon the location and market conditions affecting commercial property. We do not expect that you will purchase the property you will be operating from.
- (4) You must purchase certain items of large equipment, including outside and indoor signage, and all items and services required for the buildout, from behind the wall (plumbing, electric, and similar), refrigerators, other food preparation equipment, finishes, lighting, customer seating. The amount you will spend on equipment and furnishings for your Daboba Location will vary significantly depending on your choices. Franchisees have significant leeway in deciding on the buildout. You will need to install

wiring to specifications, flooring, and decor items which comply with our specifications. While we have minimum standards, you may choose more expensive materials and buildout options. The existing condition of the location chosen will also impact this cost. For example, if the location was previously operated as a boba shop or similar business, you may be able to reduce your cost. Your choice between standard and upscale or custom building materials will also significantly impact the expense. The estimate is for a 1,000 to a 1,200 square foot Daboba Location. If your location is larger, your costs will go up.

- (5) You will be required to purchase an opening inventory of ingredients, product packaging, and similar consumables, as well as small equipment items, such as measuring spoons and containers prior to opening the franchised unit for business.
- (6) You will need to acquire all the necessary permits, bonds, utilities, merchant accounts and licenses that are required to operate the Franchised Business legally and proficiently, and pay any security deposits that may be required.
- (7) Before and in connection with opening your Franchised Business you must conduct opening advertising, such as setting up your social media accounts, Yelp and use a professional service to help optimize it.
- (8) You will be required to purchase the specified insurance coverage for your Franchised Business before operations begin. The estimate is for 6 months of coverage.
- (9) We estimate that the your initial period of operations will be 3 months. You will need to have on hand sufficient additional capital to cover salaries for employees and to pay lease expenses. The estimate given is the amount of additional funds, in excess of revenues, we estimate you will need to cover these expenses during this initial period. This estimate is based on the experience of our management in operating restaurants.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers and Specifications: Except as listed below, neither we, nor any of our affiliates, currently require you to purchase or lease any goods, services, supplies, FF&E, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating the franchised business either from us, our designees, or suppliers approved by us, or under our specifications.

We require you to purchase various proprietary products, such as flavor syrups, and mixes for beverages, as well as most beverage and food products you will be using, and gift cards, only from our approved suppliers. We and our affiliates may be an approved supplier, and may be the only approved supplier for some products. Currently, you have to buy tea leaves, powders, and other ingredients only from our affiliate TopSun Logistics which is owned by our CEO, Jim Truong. Other than TopSun Logistics, none of our officers own an interest in any other approved supplier.

We also have specifications for signage, furniture, fixtures and equipment you need to buy before opening your Franchised Business, as well as supplies used in the operation of the Franchised Business, but currently you can buy those types of items and products from any vendor, as long as they meet our specifications.

We estimate that 20-40% of your initial purchases and 20-25% of your ongoing purchases of products and services will be purchases either from us, our affiliates, our designees, suppliers approved by us, or under our specifications.

Alternative Suppliers and Alternative Products or Services: You must obtain our approval to purchase any alternative products or services by submitting a written request to us with all applicable information, specifications or samples we may require. The same applies if you wish to purchase a product or service from an alternative supplier than the supplier we have approved for a product or service. In each case we may charge a fee for the review. Currently, the fee is the higher of \$500 and our actual cost of the testing and research required to evaluate the product or services. The fee is intended to cover our expenses incurred in the review of the alternative product or service, or the alternative supplier. The fee is payable to us at the time you submit the request for approval for the product or service (with any balance due against invoice). Within a reasonable time (our goal is 30 days or less), we will notify you whether the alternative product or service, or supplier, is approved. We do not issue particular specifications and standards to franchisees for approving alternative suppliers, products or services and we do not make such criteria available to franchisees. If we revoke the approval of an alternative supplier, product, or service, you will be notified of the revocation in a manner we deem appropriate. Applications for approval are reviewed on a case by case basis. Currently, we will not allow alternative suppliers or alternative products for the ingredients used to make boba tea and other food products you will sell.

Relationship Between Us and Approved Vendors: In the future, we may negotiate product and service purchase terms with vendors for the benefit of all Daboba Locations, franchised as well as company-owned. We do not currently provide any material benefits to a franchisee based on a franchisee's purchase of any particular or services or use of particular suppliers. As part of those negotiations it is possible that we will receive rebates or other material consideration from the vendor related to required purchases made by our franchisees. We may choose to pass such rebates on to the Brand Development Fund, or directly to you, but are not required to do so.

Since we only started franchising in 2023, we did not receive any rebates from approved vendors based on franchisee purchases made in 2022 and neither we, nor our affiliates had any revenue from required purchases or leases of products or services by franchisees. In 2022 our parent received \$1,262,323 for required purchases of equipment and supplies by its U.S. licensees.

Currently there are no purchasing or distribution cooperatives for the Daboba franchise system.

Item 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in agreement ⁽¹⁾	Disclosure document item
a. Site selection and acquisition/lease	FA §§ 2.2, 2.8, 2.11, 2.12	5, 6, 7 & 11
b. Pre-opening purchases/leases	FA §§ 2.12, 8.7	7 & 8
c. Site development and other pre-opening requirements	FA § 5	6, 7 & 11
d. Initial and ongoing training	FA §§ 5.8, 7.1, 7.2, 15.2.3,	6, 7, 11 & 15
e. Opening	FA § 5.8	7 & 11
f. Fees	FA §§ 1.1, 2.8, 3.2, 4.1, 4.3-4.7, 6.1, 5.2, 5.8, 6.2, 6.8, 8.3, 8.4, 8.5, 8.6, 8.7, 9.7, 12.2, 14.5, 35.2, Schedule 1.	5, 6, 7 & 11
g. Compliance with standards and policies/operating manual	FA §§ 4.6, 8.1, 8.2	8, 11, 14 & 16
h. Trademarks and proprietary information	FA §§ 2.1, 8.2.1, 10	13 & 14
i. Restrictions on products/services offered	FA §§ 8.5, 2.3, 2.4	8 & 16

Obligation	Section in agreement⁽¹⁾	Disclosure document item
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	None	12
l. Ongoing product/service purchases	FA §§ 8.5, 8.6,	8
m. Maintenance, appearance, and remodeling requirements	FA § 5.6	8 & 11
n. Insurance	FA §§ 8.7	6, 7 & 11
o. Advertising	FA § 6	6, 7, 8 & 11
p. Indemnification	FA §§ 11.1.19, 19	6, 17
q. Owner participation/management/staffing	FA §§ 5.8.1, 7.1, 9.1	11 & 15
r. Records and reports	FA §§ 4.2, 8.4	6 & 11
s. Inspections and audits	FA § 8.4	6 & 11
t. Transfer	FA §15	6, 15 & 17
u. Renewal	FA §3.2	6
v. Post-termination obligations	FA §§ 13, 17.1	6, 11, 14 & 17

Obligation	Section in agreement⁽¹⁾	Disclosure document item
w. Non-competition covenants	FA § 17.1	17
x. Dispute Resolution	FA § 35	17
y. Owner's Guaranty/Owner's Acknowledgement	FA Owners' Acknowledgement, Attachment 2 (Guaranty)	1

“FA” means the Franchise Agreement.

Item 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Site Selection Obligations

Before you open your business, we will:

1. Review, and if meeting System standards, approve your site application for the location of your Franchised Business (the “Premises”). The proposed site will have to be in the protected territory that you and we agree to for your Franchised Business. If you have not submitted a site application before we sign the Franchise Agreement you must do so within 180 days of the signing. We have 20 days after we receive all information that we request to approve or disapprove the site. We do not evaluate if the proposed Premises are good or bad from a business perspective, but only review them to make sure that they meet our System standards. If we do not approve your proposed location you can submit a new applications for a different site. (Franchise Agreement §2.11) If you have submitted several sites and we do not approve any of them we may eventually terminate the Franchise Agreement.

2. Review your lease to make sure it contains the required provisions, such as that the term of the lease is as long as the Franchise Agreement term, that the landlord will provide us with notice at the same time as it gives you notice under the lease, and that we can step in and protect our proprietary marks on termination or expiration (for example, the right to step in and take down signage if the location is no longer operated under the Daboba brand). If the provisions are not in the lease itself you can instead sign a lease rider with the landlord (§2.12 and Attachment 3 to the Franchise Agreement). We will not own the premises you operate from and we will not lease the premises to you. It is your obligation to find the site for your Franchised Business, as well as negotiate your lease.

3. Provide the floor plans for your business against a fee and will also provide you with guidelines and specifications for the design, layout, buildout, furnishing and fixtures for your premises. You will have to adapt the floor plans as may be necessary to comply with local requirements and will be required to send us the revised plans for our information. You will also purchase some of the small equipment items directly from us or our designee. (Franchise Agreement §§5.2, 7.2) Before finalized, you will have to submit to us for approval, the final schematic design development documents for the Premises, including showing dimensions of the Premises, the location of exterior signage, and other information we may request. (Franchise Agreement §5.2)

4. Review your plans and specifications for the premises and, at our option, inspect construction of the premises, for the purpose of assuring compliance with System standards. (Franchise Agreement §5.4)

The review we will undertake of your plans and specifications for the Premises is focused on System compliance. We will not review the plans, specifications, or the buildout of the Premises for compliance with local ordinances or business codes. That is your responsibility. It is also your responsibility to obtain all the necessary permits, as well as construction-related insurance.

As described above we will provide you with guidelines and specifications for layout and design, but it is your responsibility, at your own expense, to actually construct, remodel, and decorate your Premises in accordance with those guidelines and specifications.

Other Pre-Opening Obligations

Before you open your business, we will:

1. Provide you (if you are an individual) or your owners (if you are an entity) and your general manager (if any) with those required training courses, programs and materials as we deem appropriate. The training will be conducted at the locations and times as we may designate and may be conducted virtually. (Franchise Agreement §7.1)
2. Provide you with guidelines and specifications for the design, layout plans, buildout, renovation, furnishing, fixtures, fittings and equipment for the Premises (Franchise Agreement §7.2) Though we provide you with guidelines and specifications, as well as sell you, directly or through a designee, some of the opening inventory and equipment items you will need, it is your obligation to

acquire the necessary equipment, signs, fixtures, opening inventory and supplies, and install those items that need installation.

3. Provide you via our website or otherwise with a copy of our Operations Manual. (Franchise Agreement §8.1)
4. Provide a list of standards for equipment, uniforms, computer systems, point of sale software, supplies, ingredients and other items which you must use in your Franchised Business. (Franchise Agreement §§5.7, 8.5)

Other than the training described above for your general manager, we are not involved in training any of your employees. We are also not involved in hiring your employees.

Opening of Your Business

Franchisees will typically open their Franchised Business 6 to 8 months after they sign a Franchise Agreement. The factors that may affect this time for you are your ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures or signs. You cannot open your Franchised Business without a signed Franchise Agreement and until we provide you with our written notice of approval to open. You are required to open within 180 days of signing your Franchise Agreement. (Franchise Agreement, §5.3)

Obligations During Operation of the Franchise

During the operation of the Franchised Business, we will:

1. Provide a list of standards for equipment, uniforms, computer systems, point of sale software, supplies, ingredients and other items which you must use in your Franchised Business. (Franchise Agreement §§5.7, 8.5)
2. As we deem appropriate, make available to you additional and optional or mandatory training courses, programs and materials, with training to be conducted at locations and times designated by us and at fees we establish. (Franchise Agreement §§7.1, 7.2). Training may cover new products and services, implantation of marketing and advertising programs, and standard operating procedures relating to management, finance, bookkeeping, and other aspects of the operation of a Franchised Business. Aside from such training, employment matters are your responsibility and you are solely responsible for the hiring, training supervision, disciplining, and termination of employees. Though we will strive to provide you with reasonable assistance with respect to your operations, ultimately you are responsible for resolving operational issues.
4. Make available to you throughout the term of your Franchise Agreement sales, marketing and technical assistance, and consultation and advice on operating procedures, that we may deem necessary or desirable in the exercise of our business judgment. (Franchise Agreement §7.2)
5. Make available to you improvements and changes in products that you will offer to your customers and the operation of the Franchised Business. (Franchise Agreement §8.2)

6. At our discretion, conduct mystery shopping services or inspections of your business. (Franchise Agreement §8.4)

You will be responsible for setting your own product prices, though we may from time to time recommend prices (to the extent permitted by law).

We will provide you with consultation and advice as we deem appropriate in connection with the operation of the Franchised Business. This will include on-site visits and consultant advice. The advice will include both initial and ongoing training, assistance and training when new products are introduced, assistance with marketing and advertising, and general training on operating procedures related to the Franchised Business, such as management and bookkeeping. (Franchise Agreement, §§ 7.1, 7.2)

Even though we may provide you with some assistance and you will have to comply with the mandatory System standards that we set, the Franchised Business is your business venture and you will be responsible for the day-to-day operation of your business. This means that you are responsible for making sure you have enough inventory on hand; marketing the business; setting your prices; hiring, disciplining, and when required, firing your employees; handling operating problems when they arise, and setting up administrative, accounting, and inventory control procedures.

Advertising Program

We will develop a marketing program that is intended to maximize the recognition, goodwill, and gaining of market share under the Daboba brand name. All, or part of our marketing program may be developed and conducted through the Brand Development Fund described below. The marketing program may include activities such as membership and loyalty programs, gift card programs, development of customer incentives such as complimentary gifts, cashback incentives, discounts, campaigns, creative productions, partnerships, and marketing and advertising through various channels, including online and through social media. Currently, we expect to primarily be using an in-house marketing team to develop the marketing materials and strategy, but we may hire outside agencies to assist as well. (Franchise Agreement, see §§6.3 6.4)

You are also encouraged to conduct your own marketing in your area. Any marketing materials you use will have to be approved by us first. (Franchise Agreement, see §6.6)

Advertising Fund

We have started a Brand Development Fund (the “**Brand Development Fund**”). You must participate in the Brand Development Fund. We plan to have all franchisees in the U.S. will contribute to the Brand Development Fund, and if we or our affiliates open Daboba locations within the U.S. we and/or our affiliates may also contribute. We and our affiliates may or may not contribute at the same basis as franchisees do. Currently the Brand Development Fund contribution is 1.5% of your Gross Revenue. We may increase it, but it will not exceed 3% of your Gross Revenue. We have the right to modify the amount of the Brand Development Fund contribution upon 30 days’ notice to you. (Franchise Agreement, see §4.3)

We will administer the Brand Development Fund. The Brand Development Fund is not a trust, but we will account for the Brand Development Fund separately from our other funds and will not use the Brand Development Fund to defray any of our general operating expenses,

except for costs, salaries, travel expenses, administrative costs (including collections cost), overhead and other similar expenses that we incur in activities reasonably related to the administration of the Brand Development Fund. The Brand Development Fund will not be audited, but we will prepare an annual statement of monies collected and costs incurred by the Brand Development Fund and will furnish it to you upon written request. (Franchise Agreement, see §6.1)

We will direct all marketing programs financed by the Brand Development Fund and have sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the marketing programs. We may, for example, use the Brand Development Fund to pay for the cost of preparing and producing video, audio and written advertising materials; administering local, regional, multi-regional and national advertising programs, including purchasing direct mail and other media advertising; employing advertising, public relations and media buying agencies to assist in these activities; supporting PR, market research and other advertising and marketing activities; and constructing and maintaining a website, and social media and mobile marketing accounts used to promote our marketing programs. There is no promise or guarantee that the Brand Development Fund will be spent pro rata in our franchisees' territories. (Franchise Agreement, see §6.1)

As the Brand Development Fund was just established we did not have any Brand Development Funds to spend in 2022.

We have the right to spend more or less than the total annual contributions to the Brand Development Fund in the fiscal year the contributions accrued. If we spend less than the total annual contributions we may cause the surplus to be invested for future use by the Brand Development Fund. Interest earned on any monies contributed to the Brand Development Fund will be used to pay advertising costs of the Brand Development Fund. We are not required to provide you with any accounting on how the surplus was spent, though such spending would be part of the annual statement. (Franchise Agreement, see §6.1)

As the Brand Development Fund has not yet been established we do not spend any percentage of the fund principally to solicit new franchise sales.

Advisory Franchisee Committee

While we haven't done so yet, we have the right to establish an advisory committee for our franchisees (the "Advisory Franchisee Committee"). Any franchisee that is in material compliance with System Standards will be eligible to be a member of the Advisory Franchisee Committee. The number of members of the committee and how they are chosen will be determined by bylaws or other governing documents for the committee that we will create.

Advertising Cooperatives

At this time, we have not established any advertising cooperatives, but we may do so in the future. The purpose of an advertising cooperative is to provide a group through which Daboba Outlets in one location or region market and advertise together. If an advertising cooperative is created for your location or region you will be required to participate. We will give you written notice before a cooperative is set up for the area where your Franchised Business is located. You may be required to contribute up to 2% of your Gross Revenue to the cooperative.

Online Presence

We maintain a website and manage the social media and other online presence of the Daboba brand, but you may, after obtaining our consent, have your own social media accounts for your Franchised Business and we encourage you to have your own social media accounts and supervise Yelp and Google review for your Franchised Business. Any online presence (including social media) that you engage in must follow our guidelines. The guidelines may include requirement both regarding content and format.

Gift Card Program

We have developed a gift card program that you will be required to participate in. When you sell gift cards to customers, that revenue is not included in your “Gross Revenues” that your royalties and Brand Development Fund Fee are based on. Instead, when the gift card holder redeems their gift card, the revenue will be included in your Gross Revenues.

Computer Systems

We currently require you to use a POS system from Linga. The hardware for the POS system is purchased from us before you open your location for \$3,000. It includes items such as 2 iPads, an PIN pad, cash drawer, receipt printer and label printer. This is the hardware that you will need to run the POS system. If you want additional equipment, or upgraded equipment there will be an additional fee for that. We cannot estimate the cost of such additional or upgraded equipment.

You will pay a monthly fee for the Linga POS software. Currently, the monthly fee is \$199.97, but the fee may change during the term of your Franchise Agreement. This includes the Linga Enterprise Plan, which includes the software to operate the POS, food and beverage inventory control, to run our gift card program, and other functionality. You will also need a computer or laptop, but we expect that your home computer will be sufficient.

You will be required to upgrade the POS system when necessary, but the cost for typical upgrades, such as software upgrades, is included in the monthly fee. Upgrades, updates, maintenance and support are all included in the monthly fee to Linga. We and our affiliates are not required to provide ongoing maintenance, repairs, upgrades or updates.

You may be required to update the POS system and your computer system throughout the term of your Franchise Agreement. Technology is developing very quickly and we cannot at this point predict how often updates and upgrades may be necessary, though we intend to try to keep the cost of such changes reasonable. There is no contractual limitation on what the cost may be, or on the frequency of the updates. We expect that the monthly license fee will cover most of your ongoing expenses for the POS system, but cannot at this time estimate what any optional or required maintenance, updating, upgrading or support contracts may cost you.

We will have independent access to all information and data of the POS system, with no contractual limitations. (Franchise Agreement, see §8.3)

Operations Manual

The table of contents of our Operations Manual is attached as **Exhibit F**. The manual has 311 pages.

Training Program

We will determine where the initial training will be held, but intend to primarily provide it to you in your store and virtually. We will train your owners and also your general manager, if you have a general manager for your Franchised Business. The initial training will take place before the opening of your Franchised Business. The training must be completed to Franchisor's satisfaction by all persons participating in the training before your Franchised Business opens. (Franchise Agreement, see §7.1) Currently, the initial training typically takes 10 days to complete, but if we determine that you already have relevant experience it may be shorter. The first 3 days are owner/managerial training, followed by 5 days of train-the-trainer programming to help you learn what you need to train your employees on. The last two days are training in conjunction with the opening. As of the issuance date, the initial training consists of the following segments:

TRAINING PROGRAM

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Managerial training – inventory introduction; equipment introduction and setup, menu introduction; recipe pre-preparation; pre-recipe hands on 1.0; cleaning and sanitation	1.5	6.5	Daboba outlet or virtually
Managerial training – recipe pre-preparation recap; pre-preparation recipe hands on 2.0	1.5	6.5	Daboba outlet or virtually
Managerial training - pre-preparation recipe hands on 3.0; equipment cleaning and maintenance; store management and flow	1.5	6.5	Daboba outlet or virtually
Train the trainer - inventory introduction; equipment introduction and setup, menu introduction; recipe pre-preparation; pre-recipe hands on 1.0; cleaning and sanitation	1.5	6.5	Daboba outlet or virtually

Column 1	Column 2	Column 3	Column 4
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Train the trainer – recipe pre-preparation recap; pre-preparation recipe hands on 2.0	1.5	6.5	Daboba outlet or virtually
Train the trainer - pre-preparation recipe hands on 3.0; equipment cleaning and maintenance	1.5	6.5	Daboba outlet or virtually
Train the trainer – staffing and positioning; pre-prepare ingredient making; pre-prepare product evaluation; final menu making; final product evaluation	1.5	6.5	Daboba outlet or virtually
Train the trainer – staffing and positioning; pre-prepare ingredient making; pre-prepare product evaluation; final menu making; final product evaluation; equipment cleaning and maintenance	1.5	6.5	Daboba outlet or virtually
Soft opening training	0	8	Your location
Grand opening training	0	8	Your location
Total	12	67	

We will organize training throughout the year as needed to enable you to complete training before opening. The lead instructor of the training team, Jason Choo Wai Hoong, has over 8 years of experience in food operations and restaurant management. The rest of the team has between 3 and 8 years of experience relevant to the training they provide. We will use our operations manual as part of the training, and will supplement that with additional training materials we may develop.

We charge a training fee of \$5,000 for the initial training, as well as reimbursement for our expenses (including international airfare). This includes training for your owners and your general manager. You will be responsible for all expenses incurred by you and you training participants, including travel and accommodation. (Franchise Agreement, see §7.1)

During the term of the Franchise Agreement we have the right to require you to participate in additional training that may be necessary to improve and develop the Franchised Business, as well as remedial training necessary to ensure that your Franchised Business complies with System Standards. We may also from time to time offer optional training programs. You will be required to pay the expenses of attending such additional training, including room and board and travel. (Franchise Agreement, see §7.1)

Item 12

TERRITORY

Protected Area: You will operate your Franchised Business out of a specific location that must be approved by us. We will grant you a protected area for your Franchised Business (“**Protected Area**”). The Protected Area is typically defined by a radius from your store’s location. The exact radius will depend upon the population density of the location and negotiations with us. The size of the Protected Area will remain the same throughout the term of your Franchise Agreement and there are no minimum sales volume, market penetration, or other contingency or conditions that affect its size. The Protected Area excludes certain types of locations (“**Non-Traditional Venues**”) even if they are located within the Protected Area. Non-Traditional Venues are non-food service businesses that we believe draw their customers from a different pool than you will do. Examples of Non-Traditional Venues are airports, government facilities, colleges, and hospitals, enclosed shopping centers/malls, amusement and theme parks, sport stadiums and arenas, colleges, and military bases.

Your Rights in the Protected Area: There are certain limitations to your Protected Area rights and your rights are not exclusive. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. For example, at this time we will not restrict you or other franchisees from delivering Daboba products or catering outside of your respective Protected Areas. Instead, we only require that the food quality of delivery and catering orders meet System standards. Generally, we will not open our own Daboba Locations, or license our affiliates or any other franchisees to operate Franchised Businesses in your Protected Area. But, this protection excludes Franchised Businesses in Non-Traditional Venues, and we and other Daboba franchisees have the right to market and advertise in your Protected Area and to sell products and services to customers in the Protected Area. Also, we and our affiliates may use other channels of distribution (such as wholesale, sales through grocery stores, other retail stores, Internet, catalog sales, telemarketing, other direct marketing sales, and at temporary locations and events) to distribute Daboba products in your Protected Area, and if we develop another brand, restaurants and units of that brand may operate in your Protected Area or distribute products or services in your Protected Areas. Neither we, nor our affiliates or other franchisees owe you any compensation for such sales in your Protected Area, but you also do not owe us or other franchisees any compensation if you service customers outside of your Protected Area.

Though we currently have no plans to do so, we reserve the right to market, sell, and license others to market and sell, similar products and services to those offered by your Franchised Business in your Protected Area, as long as they are offered under a different trademark.

Delivery and Offsite Sales: Currently, you may offer delivery and catering in your Protected Area and beyond, as long as you can maintain the food quality required by the Daboba System. You must conduct all delivery and catering activities in accordance with the procedures that we specify in the Manual or otherwise in writing. All revenue from delivery and catering orders is part of your Gross Revenue. In the future, we may restrict your right to offer delivery and catering to a smaller territory. That territory may be your Protected Area, or it may be more limited. Since your Protected Area may overlap with protected areas of other franchisees we have the right to adjust the territory in which you can offer delivery and catering

services so that the territories serviced by different franchisees do not overlap. We may modify the standards and rules for delivery services from time to time.

We may also enter into agreements with third-party delivery providers, such as Uber, Grubhub, or DoorDash, and may require you to participate in those delivery programs. You may not enter into any agreements with third-party delivery providers without our express, written consent.

You may also be approved by us to offer other offsite sales at specific locations in your Protected Area, for example at events, or in more or less permanent satellite locations. Any such offsite sales must follow our then current standards and rules for such services. There is no guarantee that the same location will be approved on a continued basis.

Relocation, No Right of First Refusal, and How to Obtain Right to Open Additional Locations: You are not allowed to relocate your Franchised Business, or open any additional locations in the Protected Area without first obtaining our written consent, which we may withhold at our discretion. Given the cost we will incur in connection with approving and supporting a relocation, if your relocation is approved, we will charge you a relocation fee of 50% of the then current Initial Franchise Fee, for the relocation. The Franchise Agreement you sign with us is for one Franchised Business only, operated out of the approved locations. It doesn't grant you any right of first refusal. If you want to open more than one location you must apply to us for a franchise agreement for the additional location(s). We will evaluate your application the same as we evaluate all franchise application at that time.

Item 13

TRADEMARKS

We grant you the non-exclusive right to operate the Franchised Business under the following principal trademarks, service marks, names, logos and commercial symbols which our parent BOBA TEA SDN BHD owns. Our parent BOBA TEA SDN BHD has applied for the following trademark in the United States Patent and Trademark Office: ("USPTO").

Mark	Application Number	Application Date	Principal or Supplemental Register of USPTO
Daboba Let's Chill with Daboba	97640884	October 20, 2022	Principal

We do not have a federal registration for our principal trademark. Therefore our trademark does not have many legal benefits and rights as federally registered trademark. If our right to use the trademark is challenged, you may have you change to an alternative trademark, which may increase your expenses.

We have entered into a trademark license agreement with our parent to allow us to use, and sublicense to you, the above trademark and other trademarks, service marks and intellectual property we use as part of the System. The trademark license agreement was entered into on June 6, 2023 and is for a term of 50 years.

We claim common law rights to our designs, logos and trade dress items including color schemes and appearance, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common-law trade secret and unfair competition, and copyright protection of materials and information you are granted the right to use under the Franchise Agreement.

You must follow our rules when you use these marks. You cannot use a name or mark as part of your corporate names or with modifying words, designs or symbols, except for those which we license you to use. You cannot use any mark in connection with the performance or sale of any unauthorized services or products or in any manner we have not expressly authorized in writing.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administration of any state, or of any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the principal trademark.

We intend to take reasonable steps to preserve and protect our ownership of the marks and their validity. We are not obligated to protect any rights granted to you to use the trademarks or to protect you against claims of infringement or unfair competition regarding the trademarks. Nevertheless, it may be in our best interest to do so.

You must notify us immediately when you learn about an infringement of, or challenge to, your use of the trademarks. We will take the action we think is appropriate. You must cooperate fully in prosecuting, defending, or settling any litigation involving the trademarks, including being named as a party in the action at our request. We will undertake the defense of the litigation and will bear the costs of the litigation, except for the costs of any legal counsel separately retained by you. If we require you to modify a trademark that we have previously required you to use, we will pay for your direct expenses associated with the removal of the old trademark and its replacement.

We do not know of any infringing uses that could materially affect your use of our principal marks. You must modify or discontinue the use of a trademark if we modify or discontinue the use of a trademark as a result of a proceeding or settlement. You also must not directly or indirectly contest our right to our trademarks, trade secrets, or business techniques that are part of our business. You must maintain the confidentiality of the Operations Manual and any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in the manuals.

There are no agreements currently in effect which significantly limit our right to use or license the use of our marks in a manner material to the franchise.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise.

We claim copyrights in the Operations Manual, advertising material and related items used in operating the franchise. We are not obligated to take any action to protect our copyrighted materials, but will respond to this information as we think appropriate.

The Operations Manual and other materials we provide to you contain our confidential and proprietary information. Certain information about the operation of the Franchised Business including the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is derived from information we disclose to you and all that information is of a proprietary and confidential nature and our trade secret (“**Confidential Information**”). You (if you are an individual) and each of your Owners (if you are an entity), officers, directors, members, partners, manager, employees and agents must maintain the absolute confidentiality of all Confidential Information both during the term of your Franchise Agreement and after its termination or expiration and may use that Confidential Information only to the extent necessary to operate the Franchised Business. You cannot disclose that Confidential Information for any reason, except to your Owners, officers, directors, members, partners, managers, employees and agents only to the extent necessary for the operation of the Franchised Business. You must sign, and shall cause all persons receiving the Confidential Information to sign, the Confidentiality Agreement attached as **Exhibit J**. You cannot use any Confidential Information in any other business or in any other manner or obtain any benefit from it not specifically approved in writing by us during the term of your Franchise Agreement or afterwards. You may not use our Confidential Information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to others. You must promptly tell us when you learn about unauthorized use of our confidential and proprietary information.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must personally participate in the direct operation of the business. Further you must provide direct on premises supervision using a general manager. It is your decision whether you will supervise the Franchised Business yourself, or if you will use a general manager. All general managers must complete the initial training program to our satisfaction. Other than requiring that the general manager passes the initial training, we don't limit who can be a general manager. For example, we don't require that the general manager hold an equity interest in the franchisee. Any general manager you hire will be required to enter into agreements to maintain trade secrets and a covenant not to compete.

We require that you sign a guarantee of the franchisee's obligations under the Franchise Agreement and may require your spouse to co-sign the guarantee.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved (see Item 8). You must offer all goods and services that we designate as required for all

franchisees. These include the Daboba products and other drink products. All products must be prepared and offered consistent with the requirements set forth in the Operations Manual or otherwise by us. All products must be offered only at retail. No wholesale of products is permitted by the Franchised Business

We have the right to add additional goods or services that you are required to offer. There are no limits on our right to do so.

Item 17

**RENEWAL, TERMINATION, TRANSFER,
AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Franchise Agreement

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§3.1, Schedule 1	The initial term is 5 years.
b. Renewal or extension of the term	§3.2	One successor agreement for 5 years.
c. Requirements for franchisee to renew or extend	§3.2	You give notice 6-12 months before the initial term expires you are not in default of a material provision and have complied with material provisions during the term you have paid all outstanding amounts to us, our affiliates and third party suppliers; you have renovated your premises; you execute our then current form of franchise agreement; you and each person who signed a guaranty signs a general release; you pay the successor agreement fee; you comply with all other stipulations and conditions we have at the time. You may be asked to sign a contract with materially different terms and conditions than your original franchise agreement.

Provision	Section in franchise or other agreement	Summary
d. Termination by franchisee	Not applicable	
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	§12	We may terminate the agreement if you are in breach of the terms of the agreement.
g. Cause defined – curable defaults	§12.2	We may terminate the agreement if you fail to actively operate your business for 5 consecutive days or lose the right to possession of your premises; you assign the rights under the franchise agreement or charge over the business without complying with the transfer provisions in the franchise agreement; if you don't timely pay us amounts due under the agreement; if you, your officers, directors or employees give us false or misleading information; if you fail to submit reports or other information; if you submit false reports; if you misuse or makes unauthorized use of our proprietary marks (such as trademarks or service marks); if you disclose confidential information; if you don't comply with the provisions of the franchise agreement; if you don't maintain the required insurance; if you default under the agreement 3 times in a 12 month period, even though you cure the defaults; if you expose the public, customers, and employees to safety hazards; if you violate any law; if you sell unauthorized products; or if you fail to comply with the requirements set forth in the agreement.

Provision	Section in franchise or other agreement	Summary
h. Cause defined – non-curable defaults	§12.1	Non-curable defaults include: if you become insolvent; you enter into a liquidation proceeding; you fail to contest a bankruptcy petition or summons for winding up within 2 weeks of service; a receiver is appointed for your business; you enter into an assignment for the benefit of creditors; you do not start operating your Franchised Business within 60 days of the date you and we agreed you would open your Franchised Business.
i. Franchisee’s obligations on termination/non-renewal	§13	You must: pay all amounts due and outstanding; stop operating the Franchised Business and stop holding yourself out as our franchisee; stop using our proprietary marks and confidential information; provide us with an inventory list and estimation of the business turnover; return to us all website and social media accounts; return to us all materials bearing our proprietary marks and the Operations Manual; return any equipment you were leasing or had on loan from us.
j. Assignment of contract by franchisor	§15.1	We have the right to assign the franchise agreement.
k. “Transfer” by franchisee – defined	§15.2	To transfer includes to directly or indirectly sell, assign, merge, convey, encumber, charge or otherwise part with the rights or obligations under the Franchise Agreement, the Franchise Agreement itself, or any of your interest, rights or obligations in the Franchise Agreement, or to suffer or permit such transfer. The term “transfer” also includes the transfer of equity interests by the direct or indirect equity holders in the franchisee.
l. Franchisor approval of transfer by franchisee	§15.2	You must give notice to us of a proposed transfer and we will have the right to approve or reject the transfer.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	§15.2	The buyer or assignee must have satisfactory credit rating; all monetary obligations must be paid in full; the buyer/assignee must sign a new franchise agreement with us; you must execute a general release of us, our officers, directors, and employees; the purchaser/assignee must acquire your essential assets used in the Franchised Business and must assume all your related liabilities; the buyer/assignee must complete the initial training to our satisfaction; the buyer/assignee's owners must sign our owner guaranty; you must pay the transfer fee; and you must first allow us the right of first refusal.
n. Franchisor's right of first refusal to acquire franchisee's business	§16	If you receive a bona fide offer for an interest in the Franchise Agreement, the Franchised Business, or in the equity in the franchisee, then you must offer us the right purchase on the same terms as in the bona fide offer (or the cash equivalent of the offer).
o. Franchisor's option to purchase franchisee's business	§14	On termination or expiration of the franchise agreement we have the right to purchase your business or part or substantially all of the business assets for a price agreed between you and us, or at fair market value if we cannot agree. You must give us give us notice of the offer and at least 30 days to accept or reject the offer. If we decline the offer or fail to respond, then you may sell on the terms of the bona fide offer, assuming we approve the buyer/transferee.
p. Death or disability of franchisee	§15.2	The regular transfer provision applies in the event of the death of a franchisee.

Provision	Section in franchise or other agreement	Summary
q. Non-competition covenants during the term of the franchise	§17	During the term of the Franchise Agreement you may not be directly or indirectly associate with a Competing Business as an owner, officer, director, employee, consultant, manager or otherwise, though you may maintain up to a 5% passive ownership in a publicly held corporation. A “Competing Business” means any restaurant, café, tea or coffee shop or other business that derives 25% or more of its actual or projected gross revenue from sales of boba tea or similar products offered through DABOBA Outlets.
r. Non-competition covenants after the franchise is terminated or expires	§17	For 2 years after you transfer your ownership in the Franchised Business, or the Franchise Agreement expires or is terminated, you may not be associated directly or indirectly with a Competing Business located in the protected territory of your Franchised Business or any other Daboba Outlet.
s. Modification of the agreement	§30	The Franchise Agreement may only be modified by the mutual consent of you and us documented in a signed writing.
t. Integration/merger clause	§32	The Franchise Agreement and any other documents or agreement executed by you and us at the same time as the Franchise Agreement is signed supersede However, nothing in the Franchise Agreement or any related agreement is intended to disclaim representations we made in the Franchise Disclosure Document furnished to you. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.

Provision	Section in franchise or other agreement	Summary
u. Dispute resolution by arbitration or mediation	§35	In the event of any unsettled claims, disputes, or controversies between you and us, and other matters arising between you and us relating to this Agreement, the dealings or relationship between them, or Franchisee's development or operation of the Franchised Business ("Dispute"), either party has the option of initiating a mediation procedure. The mediation process shall begin but in no event later than 30 days after we stop negotiating, and shall be concluded within 30 days unless we mutually agree otherwise. Mediation will take place in the city where we maintain our principal place of business.
v. Choice of forum	§35	The Franchise Agreement allows for litigation in any court of competent jurisdiction. *Some states' laws may have specific provisions about the choice of forum. See the State Addenda for more information about those state laws.
w. Choice of law	§36	The substantive law of Delaware, without reference to its choice of law provisions apply, except to the extent that the United States Trademark Act of 1946 governs the Franchise Agreement. and * Some states' laws may have specific provisions about the choice of law. See the State Addenda for more information about those state laws.

There are state specific addenda attached as **Exhibits C and E** for the states of California, Hawaii, Illinois, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington. There is also an addendum part of each of Exhibits C and E that apply to multiple states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin. The Michigan Addendum is attached following the state cover page.

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about your future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Melissa Chow at 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007 and +949.662.4128, the Federal Trade Commission, and the appropriate state regulatory agencies.

[Remainder of page intentionally left blank]

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1

**Systemwide Outlet Summary
For Years 2020 to 2022⁽¹⁾**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	5	+5
	2022	5	22	+17
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	0	0	0
	2021	0	5	+5
	2022	5	22	+17

(1) The locations listed are licenses sold by our parent that operate businesses that are substantially similar to those you will operate. We only started franchising as of the date of this franchise disclosure document.

Table 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2020 to 2022**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table 3

**Status of Franchised Outlets
For Years 2020 to 2022⁽¹⁾**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
California	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	3	0	0	0	0	5
Colorado	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Illinois	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Maryland	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Massachusetts	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Texas	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	0
	2022	1	4	0	0	0	0	5
Washington	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Totals	2020	0	0	0	0	0	0	0
	2021	0	5	0	0	0	0	5
	2022	5	17	0	0	0	0	22

(1) The locations listed are licenses sold by our parent that operate businesses that are substantially similar to those you will operate. We only started franchising as of the date of this franchise disclosure document.

Table 4

**Status of Company-Owned Outlets
For Years 2020 to 2022**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

Table 5

Projected Openings As Of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company – Owned Outlets in the Next Fiscal Year
Arizona	1	0	0
Georgia	1	0	0
Maryland	2	0	0
South Carolina	1	0	0
Texas	2	0	0
Total	7	0	0

We only started franchising as of the date of this franchise disclosure document and do not have any franchisees, but our parent has previously licensed Daboba locations substantially similar to the one you will operate. Attached as **Exhibit G** is a list of the names of all of our parent's licensees and their addresses and telephone number of all their outlets as of December 31, 2022.

Attached as **Exhibit H** is a list of the name, city and state and current business telephone number or last known home telephone of every franchisee who, in our most recent full fiscal year end; had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily closed to do business under the Franchise Agreement; or has not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

We only started offering franchises in 2023 and no franchisees have signed any confidentiality clauses with us that would prohibit them from discussing their personal experiences with the franchise system.

Franchise Advisory Council

There is no trademark-specific franchise organization.

Item 21

FINANCIAL STATEMENTS

Our audited opening balance sheet as of July 3, 2023 is included in this disclosure document as **Exhibit I**. Also included in Exhibit I are our audited financial statements of September 7, 2023. Because we were only formed on January 10, 2023, we cannot include the financial statements required of franchisors who have operated for 3 or more years. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

The following agreements are attached to this Franchise Disclosure Document:

- (a) Franchise Agreement - **Exhibit D**
- (b) State specific Amendments to Franchise Agreement - **Exhibit E**
- (c) Confidentiality Agreement **Exhibit J**
- (d) General Release - **Exhibit K**
- (e) Offer Letter – **Exhibit L**

ITEM 23

RECEIPTS

The last 2 pages of this Disclosure Document are receipt pages (**Exhibit O**) . Please date and sign both copies immediately upon receipt. Detach the last page and return to us promptly upon execution. Retain the other copy of the receipt page for your records.

EXHIBIT A
LIST OF STATE ADMINISTRATORS

State Administrators

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

California

Department of Financial Protection and
Innovation
State of California
320 West 4th Street
Suite 750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2744

Illinois

Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

Office of the Attorney General
Securities Division
State of Maryland
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan

Franchise Unit
State of Michigan
Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York

Bureau of Investor Protection and Securities
New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
State of North Dakota
Fifth Floor, Dept. 414
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
(701) 328-4712

Virginia

State Corporation Commission
Division of Securities & Retail Franchising
Commonwealth of Virginia
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Oregon

Department of Consumer and Business
Services
Division of Finance and Corporate
Securities
State of Oregon
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Washington

Department of Financial Institutions
Securities Division
State of Washington
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8738

Rhode Island

Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222-3048

Wisconsin

Division of Securities
Department of Financial Institutions
Wisconsin Commissioner of Securities
P.O. Box 1768
Madison, Wisconsin 53701-1768
(608) 266-8559

South Dakota

Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

**AGENTS AUTHORIZED TO
RECEIVE SERVICE OF PROCESS, BY STATE**

California

Commissioner of Financial Protection and
Innovation
Department of Financial Protection and
Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
State of Hawaii
335 Merchant Street
Room 204
Honolulu, Hawaii 96813

Illinois

Office of Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana

Secretary of State
State of Indiana
201 State House
200 W. Washington St.
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan

Michigan Department of Commerce
Corporation & Securities Bureau
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Franchise Section
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York

Secretary of State
State of New York
41 State Street
Albany, NY 12231

North Dakota

Securities Commissioner
State of North Dakota
5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510

Oregon

Department of Consumer and Business
Services
Division of Finance and Corporate
Securities
State of Oregon
350 Winter Street, N.E., Room 21
Portland, OR 97310

Rhode Island

Director of Business Regulation
Department of Business Regulation
Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Franchise Administration
Division of Securities
Department of Revenue and Regulation
State of South Dakota
118 West Capitol Avenue
Pierre, SD 57501-2000

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Rd., S.W.
Olympia, WA 98501

Wisconsin

Commissioner of Securities
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, WI 53703

**[Add any states where the franchisor is
qualified to do business and has a
registered agent.]**

EXHIBIT C
STATE ADDENDA TO FDD

**MULTI-STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Addendum pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. For franchises sold in such states, this franchise disclosure document is amended by adding the following section at the end of Item 9:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE CALIFORNIA FRANCHISE INVESTMENT LAW**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of a franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of your Franchise Agreement.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Neither the Franchisor nor any person listed in Item 2 of this franchise disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

Section 35.4 of the Franchise Agreement limits the statute of limitations to 1 year from the date the complaining party knew or should have known of facts giving rise to the claim. This provision is void to the extent it is inconsistent with the provisions of Corporations Code 31303-31304. Corporations Code Section 31512 provides that "Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this law or any rule or order is void."

The Department has determined that we, the franchisor, have not demonstrated we adequately capitalize and/or that we must rely on franchise fees to fund our operations. The Commissioner has required us to deposit \$40,000 into our bank accounts and sign an undertaking that we will maintain \$20,000 in our bank accounts during our registration period.

OUR WEBSITE IS WWW.DABOBA.USDABOBA.US. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE HAWAII FRANCHISE INVESTMENT LAW**

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No release language set forth in the Franchise Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

1. Item 17 of the Franchise Disclosure Document is amended by the addition of the following language at the beginning thereof:

“Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE
TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE
AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20.”

2. The provisions of the Illinois Franchise Disclosure Act of 1987 (the “Act”) shall supersede any provisions of the Franchise Agreement or Delaware law which are in conflict with the Act.

3. The provisions of Section 27 of the Act supersede the provisions of Section 35.4 of the Franchise Agreement that set a limitation period of 1 year to the extent that claims are brought under Section 26 of the Act.

4. Nothing in Section 36 of the Franchise Agreement waives any rights you may have under Section 41 of the Illinois Franchise Disclosure Act of 1987.

5. The provisions of Section 4 of the Act supersede Section 35.3 of the Franchise Agreement which provides for venue in a forum outside of Illinois.

On June 20, 2023 the franchisor’s parent, Boba Tea Sch Bhd (“Parent”), entered into an Assurance of Voluntary Compliance (“AVC”) with the State of Illinois. The AVC resulted from Parent self-reporting the sale of two franchises in Illinois without first registering. According to the AVC, Parent agreed to not sell any further franchises in Illinois without first registering, offering rescission to the two franchisees, and pay a fine.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW**

1. Item 17.c (“Requirements for franchisee to renew or extend”) and Item 17.m (“Conditions for franchisor approval of transfer”) of the Franchise Disclosure Document are amended to provide that “The requirement that you provide a general release of all claims against us in order to renew or transfer your franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

2. Item 17.g (“Cause defined – curable defaults”) of the Franchise Disclosure Document is amended to provide that “Termination upon filing of a bankruptcy petition against you or any shareholder may not be enforceable under federal bankruptcy law.”

3. Item 17.v (“Choice of forum”) in the Franchise Disclosure Document is amended to provide that “Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

4. Nothing in the Franchise Disclosure Document or in the Franchise Agreement, is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.

6. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. Item 17.t (“Integration/merger clause”), summary column, is amended by deleting the last sentence and substituting the following:

“However, nothing in the Franchise Agreement or any related agreement is intended to disclaim, or require you to waive reliance on, any representations we made in the Franchise Disclosure Documents or its exhibits that we furnished to you.”

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. The Minnesota cover page is amended to add the following statements:

“THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE LICENSE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.”

2. The following language is added to Item 13 of the Franchise Disclosure Document and Section 10.6 of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

3. Item 17 of the Franchise Disclosure Document and Section 12 of the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.”

4. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

5. Item 17 of the Franchise Disclosure Document is amended to add the following and the following language will appear at the end of Section 35.3 of any Franchise Agreement issued in the State of Minnesota:

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”

6. Minn. Rule 2860.4400J prohibits waiver of a jury trial. Accordingly, Item 17 of the Franchise Disclosure Document and Section 35.3 of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J.”

7. Item 17 of the Franchise Disclosure Document and Section 35.3 of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”

8. These states have statutes which limit the franchisor’s ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor’s ability to restrict your activity after the Franchise Agreement has ended.

9. A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

10. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

11. Section 35.4 of the Franchise Agreement is amended by adding the following:

“Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE NEW YORK FRANCHISE LAW**

1. The cover page of the Franchise Disclosure Document is amended to add the following statement:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

“Neither we, our predecessor, nor a person identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion; misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. Moreover, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunction or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency.

D. Is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.”

3. Item 4 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

“Neither we, our affiliate, our predecessor nor our officers during the 10 year period immediately before the date of the Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.”

4. Item 5 of the Franchise Disclosure Document is amended by adding the following to the subsection entitled “Initial Franchise Fee”:

“The Company will use the Initial Fee to cover its costs associated with fulfilling its obligations under the Franchise Agreement and to cover other overhead costs and expenses.”

5. Item 17 of the Franchise Disclosure Document is amended by deleting the first paragraph and substituting the following:

“THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS. YOU SHOULD READ THESE PROVISIONS IN THESE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.”

6. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (d) entitled “Termination by Franchisee”:

“Franchisee can terminate upon any grounds available by law.”

7. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (w) indicating the choice of law:

“The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the General Business Law of the State of New York.”

8. The following language is added to Item 17 in the Summary section of provision (c), entitled “Requirements for Franchisee to Renew or Extend”, and to Summary section of provision (m), entitled “Conditions for Franchisor Approval of Transfer”:

“However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.”

FRANCHISOR REPRESENTATION

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE LAW

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE RHODE ISLAND FRANCHISE DISCLOSURE ACT**

Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE VIRGINIA RETAIL FRANCHISE ACT**

The following paragraph is added at the end of Item 17:

Virginia has a statute which may supercede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: Virginia [Code 13.1-557 to 574]. Under §13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. If any of the provisions in the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement with regard to any franchises sold in Washington.

2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

3. The State of Washington's policy pursuant to its Administrative Regulations pertaining to releases is as follows:

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

4. Item 17 is amended to add the following:

"These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.*, Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.

A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchisee may not be enforceable under Title 11, United States Code Section 101.

The following states have statutes which restrict or prohibit the imposition of liquidated damage provisions: California [Civil Code Section 1671], Indiana [1C 23-2-2.7-1(10)], Minnesota [Rule 2860.4400J], South Dakota [Civil Law 53-9-5]. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions.”

5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

6. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

7. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

8. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

9. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

EXHIBIT D
FRANCHISEE AGREEMENT, INCLUDING OWNER'S GUARANTY

Dated: _____ 20____

BETWEEN
DABOBA USA, INC.

FRANCHISE AGREEMENT

Table of Contents

1. DEFINITION AND INTERPRETATION.....	1
2. GRANT OF LICENSE.....	10
3. TERM.....	13
4. FRANCHISEE FEE, ROYALTY AND PAYMENT.....	14
5. CONSTRUCTION AND RELOCATION.....	17
6. ADVERTISING AND MARKETING.....	21
7. FRANCHISOR'S OBLIGATIONS.....	23
8. FRANCHISEE'S OBLIGATIONS.....	25
9. COVENANTS BY FRANCHISEE.....	34
10. CONFIDENTIAL INFORMATION AND PROPRIETARY MARKS.....	36
11. REPRESENTATIONS AND WARRANTIES BY FRANCHISEE.....	39
12. DEFAULT AND TERMINATION.....	40
13. PROVISIONS GOVERNING EXPIRATION OR TERMINATION.....	43
14. SALE UPON EXPIRATION OR TERMINATION.....	44
15. TRANSFER AND DISPOSAL OF INTEREST.....	45
16. FRANCHISOR'S RIGHT OF FIRST REFUSAL.....	47
17. NON-COMPETITION.....	47
18. NO PARTNERSHIP OR AGENCY.....	48
19. INDEMNITY.....	49
20. INDEPENDENT INVESTIGATION.....	49
21. FORCE MAJEURE.....	49
22. TAXES.....	50
23. CONTINUOUS OBLIGATION.....	51
24. CONSENT.....	51
25. KNOWLEDGE OR ACQUIESCENCE.....	51
26. INVALIDITY & SEVERABILITY.....	51
27. COUNTERPARTS.....	51
28. NOTICES.....	51
29. BINDING EFFECT.....	52
30. VARIATION.....	52
31. INDEPENDENT LEGAL ADVICE.....	53
32. ENTIRE AGREEMENT.....	53

33.	APPENDICES AND SCHEDULE	53
34.	DECISIONS IN WRITING.....	54
35.	ENFORCEMENT.....	54
36.	GOVERNING LAW.....	56
37.	WAIVER	57
38.	DECLARATION BY PARTIES.....	57
39.	COSTS.....	57

SCHEDULES AND EXHIBITS

- SCHEDULE 1 -Key Terms
- SCHEDULE 2 - Territory
- EXHIBIT 1 – Proprietary Marks
- EXHIBIT 2 - Guaranty
- EXHIBIT 3 - Lease rider
- EXHIBIT 4 – State Law Addendum
- EXHIBIT 5 – License Agreement Addendum

THIS FRANCHISE AGREEMENT is made on the day and year stated in **Item 1 of Schedule I** hereto (the **“Effective Date”**)

BETWEEN

- (1) **DABOBA USA, INC.**, a Delaware corporation, located at 77 Las Tunas Drive, Suite 205, Arcadia, California 91007 (hereinafter referred to as the **“Franchisor”**) of one part;

AND

- (2) _____, a **[state of organization] [form of entity]** located at _____, (hereinafter referred to as **“Franchisee”**) of the other part.

Franchisor and Franchisee shall collectively be referred to as the **“Parties”** and individually as the **“Party”**.

RECITALS

- A. Franchisor and its parent, Boba Tea SDN. BHD. (**“Parent”**) have developed and established, with substantial expenditure of time, effort and money, under the Tradename **DABOBA** (as it may be amended pursuant to this Agreement, hereinafter **“Tradename”**) a business model of outlets specializing in the sale of tea-based beverages and in association with Proprietary Marks (as hereinafter defined), standards, specifications, techniques, identifying schemes and materials, insignia, methods and standard operating procedures.
- B. Franchisee desires to establish, own and operate a DABOBA Outlet (as hereinafter defined) at the Premises (as hereinafter defined) within the Territory (as hereinafter defined), subject to the terms of this Agreement (as hereinafter defined).

IT IS HEREBY AGREED BETWEEN THE PARTIES as follows: -

1. DEFINITION AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words or expressions shall have the following meanings:

“Agreement”	means this franchise agreement including the schedules, supplementary agreements and addendums between Franchisor and Franchisee including any amendments thereto from time to time as may be entered in writing by the Parties. includes:
“Appropriate Authorities”	<ul style="list-style-type: none"> (a) any government in any jurisdiction, whether federal, state, or local; (b) any minister, department officer, commission, delegate, instrumentality, agency, board, committee, statutory authority or body or organization in which any government is interested; (c) any non-government regulatory or supervisory authority; and (d) any provider of public utility services, whether or not government owned or controlled. <p>and the expression “Appropriate Authority” shall refer to any of them.</p>
“Business”	means Franchisor’s comprehensive, distinctive business format, Operations Manual and DABOBA System developed by Franchisor for the sale of tea- based beverages under the Tradename featuring, including but not limited to, the sale of DABOBA Products and DABOBA Services and menu offering DABOBA Products and DABOBA Services.
“Business Day”	means any Monday through Friday, except for any federal holiday.
“Competing Business”	means any restaurant, café, tea or coffee shop or other business that derives 25% or more of its actual or projected gross revenue from sales of boba tea or similar products offered through DABOBA Outlets.
“Confidential Information”	means all technical and non-technical information including patents, copyright, trademarks, trade secret, know-how and proprietary information, recipes, list and composition of ingredients, techniques,

equipment, Operations Manual, DABOBA System, business model, décor and color schemes, uniform standards, specifications and procedures for management and inventory control, training and assistance, advertising and promotional programs, sketches, samples, drawings, materials, methods, processes, pricing methods, proposals, equipment, algorithms, software programs, software source documents, customer lists and databases and formulae related to a recipe or technology, which includes but without limitation to the information concerning research, experimental work, development, design details and specifications, financial information, business forecasts, sales and merchandising and marketing plans in relation to the operational organizational structure, business, business strategy, assets, historical, current and projected financial information, suppliers, contractual counterparties, intellectual property and any industrial, marketing or commercial information in relation to or developed in connection with the Business, and any other information disclosed or acquired from Franchisor and received in confidence by Franchisee.

“DABOBA Outlet”

means the outlet featuring, including but not limited to, the sale of DABOBA Products and menu offering DABOBA Products and/or DABOBA Services, to be established and operated by Franchisee located at the Premises within the Territory in accordance with the terms of this Agreement.

“DABOBA Products”

means beverages, food, related accessories and non-food items manufactured and/or created by Franchisor for distribution and sale in association with Proprietary Marks, as may be modified, added to or deleted from time to time at the discretion of Franchisor.

“DABOBA Services”	means the services provided as part of the Business as set out in the Operations Manual where such services may be added to, modified or deleted from time to time at the discretion of Franchisor.
“DABOBA System”	means the distinctive method of operating and business format developed and implemented by Franchisor for operating DABOBA Outlets, including, but not limited to utilizing and comprising of the Tradename, Trademarks, Proprietary Marks, Confidential Information, standards, specifications, techniques, procedures, for operations, quality control, identifying schemes and materials, training, accounting methods, management methods, marketing methods, maintenance methods and standard operating procedures owned by Franchisor, including such modifications and additions and variations as may from time to time be specified or approved in writing by Franchisor.
“DABOBA System Locations”	Means all DABOBA Outlets in the United States of America.
“Delivery Point”	means Franchisor’s designated location, warehouse, factory, depot of which the Materials, Ingredients and Equipment are made available and ready for collection by Franchisee. Such Delivery Point shall be communicated to Franchisee in writing and may be revised from time to time by Franchisor.
“Equipment”	means all equipment including but not limited to machinery, machine tools, hardware, parts and goods, tools, furnishings, fixtures, kitchenware, utensils used in the conduct of the Business by Franchisee as prescribed by Franchisor.
“Ex-works”	means that Franchisor delivers title when it places the Materials, Ingredients and Equipment at the Delivery Point. Franchisor is not responsible for loading the products nor clearing the Materials, Ingredients and Equipment for export. Franchisee bears all costs and risks

associated with collection and transport.

“Entity”

means any corporation, partnership, sole proprietorship, company, firm, limited liability company, joint venture, trust, business association, organization, joint stock company, unincorporated organization, union, group acting in concert, governmental entity or other legal entity of similar nature thereof.

“Franchisee”

means the license granted by Franchisor to Franchisee on a non-exclusive basis to use the Tradename, Trademarks, Proprietary Marks and to sell DABOBA Products and DABOBA Services within the Territory pursuant to the terms of this Agreement.

“Franchised Business”

means the DABOBA Outlet operated by Franchisee pursuant to the terms of this Agreement.

“Gross Sales”

means all sales and sums invoiced by Franchisee whether or not received, and all cash and credit transactions including the value of all goods and services sold or rendered in the relevant trading period whether or not invoiced, including the redemption of gift card value and all other income of every nature and kind received in or about the conduct of Franchisee using the Tradename “DABOBA” and regardless of the collection or loss of profits, but shall not include service tax, sales tax, goods and services tax or any other form of consumption tax, foreign tax, customer refunds, discounts given by Franchisee as part of the promotion approved by Franchisor in writing (or such other levy imposed from time to time by the tax authority) which are or are to be transmitted to the Appropriate Authority. The revenue from the sale and reloads of gift cards shall not be included in Gross Sales at the time of sale or reload, but will be included at the time the value of the gift card is redeemed by customers.

“Ingredients”

means the ingredients and raw materials used in connection with the Business which may be

added, removed and/or revised from time to time by Franchisor.

“Initial Franchise Fee”

means the non-refundable and non-deductible initial franchise fee payable by Franchisee to Franchisor at a sum and in the manner as set out on **Schedule 1**.

“IP Owner”

means Boba Tea Sdn Bhd or such other entity or entities that owns any or all of the Proprietary Marks.

“Materials”

means the materials and items used in connection with the Business which may be added, removed and/or revised from time to time by Franchisor means the materials and items used in connection with the Business which may be added, removed and/or revised from time to time by Franchisor.

“Non-Traditional Venue”

means any non-food service businesses of any sort within which a DABOBA Outlet is established and operated, including, for example, hotels and resorts (where the DABOBA Outlet is enclosed within the confines of a hotel or resort structure); airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; colleges and other academic facilities; shopping malls; theaters; train stations; toll roads; hospitals; casinos; department stores; supermarkets; gasoline convenience stores; and sporting event arenas and centers.

“Operations Manual”

means, collectively, the Operations Manual and other DABOBA System standards, manuals, and directions (whether in written, machine readable, electronic, or any other form), as they may be modified, amended or supplemented by Franchisor in its sole discretion, setting out the standards, methods, procedures, processes, techniques and specifications of the System.

“Payment Date”

means, as of the Effective Date, the 7th day of

each calendar month during the term of this Agreement. Franchisor may, upon notice to Franchisee, change the Payment Date, including the frequency of payments.

“Premises”

means the premises where the DABOBA Outlet is located or to be located at which Franchisee operates its Franchised Business, details of which are more particularly set forth on Schedule I or such other location as Franchisor may agree in writing.

“Proprietary Marks”

means the patents, Trademarks, Tradenames, logos, registered designs, domain names, designs, symbols, emblems, insignia, fascia, slogans, copyrights, know-how, information, drawings, plans and other identifying materials whether or not registered or capable of registration and all other proprietary rights whatsoever created by, owned by or available to or made available by Franchisor, adopted or designated now or at any time hereafter by Franchisor for the use in connection with the Business.

“Renewal Term”

means the period as set forth on **Schedule I**.

“Royalty Fee”

means six percent (6%) of the Gross Sales payable on or before the Payment Date.

“Social Media”

means any electronic medium, including an interactive computer service, telephone network, or data network, that allows users to create, share, and view user-generated content, including but not limited to videos, still photographs, blogs, video blogs, podcasts, instant messages, electronic mail, or internet web site profiles. Examples of social media include but are not limited to Twitter, Instagram, Facebook, Weibo, Snapchat, Pinterest, Myspace, YouTube, Flickr, LinkedIn, TikTok, Google+, Tumblr and other platforms of similar nature thereof to be determined as a social media platform at the discretion of Franchisor.

“Online Presence”

means the official website for the DABOBA

brand managed by Franchisor or its designee, other websites, social media accounts, mobile applications, or other media or online presence (in any form and in any medium now existing or later developed) including any individual franchisee online presence as permitted or required by Franchisor. Franchisor will determine the content and use of its Online Presence including establishing any rules and guidelines under which Franchisee will participate in such Online Presence, which may be modified by Franchisor from time to time.

“Tax or Taxes”

means all taxes imposed including but not limited to income, profit, withholding, licensing, excess profits, royalty, other taxes, personal property taxes, employment taxes and contributions imposed by the Appropriate Authorities including penalties, interest and fines in respect thereof.

“Term”

means the initial term of the License as specified on **Schedule 1**.

“Territory”

means territory in which Franchisee may operate the Franchised Business as set out under **Schedule 2**.

“Tradename”

DABOBA, or such other name that Franchisor may designate from time to time.

“Trademarks”

means the current and future trademark (including Trademark as described in Schedule 1), service mark, logo, design, trade names and other commercial symbols, together with all distinctive trade dress elements or combination thereof used by Franchisor to identify the source of goods and services offered and sold under the Tradename, as may be amended by Franchisor from time to time.

1.2 Rules of Interpretation

Unless the context otherwise requires:

- (a) any reference to a Section, Schedule or paragraph are to those contained in this Agreement and any reference to a Part of a Schedule are to the part of the Schedule in which the reference appears and all Schedules to this Agreement are an integral part of this Agreement;
- (b) the expression “**this Section**” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Section (not merely the sub-Section, paragraph or other provision) in which the expression occurs;
- (c) the headings to the Section hereof shall not be deemed to be a part thereof or be taken in consideration in the interpretation or construction thereof or of this Agreement;
- (d) words denoting one gender includes all other genders and words denoting the singular include the plural and vice versa;
- (e) operate, and grant to others the right to operate other businesses, including restaurants, under different trademarks and service marks than Proprietary Marks;
- (f) references herein to a party include its permitted assigns and transferees, and its successors-in-title and personal representatives;
- (g) where a word or phrase is given a defined meaning in this Agreement any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning;
- (h) any reference to statutes and other legislation include re-enactments and amendments thereof and include any subordinate legislations made under any such statute;
- (i) appendices and schedules annexed hereto shall be taken as read and construed as an essential part of this Agreement;
- (j) any reference to “**pay**”, or cognate expressions, include payments made in cash or by way of bank drafts or cheques or effected through inter-bank transfers to the account of the payee, giving the payee immediate access to available funds;
- (k) any reference to “**include**”, “**including**”, and “**in particular**” shall be construed as being way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;
- (l) for the purposes of calculating any period of time stipulated herein, or when an act is required to be done within a specified period after or from a

specified date, the period is inclusive of and time begins to run from the date so specified;

- (m) no rule of construction requiring interpretation against the drafting party hereof shall apply in the interpretation of this Agreement; and
- (n) all amounts set forth in this Agreement, unless other expressly specified, are in U.S. dollars.

2. GRANT OF LICENSE

2.1 Subject to the terms and conditions of this Agreement, and to the continuous compliance by Franchisee with the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee the nonexclusive right, and Franchisee undertakes the obligation, to operate a DABOBA Outlet in accordance with Franchisor's standards and specifications, including the operational standards procedures and techniques as prescribed in the Operations Manual, and to use the System (as it may be changed, improved, and further developed by Franchisor) and Proprietary Marks in connection therewith. The franchise granted herein shall be restricted to the operation of a single business outlet in the Territory. Franchisee agrees that it will not make any use, nor will it permit or authorize any use directly or indirectly of the DABOBA System, Tradename, Trademarks and Proprietary Marks, sell and/or offer DABOBA Products and DABOBA Services to any firm or undertaking who intends or may seek to use or resell the DABOBA Products and offer DABOBA Services outside the DABOBA Outlet. Franchisee hereby agrees not to grant any sub-licenses to any third party without the prior written consent of Franchisor, which may be withheld for any reason.

2.2 **Premises.** Franchisee shall operate the DABOBA Outlet at, and only at, the Premises specified on **Schedule 1**. If Franchisee's site application has not been approved at the time of this Agreement, **Schedule 1** shall be automatically amended to list the Premises upon the unconditional approval of the site application by Franchisor. Franchisee agrees that Franchisor and Franchisor's owners and the subsidiaries and Affiliates, and owners of Franchisor, are not restricted from using the System or engaging in or licensing any business activity including DABOBA Outlets or other restaurant at any other location, except as otherwise set forth in this Article 2.

2.3 **Territory.** During the term of this Agreement, Franchisor will not, without Franchisee's consent, and provided Franchisee is in full compliance with the terms and conditions of this Agreement, operate itself or through an Affiliate or grant a license or franchise to, or otherwise authorize, any other person or entity to establish a DABOBA Outlet using the System within Franchisee's Territory as set forth in **Schedule 1**, attached hereto. The Territory excludes Non-Traditional Venues, regardless of the proximity of such Non-Traditional Venues to Franchisee's Premises, or the impact thereof on Franchisee's DABOBA Outlet. If Franchisee is not in compliance with the terms and conditions of this Agreement, Franchisor shall be free to operate, directly or indirectly, or to authorize or license another person or entity to operate additional DABOBA Outlets within the Territory. For the avoidance of doubt, the parties

acknowledge that the territorial rights granted to Franchisee in the Territory do not prohibit other DABOBA franchisees, Franchisor, or Franchisor affiliates from delivering DABOBA Products or fulfilling catering orders in the Territory. Likewise, subject to ensuring that applicable food safety standards and the quality standards of the DABOBA System are met, Franchisee may deliver DABOBA Products and fulfill catering orders outside of the Territory.

2.4 Product and Services Sales. Franchisee may offer and sell DABOBA Products and DABOBA Services only: (a) from the Premises; (b) in accordance with the requirements of this Agreement and the procedures set forth in the Operations Manual; and (c) to retail customers for personal consumption at the Premises or carry-out consumption, and if expressly permitted, for delivery or catering services. Franchisee agrees not to offer or sell DABOBA Products or DABOBA Services through any means other than those provided above, for example, Franchisee agrees not to offer or sell DABOBA Products from satellite locations, temporary locations, carts or kiosks, by use of catalogs, any Online Presence, or through any other digital format or print media, without Franchisor's prior written approval. Franchisee agrees not to sell DABOBA Products to retail establishments for re-sale, without Franchisor's prior written consent.

2.5 Delivery and Catering. As of the Effective Date, delivery and catering activities from the DABOBA Outlet are permitted within and outside of the Territory, provided that Franchisor may, upon notice, restrict delivery and catering to the Territory, and if Franchisee's Territory overlaps with protected areas of other franchisees, that Franchisor may unilaterally adjust the delivery and catering territory for Franchisee to only part of the Territory. Notwithstanding the foregoing, Franchisee may only provide delivery and catering services in such a territory that the DABOBA Products maintain the same high quality as DABOBA Products offered from Franchisee's Premises. Franchisee agrees to conduct all delivery activities in accordance with the procedures that Franchisor may specify in the Operations Manual or otherwise in writing, and the revenue from those orders will be considered to be part of Franchisee's Gross Revenue. Among other things, Franchisee agrees not to engage in catering or delivery services outside of such territory as permitted at the time of the service without Franchisor's prior written consent.

2.6 Third-Party Delivery Services. Franchisee must utilize the third-party delivery services (e.g. Uber Eats, Grubhub, DoorDash) as required by Franchisor and may not contract with any third-party or other delivery service providers without Franchisor's prior written authorization.

2.7 Franchisor's Reserved Rights. Except as otherwise expressly provided in this Agreement, Franchisor and all of its Affiliates (and its and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of its and their rights with respect to Proprietary Marks and the System anywhere in the world, and the right to engage in any business whatsoever, including the right to:

- (a) operate, and grant to others the right to operate DABOBA Outlets outside Franchisee's Territory at such locations and on such terms and conditions as we deem appropriate;
- (b) develop, merchandise, offer, sell, and license others to sell products or services under Proprietary Marks through other channels and methods of distribution including wholesale, retail stores, grocery stores, meal preparation and delivery services, online, directly to national accounts customers, print catalogues, direct marketing media and any other outlets, and Franchisor may promote and sell products bearing Proprietary Marks at special events, athletic contests, through temporary locations and mobile units; and
- (c) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not with DABOBA Outlets) located anywhere or business conducted anywhere. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions.

2.8 No Claims for Changes. With regard to any of the above transactions identified in Section 2.6, Franchisee and its owners expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, Proprietary Marks (or any variation thereof), the System and/or the loss of being identified as a franchisee under this Agreement. If Franchisor assigns its rights in this Agreement, nothing will be deemed to require Franchisor to remain in the restaurant business or to offer or sell any products or services to Franchisee.

2.9 Relocation. Franchisee may relocate the DABOBA Outlet only with Franchisor's prior written consent. Franchisor will grant its consent if Franchisee's lease expires or terminates through no fault of Franchisee, or if the Premises are destroyed or materially damaged by fire, flood, or other natural catastrophe (an "**Innocent Loss or Casualty**") and Franchisee is not in default under this Agreement or any other agreement between Franchisee and Franchisor. The new Location must be open for business at the new location within one hundred eighty (180) days of closing at the previous location. The selection of the new location, its construction, and opening is subject to the same provisions of this Agreement as the site selection, construction, and opening of Franchisee's original location. Franchisee is solely responsible for all relocation costs and expenses and shall pay Franchisor a fee equal to fifty percent (50%) of the then current initial franchise fee to reimburse Franchisor for its reasonable attorneys' fees and other relocation-related costs and expenses.

2.10 Franchisee acknowledges and agrees that it does not have the right to exclude, control or impose conditions on the location or development of the Business under the Tradename, or on any sale or distribution of the DABOBA Products and DABOBA Services including other business activities of Franchisor or any other party licensed to operate the Business using the Tradename, Trademarks and Proprietary Marks.

Franchisor retains the right to operate the Business under the Tradename on its own behalf within the Territory.

2.11 Franchisor reserves the right to amend and/or replace Proprietary Marks, Trademarks and Tradename for any purpose it deems necessary.

2.12 **Selection of DABOBA Outlet.** If Franchisee has not yet submitted a site application for an Premises at the time this Agreement is executed, Franchisee must submit such application and such information as Franchisor may require within one hundred eighty (180) days of the Effective Date for review by Franchisor. Franchisee may not commence construction of the Premises until Franchisor has unconditionally approved the proposed site in writing. Franchisor has twenty (20) days after all required information is received from Franchisee to approve or disapprove any proposed site. Franchisor may approve or disapprove any site in its sole discretion. Franchisee acknowledges that neither Franchisor's review of the proposed site for the Premises nor any assistance that may be provided by Franchisor in the selection or development of the site constitutes a representation, warranty or guaranty by Franchisor regarding the potential financial success of the Premises operated at that site, and Franchisee assumes all business and economic risks associated with the site.

2.13 **Lease Requirements.** Prior to commencing construction of the Premises under this Agreement, Franchisee shall submit to Franchisor with a request for approval, prior to execution by Franchisee, a copy of the lease for the proposed site, which must either append the lease rider attached to this Agreement as **Exhibit 3**, or must not contain any provision that is inconsistent with or interferes with the performance of any provision of this Agreement and which lease must include provisions (i) authorizing Franchisor to enter the premises and make any modifications necessary to protect Proprietary Marks, (ii) granting to Franchisor the right (but not the duty) to assume the lease if Franchisee is in default under its terms and provisions and/or if this Agreement expires or is terminated, (iii) requiring concurrent notice from lessor to Franchisor of any default or termination, and (iv) providing for a term that is at least co-terminous with the Term of this Agreement, which lease, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor. Under no circumstances shall Franchisor have any obligation or liability under such lease. Any review of the lease by Franchisor is solely for the purpose of determining its compliance with this Agreement and is no promise or warranty as to the appropriateness of the lease or any of its terms.

3. **TERM**

3.1 **Initial Term.** Unless sooner terminated or modified as hereinafter provided, the term of this Agreement shall be the term set forth on **Schedule 1** and this Agreement will expire without notice on such date.

3.2 **Successor Agreement.** Franchisee may be granted successor franchise rights for one (1) consecutive renewal term of 5 years if, at the end of the initial term, each of the following conditions has been satisfied:

- (a) Franchisee has notified Franchisor of its intent to renew the franchise at least six (6) months (but no more than twelve (12) months) before the initial term expires;
- (b) Franchisee is not in default of any material provision of this Agreement or any successor franchise agreement (as applicable), and Franchisee has complied with the material terms and conditions of this Agreement or any successor franchise agreement (as applicable) throughout the term;
- (c) All amounts owed to Franchisor and its Affiliates and third party suppliers have been paid;
- (d) The Premises have been renovated and refurbished so that it reflects Franchisor's then-current image, trade dress, equipment, and furnishings standards;
- (e) Franchisee the right to remain in possession of the Premises, or has secured substitute premises that Franchisor has approved;
- (f) Franchisee executes Franchisor's then current form of franchise agreement for successor franchises;
- (g) Franchisee pays a successor agreement fee set forth in **Schedule 1**;
- (h) Franchisee and each person who has guaranteed Franchisee's obligations under this Agreement signs a general release in a form Franchisor prescribes; and
- (i) Franchisee complies with any other stipulations, conditions, or terms further required by Franchisor at the time the successor franchise agreement is entered into.

3.3 Hold-Over. If Franchisee continue to operate the Franchised Business with Franchisor's express or implied consent following the expiration of the term of this Agreement, the continuation will be deemed to be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while Franchisee continues to operate the Franchised Business. This Agreement will then be terminable by either party on 30 days' written notice to the other party, or such longer notice period as required by applicable law. For the avoidance of doubt, this provision does not apply in the case of your continued operation of the DABOBA Outlet after the Agreement has been terminated.

4. FRANCHISEE FEE, ROYALTY AND PAYMENT

4.1 Initial Franchise Fee

In consideration of the grant of the franchise, Franchisee shall pay the Initial Franchise Fee as set forth on **Schedule 1** and Successor Agreement Fee as set forth on **Schedule 1** for any successor franchise agreement. The Initial Franchise Fee and the Successor Agreement Fee shall be non-refundable once paid. The Initial Franchise Fee is due and payable in full at the time this Agreement is executed. However, if Franchisee paid a deposit towards the Initial Franchise Fee before executing this Agreement, only the balance of the Initial Franchise Fee is payable at the time the Agreement is executed.

4.2 **Royalty**

4.2.1 Franchisee shall pay a continuing royalty equivalent to six percent (6%) of the monthly Gross Sales of the DABOBA Outlet to Franchisor on or before the Payment Date.

4.2.2 In addition to any other reporting requirements set forth in this Agreement, Franchisee undertakes and agrees to accurately report the Gross Sales and such other information that Franchisor requires, on a monthly basis. Unless Franchisor specifies otherwise in writing, Franchisee shall deliver the monthly Gross Sales statement to Franchisor on the Payment Date.

4.2.3 If Franchisee neglects and fails to provide a timely report of the Gross Sales or submit the monthly Gross Sales statement to Franchisor, Franchisor shall have the right to estimate the Gross Sales and derive an estimated total Gross Sales, in addition to other remedies which Franchisor may have under this Agreement (“**Estimated Total Gross Sales**”).

4.2.4 Franchisor shall have the right to calculate Royalties and other fees based on Franchisee’s Gross Sales based on the Estimated Total Gross Sales. If Franchisee provides a report of the outstanding Gross Sales within (14) fourteen days following the issuance of the Estimated Total Gross Sales by Franchisor, parties may reconcile any difference between the amount reported by Franchisee and the Estimated Total Gross Sales, failing which, the Estimated Total Gross Sales shall become final and binding on the Parties.

4.3 **Brand Development Fund Fee.** Franchisee agrees to pay a Brand Development Fund Fee contribution to the Brand Development Fund of up to 3% of Franchisee’s Gross Revenues (“**Brand Development Fund Fee**”). In lieu of charging Franchisee a Brand Development Fund Fee, and independent of whether a Brand Development Fund has been established, Franchisor may, at its option, charge Franchisee a fee on a project basis for marketing and advertising materials and projects prepared or undertaken for use by the System. As of the Effective Date, the Brand Development Fund Fee is 1.5% of Franchisee’s Gross Revenues. Franchisor may increase or decrease the Brand Development Fund Fee upon 30 days’ notice to Franchisee, provided that it will not be increased to more than 3% of Franchisee’s Gross Revenues.

4.4 POS Hardware and Technology Fees. Franchisee agrees to pay Franchisor \$3,000 for the POS hardware package to be provided by the Franchisor to Franchisee. In addition, Franchisee agrees to pay such fee as Franchisor may charge from time to time to off-set Franchisor's technology-related expenses incurred in connection with developing, providing, and maintaining technology for use by Franchisee, such as an intranet, franchisee portal, website maintenance, mobile applications, and similar items.

4.5 Warehouse Storage Fee. Franchisee agrees to pay a warehouse storage fee to help offset storage of the storage of Equipment and inventory to be delivered to Franchisee prior to opening.

4.6 Other Fees. Franchisee agrees to pay such other fees that are set forth in other sections of this Agreement or otherwise imposed. Such fees shall be due as set forth in Section 4.7 of this Agreement, unless different payment terms are expressly stated for such fees at the time they are imposed or thereafter.

4.7 Payment of Fees. Unless payments terms to the contrary are expressly stated in this Agreement or otherwise, all payments required by Article 4, and all other payments due to Franchisor on a continuing basis ("**Payments**"), shall be due to Franchisor on the Payment Date. As of the Effective Date, the Payment Date is the 7th day of each calendar month, provided that, Franchisor may, upon notice to Franchisee change the Payment Date, including to collect payments at a different frequency than monthly. All Payments shall be made by electronic funds transfer (EFT), wire transfer, or such other payment method as Franchisor may indicate from time to time. In its sole discretion, Franchisor may collect Payments required by Article 4 by direct debit withdrawal by Franchisor from a designated bank account of Franchisee or by using such other payment technology as is or may become available during the Term. Franchisee will cooperate with Franchisor to set up payment through such methods and channels as may be determined by Franchisor from time to time. If payment is made by direct debit withdrawal, Franchisee must have adequate funds in its account to pay the Payments due. If there are insufficient funds to make Payments for which checks have been submitted to Franchisor, or for EFT payments (including direct debit), Franchisor will charge Franchisee a fee of \$250 per such occurrence to compensate for the additional administrative work required by Franchisor. Franchisee will comply with the procedures specified in the Manual or otherwise communicated by Franchisor for any Payment and will perform the acts and sign the documents, including authorization forms that Franchisor, its bank and Franchisee's bank may require to accomplish such Payments, including authorizations for Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, Franchisee will pay all costs associated with utilizing the payment methods designated by Franchisor. Franchisee acknowledges that nothing contained in this Article 4 shall constitute an agreement by Franchisor to accept such payments after the same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Location. Franchisee acknowledges that Franchisee's failure to pay all such amounts when due shall constitute grounds for termination of this Agreement, as

provided in Article 12 of this Agreement, notwithstanding the provisions of this Article. Such late charges shall be in addition to any other remedies Franchisor may have.

4.8 Interest

4.8.1 If any payment due Franchisor under this Agreement is overdue, Franchisee shall pay to Franchisor immediately upon demand the overdue amount together with a late charge on such amount from the date it was due until paid, at the rate of 5% per month, or the maximum rate permitted by law, whichever is greater.

5. CONSTRUCTION AND RELOCATION

5.1 **Commencement of Construction.** Franchisee shall commence construction of the Premises within sixty (60) days of the date Franchisor approves Franchisee's proposed site. Once commenced, construction work shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure) until it is completed. Except for the occurrence of any events constituting Force Majeure, construction work shall be completed and the Location shall be furnished, equipped, and otherwise be made ready to open in accordance with this Agreement not later than the date specified in Article 5.5. Franchisor shall have the sole right to determine whether the construction work has been completed in accordance with this Agreement, the approved plans, and the Operations Manual.

5.2 Floor Plan Design and Fee, Building Plans.

5.2.1 Franchisor will prepare a draft floor plan and layout for Franchisee's Premises. The draft floor plan will be prepared to comply with DABOBA System standards for Premises, but not reviewed for compliance with local requirements and codes applicable at the Location. Franchisee agrees and undertakes to pay Franchisor a floor-plan design fee in the sum of Five Thousand dollars (\$5,000.00). Franchisee agrees to engage such professionals as may be necessary in Franchisee's location to ensure that the floor plan be modified so to comply with all applicable building and legal requirements, and further agrees to provide Franchisor, for Franchisor's information, with the revised floor plan.

5.2.2 Franchisee will also submit to Franchisor for information purposes, prior to the preparation of the final building plans and specifications, the schematic design development documents for the building prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances, and Franchisor standards, which schematic design development documents, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor.

5.2.3 Franchisee will submit to Franchisor for information purposes, after the schematic design development documents for the building has been approved by Franchisor, final building plans and specifications prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances and Franchisor

standards which plans and specifications, when submitted to Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor.

5.2.4 Upon request, Franchisee will provide to Franchisor satisfactory evidence that all permits, licenses and certifications required for the lawful construction and operation of the proposed Premises, including, without limitation, all applicable building permits, zoning, access, sign and fire requirements, have been obtained.

5.2.5 Upon request, Franchisee will provide to Franchisor insurance certificates satisfying the applicable insurance requirements set forth in of this Agreement that apply to the construction of the Premises and such other information that Franchisor may reasonably request with respect to the construction and remodeling of the Premises.

5.3 Construction Completion. Franchisee shall diligently and continuously prosecute the construction, furnishing, and equipping of the Premises (including its acquisition and installation of all FF&E, signs, supplies, and other items necessary for completion and opening of the Premises) in accordance with the plans previously approved by Franchisor and in accordance with the Operations Manual, but in any event the construction, furnishing, and equipping of the Premises shall be completed within one hundred eighty (180) days of the construction commencement date. Franchisee acknowledges and understands that time is of the essence in the construction and opening of the Premises, and except for the occurrence of any events constituting force majeure, the construction shall be completed and the Premises shall be furnished, equipped, and otherwise be made ready to open for business, and all governmental licenses and permits necessary to operate the Premises under the System shall have been obtained by Franchisee, at the end of such one hundred eighty (180) day period (“**Construction Completion**”).

5.4 Review for System Compliance Only. Franchisor’s exercise of its rights to approve the plans and specifications and to inspect construction of the Premises shall be solely for the purpose of assuring compliance with DABOBA System standards and with the terms and conditions of this Agreement, and Franchisor shall have no liability or obligation to Franchisee or any other person with respect to construction of the Premises.

5.5 Expenses for Development and Construction. Franchisee acknowledges and understands that Franchisee shall bear the entire cost of the development and construction of the Premises, including, without limitation, all costs applicable to design, engineering, and other professional services, contractors, financing, licenses, permits, equipment, furnishings, and supplies.

5.6 Design and Renovations

5.6.1 Franchisee shall bear all on-going operation and maintenance cost of the DABOBA Outlet during the Term and the Renewal Term.

5.6.2 Franchisee is under a continuous obligation to ensure that the DABOBA Outlet is decorated, furnished and equipped with furnishings, fixtures, equipment in accordance with the specifications and standards as may be stipulated by Franchisor in writing from time to time.

5.6.3 Franchisee agrees to undertake the necessary maintenance and/or repair works for the DABOBA Outlet as may be required from time to time and ensure that the DABOBA Outlet is always maintained in good repair and condition.

5.6.4 Franchisee shall not make amendments, revision or alteration to the design plans, layout plans or specifications in connection with the Franchised Business, without the prior written approval of Franchisor.

5.6.5 Franchisee, upon the request of Franchisor, shall make such reasonable alterations and changes to the DABOBA Outlet as may be necessary to keep up with the latest image of the Tradename and the Trademarks.

5.7 Furniture, Fixtures and Equipment

5.7.1 Franchisee shall obtain and use such furniture, fixtures, and equipment (“**FF&E**”) as stipulated by Franchisor from time to time and observe the layout and specification of such FF&E as specified by Franchisor.

5.7.2 Franchisee shall use and install FF&E and other items comprising of specific models and brands as stipulated under the Operations Manual or as may be specified by Franchisor from time to time in writing.

5.7.3 If Franchisee is desirous of using any equipment which have not been approved by Franchisor, Franchisee shall first submit samples of such equipment to Franchisor so that Franchisor may determine if it meets Franchisor’s standards. The cost incurred for testing and evaluation of such equipment shall be at the expense of Franchisee.

5.8 Opening of DABOBA Outlet

5.8.1 The Premises shall be opened for business immediately upon satisfaction of all of the following requirements:

- (a) All FF&E required for the opening of the Premises in accordance with this Agreement and the standards of Franchisor shall have been installed or completed.
- (b) Franchisee’s operating principal and general manager (if any) for the Premises shall each have completed to Franchisor’s satisfaction a training

program approved or conducted by Franchisor, and Franchisee shall have employed qualified personnel sufficient to operate the Premises.

- (c) Franchisee shall have paid all sums due Franchisor and its affiliated companies.
- (d) Franchisee is not in default under this Agreement, or any existing Franchise Agreement or other agreement with Franchisor or any of its Affiliated companies.
- (e) Franchisor shall be satisfied as to Franchisee's compliance with requirements necessary for opening the Premises by such on-site inspection and investigation as Franchisor deems appropriate. If Franchisee fails to pass its initial pre-opening inspection, Franchisor reserves the right to charge and collect a re-inspection fee of one thousand dollars (\$1,000) and expenses for each additional inspection required to approve the Premises for opening. The re-inspection fee and related expenses shall be due and payable within thirty (30) days of receipt of an invoice therefor, or Franchisor may, in its discretion, collect payment thereof by direct debit withdrawal by Franchisor from a bank account designated by Franchisee. Nothing under this Agreement shall in any manner relieve Franchisee of the obligation of complying with the requirements of the approved plans or the terms of this Agreement.

Franchisee may not open the Premises until the above requirements have been satisfied to Franchisor's satisfaction. The System will be applied to all DABOBA Outlets, although Franchisor in its business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions.

5.8.2 Franchisee shall keep Franchisor notified of the date of the grand opening of the DABOBA Outlet at least thirty (30) days prior to the event, by way of a written notice ("**Notice of Confirmation**").

5.8.3 In the event if Franchisee fails to commence operation of the DABOBA Outlet pursuant to the Notice of Confirmation, Franchisee shall pay Franchisor, as compensation for lost royalties and other fees, Four Hundred Dollars (\$400.00) per day from the date of the intended grand opening of the DABOBA Outlet pursuant to the Notice of Confirmation under Section 5.8.2 until the date of the actual grand opening of the DABOBA Outlet, unless such delay was caused by reasons beyond the control of Franchisee such as Force Majeure as defined herein and failure to obtain the requisite approval, consent, permit by the Appropriate Authorities by no fault of Franchisee.

5.9 Relocation

5.9.1 Franchisee shall not carry out the Franchised Business at any other locations other than the Premises without the prior written approval of Franchisor.

5.9.2 If Franchisee is desirous of relocating the DABOBA Outlet to another location, Franchisee shall inform Franchisor as soon as reasonably practicable at the initiation of the proposed relocation. The approval of the relocation shall be subjected to the conditions stipulated by Franchisor at the prevailing time and the written consent of Franchisor, consent of which may be withheld at the discretion of Franchisor.

6. ADVERTISING AND MARKETING

6.1 Franchisor has established a Brand Development Fund (“**Brand Development Fund**”). The Brand Development Fund will be administered by Franchisor, provided that Franchisor may, in its sole discretion, consult with the Advisory Franchisee Council on matters relating to the Brand Development Fund. The Brand Development Fund may be used to meet any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use within the System, including, without limitation, costs associated with developing, preparing, directing, administering, maintaining, and disseminating advertising, marketing, promotional, and public relations materials; conducting marketing research and new product development; in-store promotions, point-of-sale advertising, menu and menu boards and other sales aids; maintaining a national sales and marketing staff and related expenses or hiring outside agencies; development, maintenance and updates to the Online Presence; joint promotional programs for all Franchisor brands; and preparing, producing, broadcasting, and disseminating advertising and promotions, including, without limitation, radio, television, newspaper, magazine and Internet advertising, market surveys, public relations activities, and employment of advertising agencies. Franchisor shall choose and determine the nature, theme, and timing of advertising and the kind and quality of advertising materials to be provided to franchisees through the Brand Development Fund. All payments, plus income earned therefrom, shall be used exclusively for the above-stated purposes, shall be maintained in an account separate from Franchisor funds, and shall not be used to defray any of Franchisor’s general operating expenses, except for reasonable salaries, administrative costs, travel expenses, overhead, and similar expenses Franchisor may incur in activities related to the administration of the Brand Development Fund, including collections, and all costs of development and preparing national, regional, point of sale, and local advertising materials for use within the System. Franchisor shall, for each of its company-owned DABOBA System Locations, make contributions to the Brand Development Fund at the same percentage of Gross Revenues required of Franchisees within the System. Franchisor, or its designee, shall direct all advertising, marketing, and direct sales promotional programs and activities, with sole discretion over the concepts, materials, and media used in such programs and activities and the placement and allocation thereof. Franchisee acknowledges that the intent of the Brand Development Fund shall be to maximize general public recognition, direct sales programs, and acceptance of the Proprietary Marks for the benefit of the System, and Franchisor shall have no obligation in administering the Brand Development Fund, to make expenditures for Franchisee which are equivalent or proportionate to any payments by Franchisee, or to ensure that any particular Franchisee or any particular franchised location benefits directly or pro rata

from advertising or promotion conducted under the Brand Development Fund. The Brand Development Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Brand Development Fund; provided, however, that Franchisor will make a good faith effort to expend such fees in a manner that Franchisor determines is in the general best interests of the System. Franchisor has the right to advance monies to the Brand Development Fund and subsequently obtain reimbursement of such advances out of Brand Development Fund fees collected.

6.2 Once established by Franchisor, Franchisee and all franchisees of the System will be eligible to be members of the Advisory Franchisee Committee for so long as such franchisees remain in material compliance with DABOBA System Standards. As long as this Agreement remains effective, Franchisee shall be eligible to be a member of Advisory Franchisee Committee or such successor franchise advisory council as may be sanctioned by Franchisor to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to DABOBA Outlets. Franchisor will establish bylaws or such other governing document for the Advisory Franchisee Committee as Franchisor deems appropriate, which document will determine how members of the Advisory Franchisee Committee will be chosen.

6.3 Franchisor shall develop such marketing, promotional and advertising materials ("**Marketing Program**") from time to time which are intended to maximize recognition, goodwill, gaining market share under the Tradename and/or Business and to increase patronage of DABOBA outlets including the DABOBA Outlet. Franchisor may, at its option, conduct all or part of the Marketing Program through the Brand Development Fund.

6.4 The advertising and promotional activities to be conducted pursuant to the Marketing Program may include, without limitation to membership and/or loyalty programs, menu promotions, gift cards, complimentary gifts, cashbacks, discounts, campaigns, creative productions, partnerships and marketing and advertising through online portals, or Online Presence managed by Franchisor and Franchisee, and such other means as Franchisor deems advisable.

6.5 Franchisor may establish procedures and regulations related to the Marketing Program and Franchisee agrees to honor and participate in all Marketing Program in accordance with such procedures and regulations specified by Franchisor in writing, unless Franchisee obtains exemption from participation in such Marketing Program through prior written consent of Franchisor.

6.6 Franchisee may on its own accord propose advertising and promotional activities in connection with the Franchised Business and the Marketing Program ("**Franchisee's Marketing Program**"). Franchisee's Marketing Program shall be put forward in writing for Franchisor's consideration. Franchisor reserves the right, in its discretion, to approve, modify or reject Franchisee's Marketing Program. Franchisee shall not introduce and implement Franchisee's Marketing Program without having obtained prior written consent of Franchisor.

6.7 All marketing material disseminated, circulated and/or used for the purposes of the Marketing Program whether created by Franchisee or otherwise, shall belong wholly to Franchisor.

6.8 **Advertising Cooperative.** Franchisor has the right to establish and maintain local and regional advertising cooperatives for geographic areas (each an “**Advertising Cooperative**”). Each Advertising Cooperative will use the funds it receives only for the purposes set forth in this Agreement and shall operate pursuant to policies and procedures Franchisor establishes. All DABOBA System Locations in the geographic area of the Advertising Cooperative will participate in the Advertising Cooperatives on the same basis. Franchisor will provide Franchisee written notice of the establishment of any Advertising Cooperative for the geographic area that the Franchised Business is located in, if and when an Advertising Cooperative for the geographic area is established. Franchisee may be required to contribute up to two percent (2%) of its Gross Revenue to the Advertising Cooperative. Franchisee will make those contributions either to Franchisor or directly to Franchisee’s Advertising Cooperative, as Franchisor direct from time to time.

7. **FRANCHISOR’S OBLIGATIONS**

Provided that Franchisee is not in breach of any provisions under this Agreement, Franchisor agrees and undertakes as follows:

7.1 **Training**

7.1.1 Franchisor shall provide initial training to the owners and general manager of Franchisee including information relating to the standards, procedures, techniques and the standard operating procedures of the Business (“**Initial Training**”). The Initial Training must be completed to Franchisor’s satisfaction by all Franchisee’s training participants before opening of the Franchised Business. If Franchisee hires, or replaces a previous general manager during the Term, Franchisor has the right to require the new general manager completes the Initial Training, to Franchisor’s satisfaction, within a reasonable time, not to exceed 20 days. If inspections or audits of your Franchised Business reveal that Franchisee or Franchisee’s general manager require remedial training Franchisor may also require that Franchisee or its general manager, as the case may be, repeat all or part of the Initial Training.

7.1.2 The Initial Training shall be held at such a time, duration and place as shall be specified by Franchisor with the cost of travel and training in connection therewith being borne by Franchisee. Franchisee shall be responsible for Franchisee employee’s reasonable travelling cost, compensation and other appropriate insurance coverage during the Initial Training period.

7.1.3 Franchisor shall offer such further training and franchisee conferences as may from time to time be necessary or desired in view of improvement and development of the Business, or to ensure that the DABOBA Outlet complies with the DABOBA System (“**Further Training**”) at such a time, duration and place as shall be specified by

Franchisor. Franchisee shall bear the reasonable costs of travel and subsistence involved in connection with such Further Training.

7.1.4 In the alternative, Franchisor may at its option conduct the Initial Training and Further Training by way of an online medium at such a time and duration as shall be specified by Franchisor.

7.1.5 All training and marketing material pursuant to Section 7.1 circulated, disseminated and/or used for the purposes of this Agreement, copyright of which, shall belong wholly to Franchisor.

7.1.6 Franchisee agrees to pay Franchisor \$5,000 for the Initial Training provided before opening the Franchised Business, and reimburse Franchisor for expenses it incurs in connection with the Initial Training, including room and board and international air fare. Franchisor has the right to charge a fee for any additional training being provided as well as for any other on-site management and support that Franchisee requests, or that Franchisor is required to provide to remedy operations deficiencies determined by Franchisor. As of the Effective Date, the daily fee for remedial Initial Training or support is \$800 per day, plus Franchisor's expenses such as travel, room and board, with a minimum of four days of training. Franchisee is responsible for paying for all expenses incurred by itself or any of its training participants, including their salaries, travel expenses, and room and board.

7.1.7 If Franchisor organizes franchisee conferences or meetings Franchisor may require that Franchisee or its owners attend. Participation in such conferences or meetings will be at Franchisee's expense. If Franchisee does not attend a required conference or meeting Franchisor has the right to charge Franchisee a reasonable fee to off-set the expenses incurred by Franchisor notwithstanding Franchisee's failure to attend.

7.2 Assistance

7.2.1 Franchisor shall provide Franchisee with consultation and advice as Franchisor shall deem appropriate in connection with the operation of the Franchised Business, including on- site visits and consultant advice as and when Franchisor deems necessary including but not limited to the following events:

- (a) Initial Training and Further Training conducted by Franchisor pursuant to Section 7.1;
- (b) Assistance and training in respect of new Products and Services as may be approved by Franchisor from time to time;
- (c) Assistance and training in respect of implementing the Marketing Program; and

- (d) Assistance and training in respect of the standard operating procedures in connection with the operation of the Franchised Business, including but not limited to guidance in relation to management, finance, bookkeeping and other aspects as Franchisor deems necessary for the operation of the Franchised Business.

7.2.2 Franchisor shall be reimbursed for reasonable accommodation expenses and out of pocket expenses for every one (1) international visit on an economy class basis.

7.2.2.1 Franchisor shall provide Franchisee with guidelines and specifications in connection with the design, layout plans, buildout, renovation, furnishing, fixture, fitting and equipment for the Premises in connection with the Franchised Business.

8. FRANCHISEE'S OBLIGATIONS

8.1 Operations Manual

8.1.1 During the Term Franchisor shall lend to Franchisee at least one (1) copy of the Operations Manual. The Operations Manual may be provided in hard copy or in electronic format, including through providing Franchisee access to the Operations Manual through an intranet site, or through the use of other technology.

8.1.2 The Operations Manual is confidential in nature and contains information, procedures, specifications concerning the standards and specifications of the DABOBA System, the development and operation of all DABOBA outlets including any other information and advice as Franchisor may periodically provide to its Franchisees which shall form part of the Operations Manual.

8.1.3 Franchisor may update and change the Operations Manual periodically to reflect changes in the DABOBA System and the operating requirements applicable to all DABOBA outlets. Franchisee expressly agrees to comply with each requirement within such reasonable time as Franchisor may require, or if no time is specified, within seven (7) days after receiving Franchisor's written notification of such requirement.

8.1.4 Franchisee shall at all times ensure that copy(ies) of the Operations Manual and any other confidential materials supplied by Franchisor to Franchisee are kept up to date. The Operations Manual and all confidential materials supplied by Franchisor in relation thereof shall be kept in a secured location at the Premises. Franchisee shall take all reasonable steps to prevent unauthorized disclosure or copying of any information in any printed or computerized Operations Manual. Franchisee shall restrict its employee's access to the Operations Manual and shall only provide information on a need-to-know basis.

8.1.5 Upon the expiration or termination of this Agreement for any reason, Franchisee must return all copies of the Operations Manual to Franchisor together with a written

undertaking (in a form to be prescribed by Franchisor) to Franchisor that Franchisee has not kept and/or is not keeping any copies in any medium.

8.2 **Modifications and Improvements**

8.2.1 **Modification by Franchisor**

8.2.1.1 Franchisee recognizes and agrees that Franchisor may from time to time change, modify or improve the DABOBA System, including but without limitation to modifications to the Operations Manual, the processes and systems in support of the Business, the menu items and other product ingredients, DABOBA Products and DABOBA Services and the adoption and use of new, modified or substituted Proprietary Marks. Franchisee recognizes that, due to the speed of changes to technology and other aspects of the market, changes to the DABOBA System may be frequent. Franchisor will endeavor to make changes, modifications, and improvements affordable and to introduce them in such a way as to not have a significant financial impact on Franchisee, if reasonably possible, but such changes, modifications and improvements may require significant capital expenditure. Aware of such potential expenses, Franchisee agrees to comply with such changes, modifications or improvements to the DABOBA System, as if they were part of the DABOBA System as of the Effective Date. Franchisee shall at its expense, comply with such changes, modifications or improvements to the DABOBA System as may be stipulated by Franchisor from time to time.

8.2.1.2 Franchisor reserves the right to amend and/or to replace the Tradename and/or Trademark for the purposes of re-branding if there are any legal impediment to the use and/or registration of the existing Tradename and/or Trademarks within the Territory, or if Franchisor, for other reasons believes, in its business judgement, that it is advisable to amend or replace the Tradename and/or Trademark. Such changes, with respect to the DABOBA Outlet will be born by Franchisee. In the event of such amendment or replacement, all references to "DABOBA" in this Agreement shall thereafter, without the written amendment to this Agreement, be references to the amended or replacement Tradename or Trademark.

8.2.2 **Modification by Franchisee**

8.2.2.1 If Franchisee develops any new modification, concept, process, improvement ("**Modification by Franchisee**") in connection with the Business, the DABOBA Outlet or to the DABOBA System, Franchisee shall promptly notify and provide Franchisor with all necessary information in relation to the proposed Modification by Franchisee. The proposed Modification by Franchisee shall be put forward for Franchisor's consideration. Franchisor reserves the right, in its discretion, to approve or

reject the Proposed Modification by Franchisee. Franchisee shall not introduce and implement any Modification by Franchisee to the Business, the DABOBA Outlet or to the DABOBA System without having obtained the prior written consent of Franchisor.

8.2.2.2 Franchisee further acknowledges that the Proposed Modification by Franchisee shall become Franchisor's sole and exclusive property and that Franchisor may utilize and/or allow other Franchisees to utilize the same in connection with the DABOBA System, without any obligation to compensate Franchisee.

8.3 Information Technology

8.3.1 Franchisee shall at its expense, utilize and maintain a Point of Sales System ("**POS System**") in accordance with the standards and specifications stipulated by Franchisor, from a supplier approved by Franchisor. Franchisee shall make and keep accurate entries of all sales at the DABOBA Outlet in the POS System. Franchisee will at all times allow Franchisor independent access to the POS System.

8.3.2 Franchisee agrees to pay Franchisor POS System renewal fees in the sum of Five Hundred dollars (\$500.00) annually, provided that Franchisor may increase the POS System renewal fee to cover Franchisor's costs for making the POS System available to Franchisee.

8.3.3 Franchisor may periodically require Franchisee at its expense, update and upgrade the POS System. Franchisee shall at its expense, maintain and renew the POS System in good working condition and provide connection to any devices, software, network as may be stipulated by Franchisor in order to provide Franchisor with continuous real-time access to all information and data stored under the POS System.

8.3.4 Franchisee, shall at its expense, apply for and maintain other credit card, debit card or other non-cash payment systems as Franchisor periodically requires. Franchisee shall at its expense, maintain support service contracts and/or maintenance service contracts, implement and periodically make upgrades and changes to the POS System, computer hardware and software, and credit card, debit card or other non-cash payment systems as may be stipulated by Franchisor from time to time.

8.4 Inspection and Audits

8.4.1 Franchisee shall keep full, true and accurate books and records containing all particulars including and without limitation to, the use and retention of daily sales slips, closed-circuit television ("**CCTV**") images and recordings, coupons, purchase orders, purchase invoices, payroll records, cheque stubs, bank statements, sales tax records and returns, cash receipts and disbursements, payroll records, journals, all information under the Point of Sales system pursuant to Section 8.3.1, all accounting and financial records and general ledgers in connection with the Business and the operation of DABOBA Outlet (collectively "**the Business Data**").

8.4.2 Franchisor and/or its representative or agent shall have the right, at any given time during normal business hours by giving reasonable notice to Franchisee, to inspect the DABOBA Outlet, Franchisee's books and records under Section 8.4.1 to verify the Gross Sales including any other matters in connection with this Agreement, the operation of the Business and/or DABOBA Outlet at the Premises and all other relevant location under Franchisee's control where such records are kept by Franchisee ("**Inspection**").

8.4.3 Franchisee hereby authorizes Franchisor to make enquiries of Franchisee's suppliers, customers, bank, trade creditors of the Business and/or DABOBA Outlet. Franchisee shall execute an authorization form in a format prescribed by Franchisor authorizing Franchisor to make enquiries on behalf of Franchisee.

8.4.4 During the Inspection, Franchisee shall permit Franchisor and/or Franchisor's representative or agent to examine and make copies of and extract from the records and books under Section 8.4.1 and Section 8.4.3 for audits to be conducted by independent auditors appointed by Franchisor.

8.4.5 Franchisor and/or Franchisor's representative or agent shall have the right, to enter and inspect the Premises and all other relevant location under Franchisee's control to ensure that Franchisee is in compliance therewith, and to taste and/or test any and all equipment, systems, products, raw materials, items and ingredients used in connection with the operation of the Business. Franchisor and/or Franchisor's representative or agent shall be permitted to take video recordings and retrieve any items, products, raw materials and ingredients used in connection with the operation of the Business for further evaluation and investigation.

8.4.6 Franchisee shall submit to Franchisor and/or Franchisor's representative or agent, copies of Franchisee's books and records under Section 8.4.1 and Section 8.4.3 as may be stipulated by Franchisor from time to time for audits to be conducted by Franchisor's independent auditors, within fourteen (14) days of such request by Franchisor.

8.4.7 Franchisee undertakes to provide full cooperation and frank disclosure to Franchisor and/or its authorized representative full co-operation throughout the Inspection.

8.4.8 During the Inspection if it appears to Franchisor that there may be tampering of the POS System or such other software, technology or device used by Franchisee for collection of payments from customers, Franchisee shall permit Franchisor to review all CCTV footages in the Premises for further investigation.

8.4.9 If an investigation reveals that the Gross Sales have been understated, Franchisee shall immediately pay to Franchisor the amount of Royalty Fee overdue, unreported and/or understated, together with interest as prescribed under Section 4.8 herein. The outcome of the Inspection and reports prepared by Franchisor's independent auditors shall be final and binding upon parties. All Inspections shall be at

the expense of Franchisor; provided, however, if the Inspection results in a discovery of a discrepancy in the Gross Sales reported by Franchisee of two percent (2%) or more, then Franchisee shall pay or reimburse Franchisor for any and all reasonable expenses incurred by Franchisor in connection with the Inspection, including, but not limited to, attorney's fees, audit fees, accounting fees, travel expenses, room and board and compensation of Franchisor and/or Franchisor's representatives and/or agents.

8.4.10 All books and records in connection with this Agreement, including Business Data of the Franchised Business shall be kept, maintained and made available to Franchisor, for at least seven (7) years after the termination of this Agreement.

8.4.11 Franchisor shall have the right to use mystery shoppers to inspect Franchisee's DABOBA Outlet and may charge Franchisee a fee to off-set the expenses of any shops at Franchisee's DABOBA Outlet.

8.5 Purchase and Use of Materials, Ingredients, and Equipment

8.5.1 Franchisee agrees to purchase and use products and services used for and in the Franchised Business, including Ingredients, Materials and Equipment (collectively "**Supplies**") as prescribed by Franchisor from time to time, solely and exclusively from Franchisor and/or suppliers designated or approved in writing by Franchisor ("Supplier" or "Suppliers"). Franchisor or its affiliate may be a Supplier and may be the sole Supplier for Ingredients, Materials, or Equipment. Franchisor may concentrate purchases with one or more Suppliers to obtain lower prices, better advertising support and/or better services for any group of Franchised Businesses.

8.5.2 Franchisee agrees to make an initial purchase of Ingredients and Materials in the sum of Thirty Thousand dollars (\$30,000) and Equipment in the sum of Six Thousand Five Hundred dollars (\$6,500) from Franchisor or its designee, in addition to any Equipment which is included in the Initial Franchise Fee.

8.5.3 If Franchisee propose to contract for or purchase products or services from any Supplier that Franchisor has not previously designated or approved for such Supplies, or if Franchisee proposes to contract for or purchase alternative products or services to the Supplies, Franchisee must first notify Franchisor in writing and submit to Franchisor all information, specifications and samples that Franchisor requests. Franchisor will have the right to require that Franchisor's representatives, at Franchisee's expense, be permitted; (a) in the case of an alternative Supplier, to inspect the proposed Supplier's facilities and that samples from the proposed Supplier be delivered to Franchisor or its designated testing facility for evaluation and testing; and (b) in the case of alternative products or services to Supplies, to review all applicable information, specifications and samples. Franchisor has the right to assess Franchisee its standard fee for evaluating the proposed Supplier, or alternative Supplies, or its actual cost for such evaluation if it exceeds Franchisor's standard fee. Franchisor will have sole discretion as to whether or not to approve any Supplier or alternative Supplies. Approval of a Supplier as to any products or services, or of alternative Supplies, must be made by Franchisor in writing. In the case of alternative Suppliers, the approval may also be conditioned on

requirements relating to the frequency of delivery, standards of service, including prompt attention to complaints, concentration of purchases and other criteria, and may be conditioned on the Supplier providing Franchisor with adequate insurance protection, the Supplier's execution of reasonable indemnity and confidentiality agreements, and the Supplier's payment of reasonable license fees to Franchisor if the Proprietary Marks are to be used, and may be temporary or conditional, pending our further evaluation of the Supplier. For the avoidance of doubt, Franchisor is not required to consider requests for alternative Suppliers or Supplies and will not consider such requests for proprietary Supplies, or for key components of the Franchised Business, as determined by Franchisor.

8.5.4 Franchisor reserves the right to re-inspect, at any time, the facilities, products and/or services of any approved Supplier and to revoke our approval upon the Supplier's failure to continue to meet any of Franchisor's then-current criteria. Franchisor also reserves the right to reevaluate at any time the approval of any alternative Supplies and to revoke our approval if the alternative Supplies no longer satisfies Franchisor's then current criteria for such Supplies.

8.5.5 Franchisor or its affiliates may realize a profit or receive payments, commissions, discounts or other allowances in connection with Franchisee's purchases of Supplies from Suppliers, and, where permitted by applicable law, Franchisor or its affiliates may retain those profits, payments, commissions, discounts or allowances for its own accounts without having any obligation to provide any benefits to Franchisee.

8.5.6 FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY SUPPLIES, EQUIPMENT OR OTHER ITEMS FRANCHISOR APPROVES AND FRANCHISOR EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH SUPPLIES, EQUIPMENT, OR OTHER APPROVED ITEMS.

8.6 Orders and Delivery of Supplies

Orders for Supplies ordered from Franchisor or its designee will be subject to the terms and conditions of sale of Franchisor or its designee, as the case may be, at the time of Order. As of the Effective Date, the following terms and conditions apply:

- (a) Orders for the Supplies must be given by Franchisee to Franchisor or its designee ("**Order**") specifying the quantity of the Supplies required to be either delivered to the Delivery Point or to be collected by Franchisee. Unless otherwise agreed, the delivery of the Supplies shall be on 'Ex-works' basis to the Delivery Point. Franchisee is obliged to take delivery of the Supplies at the time they are delivered to Franchisee, or at the time the Supplies are made available to Franchisee in accordance with the Agreement.

- (b) Franchisee shall be solely responsible for all transportation, shipping and logistic costs in respect of the delivery of the Supplies.
- (c) Franchisee acknowledges that Franchisor may experience sudden cost increases for the Supplies without adequate or prior notice by its supplier. In these circumstances, cost increase will cause Franchisor to increase the prices of the Supplies. Franchisee acknowledges that the prices of the Supplies are subject to increase periodically, taking into account of introduction of new products, price hike by its supplier(s) and/or market inflation.
- (d) The Supplies shall be at Franchisee's risk immediately upon being delivered to the Delivery Point.
- (e) Franchisor will use commercially reasonable efforts to deliver the Supplies in a timely manner. Delivery time shall be between eight (8) to twelve (12) weeks from the date of the full payment of the invoice(s) issued by Franchisor for the Supplies. Delivery time for quantities significantly higher than the forecasted quantities shall be discussed by Parties at the time of order. If Franchisor must delay the delivery of the Supplies for any reason beyond its control (including but not limited to epidemic, pandemic, inventory shortage, disruption in the purchase system and/or breakdown in the machinery or equipment used in the production of the Supplies and by reasons of Force Majeure), Franchisor shall inform Franchisee as soon as reasonably practicable either by telephone or via email. Franchisor shall provide reasonable notice to Franchisee setting forth alternative Supplies option or amounts and delivery period. Franchisor shall be under no liability for any costs, expenses and/or damages for delay in delivery nor shall Franchisee be entitled to terminate any contract and/or this Agreement arising herein in such event.
- (f) Notwithstanding the foregoing, in the event that Franchisor is unable to fill an order, the Supplier shall as soon as practicable either by telephone or email notify Franchisee of the possibility of a partial shipment. Franchisor is permitted to deliver quantities of the Supplies in batches from the quantities in the corresponding orders placed by Franchisee and finalized by Franchisor, and such quantities shall be deemed to satisfy Franchisor's delivery obligations under this Agreement.
- (g) Franchisor shall not be liable for any losses and claim in respect of any delay or failure in delivering the Supplies arising out of:
 - (i) the negligence of Franchisee's employees, agents or representatives;
 - (ii) circumstances set out in Sections 8.6 (e) and (f); and/or

- (iii) circumstances of Force Majeure as defined in this Agreement.

8.6.1 Price and Payment of Supplies

- 8.6.1.1 The unit prices for the Supplies are exclusive of any duties and taxes, government levies, import duties or other local or foreign taxes and duties imposed.
- 8.6.1.2 All other costs, charges, fees and expenses for and arising out of or in connection with the supply of the Supplies under this Agreement must be paid by Franchisee, including all costs involved in the packaging, handling, storage, insurance and any other expenses unless otherwise stated and mutually agreed.
- 8.6.1.3 Franchisee shall make upfront payment for the Supplies before delivery of the Supplies could be effected. Any outstanding amounts unpaid by Franchisee in respect of the Supplies shall be subject to interest as prescribed under Section 4.8. Franchisor may at its discretion, withhold and/or refuse to provide further supply of the Supplies to Franchisee, until such outstanding amounts are settled in full by Franchisee.

8.6.2 Acceptance, Defects and Return of Supplies

- 8.6.2.1 Franchisee shall inspect the Supplies forthwith upon delivery or collection and Franchisee is deemed to have accepted the Supplies if no written notice in such format as required by Franchisor is provided to Franchisor within the time frame required pursuant to the Operations Manual, stating reasons why Franchisee may allege that the Supplies are not fit for purpose.
- 8.6.2.2 Franchisee agrees that Franchisor shall not be bound to make good any defect where:
 - (i) the Supplies have been subjected to misuse, neglect or accidental damage by Franchisee;
 - (ii) the Supplies have been altered, modified, tampered without the approval of Franchisor;
 - (iii) Franchisor's defect analysis of the Supplies does not concur with Franchisee's complaints; or
 - (iv) Franchisee fails to lodge a written complaint within seven (7) days from the receipt of the Supplies by Franchisee. The Supplies shall be deemed to be accepted on an 'as is where is' basis and any claim in respect of the Supplies shall be deemed to be waived by Franchisee.

8.6.3 Title of Supplies

Title in the Supplies shall not pass to Franchisee until Franchisee has discharged all outstanding indebtedness (whether in respect of the goods supplied or otherwise) to Franchisor whatsoever.

8.6.4 Reserve and Forecast

Franchisee shall maintain and keep a reserve of Materials and Ingredients under the Supplies at all material times as emergency reserve for use during the shortage of Materials and Ingredients in any unforeseen circumstances, including but not limited to meeting the increase in demand for the DABOBA Products or DABOBA Services in the Territory and/or in circumstances which may affect the delivery of the Materials and Ingredients under the Supplies. The reserve of Materials and Ingredients shall be within its shelf life to ensure the freshness and quality of the DABOBA Products and DABOBA Services.

8.7 Insurance

8.7.1 Franchisee agrees to secure and maintain during the term of this Agreement and such further period for which it may be renewed or extended as provided under Section 3.1, at its own cost, the following insurance policies by carriers approved by Franchisor:

- (a) Such insurance as may be required by the terms of any lease for the Premises or, if there is no such lease, Franchisee agrees to carry fire and extended coverage insurance (including, if applicable, flood and fire coverage) covering the building and all equipment, Supplies, products, inventory, furniture, fixtures and other tangible property located in the DABOBA Outlet or on the Premises in the amount of the full replacement value of such property.
- (b) Liability to the public in the form of standard public liability policy which extends to cover liability for third party property damage, third party bodily injury including additional coverage for food poisoning subject to the terms and conditions of the insurance coverage by the respective insurers, where such liabilities arise:
 - (i) as a result of the prevailing law governing occupier's liability in respect of the Premises used for the Business and to which the public have access;
 - (ii) as a result of any claims made in respect of the DABOBA Products and

DABOBA Services sold by Franchisee at the DABOBA Outlet;

- (iii) fire and extraneous perils in respect of the DABOBA Outlet (if Franchisee is the owner thereof); and
- (iv) such other insurance as may be required by Franchisor from time to time.

8.7.2 Waiver of Subrogation and Additional Insureds. All policies of insurance specified herein shall contain a provision or endorsement whereby the insurers waive any rights of subrogation against the Indemnitees. The insurance policies shall name the Indemnitees as additional insureds and such policies shall apply on a primary and non-contributory basis to any insurance maintained by the Indemnitees. Upon execution of this Agreement, Franchisee shall deliver Certificates of Insurance to Franchisor evidencing Franchisee's compliance with the insurance requirements herein. An updated Certificate of Insurance shall be provided any time a policy required herein is renewed or a carrier is changed. Franchisee shall provide Franchisor with notice of cancellation of any insurance policy required herein promptly after receiving such notice from its respective insurance carrier(s). Franchisor shall have the option, at any time during the term of this Agreement, to request and examine complete policies of insurance from Franchisee.

8.7.3 Sufficiency of Insurance Not Guaranteed. Franchisee acknowledges and understands that Franchisor makes no representation or warranty with respect to the adequacy or sufficiency of the insurance required under this Article, and that Franchisee shall have the sole responsibility to determine whether additional insurance or higher limits are appropriate. Franchisee should consult with its own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required herein. Franchisor's review and verification of certain elements of Franchisee's insurance does not in any way reduce or eliminate Franchisee's obligations to fully comply with all insurance requirements. It is Franchisee's sole obligation to fully comply with these insurance requirements and it is Franchisee's sole obligation to confirm with its insurance providers that its policies are in compliance.

8.7.4 Franchisor's Right to Obtain Insurance. If Franchisee does not obtain and maintain the insurance coverage required by this Agreement, as revised by the Operations Manual, or otherwise in writing, Franchisor may, but shall not be obligated to, procure such insurance, and the cost or expense thereof, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon demand.

9. COVENANTS BY FRANCHISEE

9.1 Franchisee shall at all times give prompt, courteous and efficient service to all customers of the Business. Franchisee shall, and shall ensure that its employees shall, in all dealings with customers, suppliers and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

9.2 Franchisee shall be solely responsible for the acquisition and maintenance of all necessary permits and Franchisee for the lawful operation of the Business, and shall comply with all statutes, by-laws, regulations, and requirements of any Appropriate Authorities relating to Franchisee and the conduct of the business and to all relevant Acts, directives, regulations and guidelines as required under the local governing laws.

9.3 Franchisee shall operate the Business strictly in accordance with the provisions of the Operations Manual provided by Franchisor and conform in all respects and at all times with the DABOBA System as modified from time to time and not to use any additional Tradename or symbol nor do or permit to be done anything which is additional to or not in accordance with the DABOBA System without the prior written consent of Franchisor.

9.4 Franchisee shall continuously operate the Business upon such days and between such hours in accordance with the terms of Franchisee's lease the Operations Manual.

9.5 Franchisee shall diligently carry on the Business and use its best endeavors to promote, retain and increase the goodwill in the Business and Proprietary Marks.

9.6 Franchisee shall not do or omit to do any act or thing which may in the sole opinion of Franchisor bring the Business, Trademarks or Proprietary Marks into disrepute or damage or conflict with the interest of the Business or other Franchisee(s) of Franchisor.

9.7 Franchisee will pay for all its consumables and all other operating expenses provided for the DABOBA Outlet.

9.8 Franchisee shall run the Business in a business like friendly and efficient manner with a view to maintaining its value.

9.9 Franchisee is solely responsible for the use, supervision, management and control of the Business and shall ensure that they are protected at all times from access, use or misuse, damage or destruction by unauthorized persons.

9.10 Franchisee agrees and covenants to sell DABOBA Products and DABOBA Services in accordance with the menu as prescribed by Franchisor. Franchisee acknowledges that the menu is seasonal and are subject to changes by Franchisor at its sole discretion from time to time.

9.11 Franchisee agrees that it shall not deviate and alter the formulas, recipes or specifications of materials and ingredients of food as specified by Franchisor and in the Operations Manual, without the prior written consent of Franchisor.

9.12 Franchisee agrees that any products and services developed by Franchisee for purposes of use and sale at the DABOBA Outlet ("**Proposed Products and Services**") shall be submitted to Franchisor for evaluation and testing. Franchisee shall only offer

the Proposed Products and Services for use and sale upon the receipt of Franchisor's written consent. Franchisee acknowledges that the Proposed Products and Services created in connection with the Business shall become Franchisor's sole and exclusive property and that Franchisor.

9.13 Franchisee shall use the Premises exclusively for the purpose of conducting the Business under the Tradename and the Premises shall not be used for any other purpose. Franchisee shall not permit the use or occupancy of the Premises by any third party for any other use.

10. CONFIDENTIAL INFORMATION AND PROPRIETARY MARKS

10.1 Franchisee hereby acknowledges that Franchisee's knowledge and information pertaining to the operation of the Business is entirely derived from information disclosed to Franchisee by Franchisor pursuant to this Agreement, and such information is non-public, confidential and proprietary in nature.

10.2 Except insofar as it may be expressly authorized to do so by Franchisor - Franchisee's employees, professional advisors and consultants, Franchisee further undertakes:

- (a) not to disclose to any person or entity any of the Confidential Information (including but not limited to the DABOBA System, Trademarks, Proprietary Marks and such information received during the course of this Agreement or the Renewal Term thereafter), without the prior authorized written consent of Franchisor;
- (b) not to use for its own benefit or for the benefit of others any of the Confidential Information (including but not limited to DABOBA System, Trademarks, Proprietary Marks and such information received during the course of this Agreement or the Renewal Term thereafter) received hereunder for any purpose at any time, other than for the approved purpose agreed on by Parties in writing;
- (c) take all steps reasonably necessary to protect the secrecy of and avoid unauthorized use or disclosure of the Confidential Information (including but not limited to DABOBA System, Trademarks, Proprietary Marks and such information received during the course of this Agreement or the Renewal Term thereafter). Without limiting the generality of the foregoing, Franchisee shall take at least those measures that it takes to protect its own similar information, and in no event less than a reasonable degree of care; and
- (d) to use commercially reasonable efforts to ensure that each of its employees and contractors holds in confidence and makes no use of any Confidential Information (including but not limited to the DABOBA System, Trademarks, Proprietary Marks and such information received during the

course of this Agreement or the Renewal Term thereafter) without the prior written consent of Franchisor and shall restrict access to Franchisor's Confidential Information (including but not limited to Method, Trademarks, Proprietary Marks and such information received during the course of this Agreement or the Renewal Term thereafter) to those having a need for access thereto.

10.3 The obligations of confidentiality imposed under Article 10 will survive the transfer, termination or expiration of this Agreement.

10.4 At any time upon Franchisor's request, and in any event upon expiration or termination of this Agreement, Franchisee will immediately return any copies of documents where there are materials containing Confidential Information and will take appropriate steps to permanently delete and render unusable any Confidential Information stored electronically.

10.5 Ownership of Proprietary Marks and System. Franchisor is either the owner or the licensee of all Proprietary Marks. Franchisee acknowledges that ownership of all right, title, and interest in the System and all parts thereof, including, without limitation, the Proprietary Marks and the design, decor, and image of all DABOBA System Locations, is and shall remain vested solely in Franchisor and IP Owner. Franchisee expressly disclaims any right, title, or interest therein or in any goodwill derived therefrom.

10.6 Franchisee's Use of Proprietary Marks and System. The license granted hereby to use the Proprietary Marks is nonexclusive, and Franchisee agrees that such Proprietary Marks are and shall remain the property of IP Owner and shall not be contested as to ownership or validity by Franchisee. Franchisee understands and agrees that the grant of the license to use the Proprietary Marks is conditioned upon Franchisee's agreement that: (a) the Proprietary Marks shall be used only in connection with the Franchised Business and only in the manner authorized by Franchisor; (b) Franchisee will not use the Proprietary Marks or parts thereof as part of its corporate or other legal name, will identify itself as a Franchisee, and will comply with all fictitious name and other statutes in connection with its use of the Proprietary Marks; (c) Franchisee will cooperate with Franchisor in protecting and defending the Proprietary Marks; and (d) Franchisee will comply with Franchisor's designations of additions, deletions, and changes in the Proprietary Marks. Franchisee's license to use the System, and any part thereof, is personal to Franchisee, and Franchisee shall not license, sublicense, or allow the System, or any part thereof, to be used by any other person, firm, or business association. All uses of the System by Franchisee inure to the benefit of Franchisor and with respect to the Proprietary Marks, to the benefit of IP Owner. Franchisee acknowledges and agrees that for purposes of protecting IP Owner's interest in the Proprietary Marks, IP Owner is a third-party beneficiary to this Agreement.

10.7 Changes to the Proprietary Marks. Franchisor reserves the right, in its sole discretion, to designate one or more new, modified or replacement Proprietary Marks for

Franchisee's use and to require Franchisee's use of any such new, modified or replacement Proprietary Marks in addition to, or in lieu of any previously designated Proprietary Marks. Franchisee must, at its expense, comply with any such directive within sixty (60) days following its receipt of Franchisor's written notice.

10.8 Protection of Proprietary Marks and System. Franchisee shall not, directly or indirectly, at any time during the term of this Agreement or thereafter, do, cause, or suffer to be done any act or thing disputing, attacking, or in any way impairing or tending to impair the right, title, or interest of Franchisor or IP Owner (to the extent applicable) in the Proprietary Marks or the System. Franchisee shall immediately notify Franchisor in writing of all infringements or imitations of the Proprietary Marks of which Franchisee becomes aware, and Franchisor or IP Owner (to the extent applicable) shall exercise absolute discretion in deciding what action, if any, should be taken. Franchisee shall fully cooperate with Franchisor or IP Owner (to the extent applicable) in the prosecution of any action to prevent the infringement, imitation, or illegal use of the Proprietary Marks and agrees to be named as a party in any such action at Franchisor's request. Franchisor or IP Owner, as the case may be, shall bear any and all legal expenses incident to Franchisee's participation, at Franchisor's request, in any action to prevent the infringement or illegal use of the Proprietary Marks, except for the cost of any legal counsel separately retained by Franchisee. Except as expressly provided in this Article, Franchisor shall not be liable to Franchisee for any damages, costs, expenses, loss of profits or business opportunities, or incidental or consequential damages of any kind or nature whatsoever relating to any action involving the Proprietary Marks.

10.9 Identification of Franchised Business. Franchisee shall use the Proprietary Marks as the sole identification of the Location; provided, however, that in all public records and in its relationship with other persons, on stationery, business forms, checks, or as otherwise required by Franchisor, Franchisee shall indicate Franchisee's independent ownership of the Franchised Business. Franchisee shall identify the Franchised Business as being independently operated, such as "Independently owned and operated by [Franchisee] through a Franchise Agreement with DABOBA USA, INC." or "This DABOBA Location is independently owned and operated by [Franchisee] through a Franchise Agreement with DABOBA USA, INC." Franchisee shall file so-called assumed name or doing business certificates with local or state authorities, as required by applicable law, showing its independent ownership of the Franchised Business. In no event shall Franchisee use the Proprietary Marks in connection with the sale of any product or service not authorized for sale by the Franchised Business. Franchisee shall not license, sublicense, or allow the Proprietary Marks to be used by any other person or business entity without Franchisor's prior written approval. In adopting any corporate, proprietorship, or partnership name, Franchisee shall not use the Proprietary Marks or any variation or abbreviation thereof, or any words confusingly similar thereto. Franchisee has no right to register any of the Proprietary Marks and shall not register any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark with the U.S. Patent and Trademark Office, the Canadian Intellectual Location Office, or with state, provincial, or other authorities, or to register any URL or other internet address including any Proprietary Mark, or any abbreviation, acronym, or

variation of any Proprietary Mark. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or Franchisee to modify or discontinue use of the Proprietary Marks, and/or use one or more additional or substitute trade or service Proprietary Marks, Franchisee agrees to comply therewith within a reasonable time after written notice thereof by Franchisor.

10.10 Owners and Others Covered by Article 10. Unless the context otherwise requires, the term "Franchisee" as used in this Article 10 shall include, individually and collectively, all partners, officers, directors, and managers of Franchisee, and owners or holders, directly or indirectly (and any partners, officers, directors, and managers of any such holder), of 5% or more of the beneficial interest in Franchisee.

11. REPRESENTATIONS AND WARRANTIES BY FRANCHISEE

11.1 Franchisee hereby represents and warrants as follows:

11.1.1 that no bankruptcy and/or winding-up proceedings have been commenced against Franchisee as at the date hereof;

11.1.2 Franchisee has full legal right, power and authority to enter into and perform its obligations under this Agreement;

11.1.3 that Franchisee is not in default under any agreement to which it is a party or by which he may bound and no litigation, arbitration, administrative or other such like proceedings are presently current, pending or threatened as the case may be which may materially affect the ability of Franchisee to perform its obligations under this Agreement;

11.1.4 that Franchisee shall use the DABOBA Outlet for the operation of the Business under the Tradename only;

11.1.5 that Franchisee shall obtain the relevant approval(s) and/or consent from the Appropriate Authorities to carry on business prior to commencing trading and Franchisee further undertakes to maintain and/or procure such consent, approvals from the relevant Appropriate Authorities as and when required during the Term and Renewal Term;

11.1.6 that all information relating to Franchisee which is known or would on reasonable enquiry be known to Franchisor and which is material and ought to be known to Franchisor, has been disclosed to Franchisor and therein is no fact or circumstances relating to the affairs of Franchisee which has not been disclosed to Franchisor and which might, if disclosed be reasonably expected to affect the decision of Franchisor to enter into this Agreement;

11.1.7 that Franchisee shall comply and observe all applicable laws, covenants, conditions, agreements, statutory requirements, by-laws, orders and regulations affecting its Business, assets and properties;

11.1.8 that all information which has been given to Franchisor on or before the execution of this Agreement is true and complete as at the date hereof and will continue to have full force and affect.

11.1.9 Franchisee agrees to assume all risks arising in connection with the operation and conduct of Business under the Tradename and Franchisor shall not be liable for any loss, damage or injury, howsoever caused and inflicted on Franchisee, its agents, employees, its customers, business invitees, public invitees and/or to any trespassers. Franchisee agrees to fully indemnify Franchisor against any loss, either direct or indirect, damage or expense whatsoever.

11.2 The truth and correctness of the matters stated in the representations and warranties as set out in the foregoing Section 11.1 shall form the basis of Franchisor's commitment to grant the License of the Business to Franchisee in accordance with the provisions of this Agreement.

11.3 If any such representation and/or warranty shall at any time hereafter be found to be incorrect in any material aspect, Franchisor, shall have the right at its absolute discretion to terminate this Agreement without affording Franchisee an opportunity to remedy the same, whereupon all whatsoever monies paid by Franchisee to Franchisor pursuant to this Agreement shall be forfeited in favor of Franchisor.

12. DEFAULT AND TERMINATION

12.1 TERMINATION WITHOUT NOTICE

12.1.1 Franchisor may immediately terminate this Agreement without notice to Franchisee, upon any of the following events: -

- (a) If Franchisee becomes insolvent by reason of its inability to pay its debt as they fall due;
- (b) If Franchisee enters into liquidation whether voluntarily or compulsorily other than for the purpose of a reconstructing or amalgamation;
- (c) If Franchisee fails to contest within two (2) weeks of service any petition in bankruptcy or summons for winding up;
- (d) A receiver or official manager or other custodian (either temporary or permanent) have been appointed in respect of the Business or any part of Franchisee's asset;
- (e) If Franchisee enters into any assignment for the benefit of creditors or any composition or arrangement with such creditors; or

- (f) Franchisee fails to commence operation of the Business within sixty (60) days from the agreed upon scheduled start date for the Franchised Business.

12.2 DEFAULT AND TERMINATION FOR BREACH OF THE AGREEMENT

12.2.1 Franchisee shall be deemed to be in default and Franchisor may at its option, terminate this Agreement and all rights granted hereunder upon such notice as is set forth in the relevant subsection, or if no such notice period is set forth, upon fourteen (14) calendar days' notice, without affording Franchisee any additional opportunity to cure the default, except otherwise stated below, effectively immediately upon the expiration of the notice period, without providing any notice of termination to Franchisee, upon any of the following events:

- 12.2.1.1 If Franchisee closes, abandons or fails to actively operate the Business for a continuous period of five (5) days (save for reasons of Force Majeure as defined herein) or loses the right to possession of the Premises due to non-payment of rental;
- 12.2.1.2 If Franchisee assigns any rights and license granted herein or charge over the Business and/or the DABOBA Outlet without first complying with the terms of this Agreement;
- 12.2.1.3 If Franchisee fails, refuses or neglects to promptly pay any monies owing to Franchisor under this Agreement and does not cure such default within fourteen (14) days following Franchisor's written notice to do so;
- 12.2.1.4 If Franchisee or any officer, director, employee of Franchisee gives to Franchisor any false or misleading information or makes any representations which are untrue with a view of procuring this Agreement or at any time during the continuance of this Agreement in connection with the Business;
- 12.2.1.5 If Franchisee fails or refuses to submit any report, financial statement or other information or supporting records required herein within fourteen (14) days following Franchisor's written notice to do so;
- 12.2.1.6 If Franchisee maintains and submits to Franchisor false reports, financial statements, documents, information or records in connection with the Business;
- 12.2.1.7 if Franchisee misuses or makes any unauthorized use of Proprietary Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein, provided that, notwithstanding the above, Franchisee shall be given notice of such default and be given twenty-four (24) hours to cure such default;

- 12.2.1.8 If Franchisee discloses or permits the disclosure of any part of the Confidential Information contrary to the terms hereof;
- 12.2.1.9 If Franchisee fails, refuses or neglects to comply with any provisions under this Agreement;
- 12.2.1.10 If Franchisee fails, refuses or neglects to operate the Business in accordance with standards, policies, procedures or specifications of Franchisor pursuant to the Operations Manual, the DABOBA System;
- 12.2.1.11 If Franchisee fails to procure and maintain such insurance policies under Section 8.7 and fails to cure such default within seven (7) days following such notice in writing by Franchisor;
- 12.2.1.12 If Franchisee commits three (3) events of default under this Agreement, within any twelve (12) month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee upon receipt of such notice in writing by Franchisor;
- 12.2.1.13 If Franchisee operates the Business in a manner which presents a safety hazard to its customers, employees or the public in the reasonable opinion of Franchisor and fails to take reasonable steps to remedy such breach upon notice from Franchisor or any Appropriate Authorities within the time limit specified in such notice;
- 12.2.1.14 If Franchisee violates any law, rule or regulation prescribed by the Appropriate Authorities in connection with the operation of the Business, and does not correct such breach promptly upon notification from the relevant Appropriate Authorities, unless there is a bona fide dispute as to the violation or status of such law, rule or regulation and Franchisee promptly resorts to court or forums of appropriate jurisdiction to contest such violation or status;
- 12.2.1.15 If Franchisee sells or offers any unauthorized products or services at the Business Outlet, without Franchisor's prior written consent;
- 12.2.1.16 If Franchisee fails, refuses or neglects to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended by Franchisor, or fails to carry out the terms of the Agreement in good faith.

12.2.2 Liquidated Damages. The parties recognize the difficulty of ascertaining damages to Franchisor resulting from premature termination of this Agreement and have provided for Liquidated Damages, which Liquidated Damages represent the parties' best estimate as to the damages arising from the circumstances in which they are provided and which are the only damages for the premature termination of this

Agreement and not as a penalty or as damages for breaching this Agreement or in lieu of any other payment. Accordingly, if this Agreement is terminated pursuant to Section 12.2, or by Franchisee without cause, Franchisee shall pay to Franchisor within ten (10) days of termination a lump sum payment (as Liquidated Damages and not as a penalty or in lieu of any other payments required under this Agreement) equal to the total of all amounts required under Article 4 of this Agreement (including Royalty Fees and Brand Development Fund Fees, but excluding the Initial Franchise Fee) for the twelve (12) calendar months of operation of the DABOBA Outlet immediately preceding Franchisee's default, or if there have not been twelve (12) full calendar months of actual operation under the System, then for the period of time the DABOBA Outlet has been in actual operation under the System projected over a twelve (12) calendar months basis.

13. PROVISIONS GOVERNING EXPIRATION OR TERMINATION

13.1 Upon expiry or determination of this Agreement for any cause, Franchisee shall:

- (i) immediately pay Franchisor the full amount of all payments due and owing to Franchisor inclusive of any interest accrued within fourteen (14) days of the date of expiration or termination;
- (ii) cease to operate the Business and thereafter shall not hold itself as a Franchisee of Franchisor and refrain from any action that would indicate such relationship between Parties from such expiration or termination;
- (iii) immediately cease to use, in any way whatsoever, the Tradename, Trademarks, Proprietary Marks, Confidential Information and any other logos, insignias, emblems, symbols which are or may be associated with the Tradename, Trademarks, Proprietary Marks or the DABOBA System within seven (7) days from such expiration or termination;
- (iv) Franchisee undertakes to furnish Franchisor a complete, accurate and updated stock list with an estimation of the business turnover. The list shall be furnished to Franchisor within three (3) weeks of termination or four (4) weeks prior to the expiry of the Term or Renewal Term, whichever applicable;
- (v) immediately return to Franchisor all website and/or Social Media or other Online Presence accounts operated by Franchisee under the Tradename, Trademarks and Proprietary Marks within seven (7) days from such expiration or termination;
- (vi) immediately return to Franchisor or otherwise at Franchisor's instruction, destroy and terminate all training, advertising or promotional materials, specifications, designs, stationeries, samples, recipes, procedures or

method in connection with the Business and bearing any of Franchisor's Tradename and Trademarks within seven (7) days from termination;

- (vii) immediately return to Franchisor the Operations Manual without having made copies thereof within seven (7) days from such expiration or the termination; and
- (viii) return all items of equipment leased or held on loan from Franchisor within seven (7) days from the termination.

13.2 In the event of the sooner termination of this Agreement for any reason whatsoever, Franchisee shall not dispose of any items of stock or equipment bearing the Tradename, Proprietary Marks or other insignia of Franchisor without the prior written consent of Franchisor and such consent may be given on condition that the Tradename and Proprietary Marks be removed or obliterated from such item.

13.3 The expiration or termination of this Agreement shall be without prejudice to the accrued rights of the parties and pursuant to the provisions of this Agreement which govern the acts of parties subsequent to such expiry or termination hereof and it shall remain in full force and effect notwithstanding such expiry or termination.

14. **SALE UPON EXPIRATION OR TERMINATION**

14.1 Save for Franchisee's renewal pursuant to Section 3.1, upon the termination or expiry of this Agreement, Franchisor shall have the option to purchase the DABOBA Outlet, part of or substantially all of the assets in the DABOBA Outlet (including but not limited to fixtures, furniture, equipment, stocks, supplies or leasehold improvements) (collectively "**the Business Assets**") and/or to take over Franchisee's lease of the DABOBA Outlet, by way of a written notice.

14.2 Upon the termination or expiry of this Agreement and Franchisor invokes the right to purchase under Section 14.1 herein: -

- (a) in the event if Franchisee is the legal owner of the Premises, Franchisee shall forthwith execute a lease agreement between Parties in a form to be prescribed by Franchisor; or
- (b) Franchisor shall have the option to assume the remaining term of the lease under such lease agreement between Franchisee and the landlord of the Premises. Franchisee shall forthwith execute all relevant instruments and as the case may be, all other statutory forms to register Franchisee as the lessee or endorse Franchisor's tenancy on the issue document of title of the Premises.

14.3 The purchase price of Franchisee's Business Assets and the term of such sale shall be agreed by Parties, failing which the fair market value of the Business Assets (to

be determined without the inclusion of any goodwill associated with the Tradename, Trademarks, Proprietary Marks or Methods) shall be assessed by a qualified independent valuer appointed by the Parties. The cost of such valuation shall be borne equally by the Parties.

14.4 Franchisor shall have the right, at any time within thirty (30) days after being advised in writing of the decision of the appraiser, to purchase the Business Assets at the purchase price as determined by the said valuer or elect not to purchase the Business Assets.

14.5 Without limiting the generality of the foregoing, Franchisor shall have the option to set off the purchase price against any outstanding amount due and owing to Franchisor and/or also to pay out of the purchase price any of Franchisee's unpaid creditors pursuant to the operation of the Business.

15. TRANSFER AND DISPOSAL OF INTEREST

15.1 By Franchisor

15.1.1 This Agreement remains assignable by Franchisor in whole or in part and shall continue to the benefit of any assignee or other legal successor to Franchisor's interest herein. Franchisee agrees and affirms that Franchisor may sell itself, its assets, the Tradename, Trademarks and/or Proprietary Marks to a third party, may go public; may engage in private placement of some or all of its securities; may merge; acquire other Entities, or be acquired by another Entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

15.1.2 With regard to any of the abovementioned sales, assignments or dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's Tradename, Proprietary Marks, the Business and the DABOBA System and/or the loss of association with or identification of Franchisor under this Agreement.

15.1.3 Franchisee agrees to execute all agreements requested by Franchisor or its assignee to effect Sections 15.1.1 to 15.1.2 including but not limited to declarations ratifying this Agreement and all other existing agreements between Parties, within two (2) weeks after receipt of such written request from Franchisor.

15.2 By Franchisee

15.2.1 Franchisee acknowledges that the rights and License granted to Franchisee under this Agreement to the License are personal in nature. Franchisee shall not directly, or indirectly, sell, assign, merge, convey, encumber, charge or otherwise part with the rights or obligations under this Agreement, this Agreement or any of its interest, rights or obligations hereunder or suffer or permit such transfer without prior written consent of Franchisor, such consent not to be unreasonably withheld or delayed. If Franchisee is an Entity, the direct or indirect shareholders, members, partners,

beneficiaries, investors or other equity holders of Franchisee (“**Equity Holders**”) may not transfer their equity interest in such Entity, without the prior written consent of Franchisor. Any transfer in violation of this Section shall be void whereupon by Franchisor shall be entitled to terminate this Agreement.

15.2.2 If at any time Franchisee should wish to sell, transfer, assign, lease or otherwise part with the rights or obligations granted under this Agreement, the DABOBA Outlet, this Agreement or any of its interest, rights or obligations hereunder, or any Equity Holder wishes to sell, transfer, assign or otherwise part with all or part of its equity interest in Franchisee or an Entity that is a direct or indirect equity holder in Franchisee, Franchisee shall forthwith provide written notice to Franchisor.

15.2.3 Franchisor’s approval in all cases shall be subjected to the fulfillment of all or any of the following conditions, at the determination of Franchisor:

- (a) the purchaser or assignee and/or controlling persons of the purchaser or assignee having a satisfactory credit rating, financial standing, business competency and is not in conflict of interest with Franchisor.
- (b) all monetary obligations (whether hereunder or otherwise) of Franchisee to Franchisor being paid in full;
- (c) the purchaser or assignee executing a new franchise agreement or any other documents or agreements in the same terms as this Agreement but which shall have a term equal to the remaining term hereof;
- (d) Franchisee executing a general release of Franchisor, its officers, directors and employees from all claims, rights and actions that it may have against such entities in respect of this Agreement;
- (e) the purchaser or assignee acquiring all of Franchisee's essential assets (as may be determined by Franchisor) used in the Business and assuming all of Franchisee's liabilities in relation thereto;
- (f) the purchaser or assignee having satisfactorily completed Franchisor’s training and otherwise being capable of operating the business as a responsible Franchisee to the satisfaction of Franchisor;
- (g) where the purchaser or assignee is a company, the owners of the assignee must give guarantees and indemnities on terms acceptable to Franchisor and the shareholders must be acceptable to Franchisor;
- (h) Franchisee’s payment of a transfer fee in the sum fifty percent (50%) of our then current Initial Franchise Fee; and

- (i) Franchisee first offering to sell such interest to Franchisor pursuant to Section 16 of this Agreement, and the same having been declined by Franchisor in the manner set forth.

15.2.4 Upon the transfer or sale by Franchisee of any part of the Business and/or the DABOBA Outlet, the rights of Franchisee in respect thereof shall terminate save for the rights of Parties in respect of any antecedent breach and the surviving obligations of Franchisee as set out in this Agreement.

16. FRANCHISOR'S RIGHT OF FIRST REFUSAL

16.1 If during the term of this Agreement or upon the termination of this Agreement Franchisee receives a bona fide offer from a prospective purchaser for any interest in Franchisee or the Business Outlet (whether by sale of assets, sale of equity interest, merger, consolidation or otherwise), Franchisee shall offer the same to Franchisor in writing at the same price on the same terms or the cash equivalent. Franchisee further undertakes to disclose full and accurate information of the prospective purchaser to Franchisor.

16.2 Franchisee shall thereafter submit a copy of such offer along with an itemized list of assets to be sold, to Franchisor. Franchisor may accept such offer within thirty (30) days to purchase the after receipt of the offer, for the price (less any sales commission which would have been payable to a third party agent, representative of similar nature thereof, if any, as a result of the proposed sale as a result of the proposed sale) and on the terms and conditions contained in such offer.

16.3 The purchase price shall be agreed by parties, failing which the money equivalent shall be determined by a qualified independent valuer to be appointed by both Parties within thirty (30) days from the date of receipt of such notice from Franchisor pursuant to Section 16.2. Franchisor shall have the right, at any time within thirty (30) days after being advised in writing of the decision of the valuer to accept the offer at the purchase price as determined by the said valuer or elect not to do so. The cost of such valuation shall be borne by Franchisee.

16.4 Franchisor shall have the right, but not the obligation to deduct any debts owing by Franchisee to its trading creditors from the purchase price.

16.5 If Franchisor declines, or does not within such thirty (30) day period accept such offer by Franchisee pursuant to Sections 16.2 or 16.3 herein, then Franchisee may make such offer to the prospective buyer (provided that Franchisor approves of such purchaser in accordance with Section 15.2.3(a) and subject to compliance with Section 15.2.3), but not at a lower price and on more favorable terms that have been offered to Franchisor.

17. NON-COMPETITION

17.1 Franchisee acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to Franchisee for the purpose of operating the DABOBA Outlet only at the Premises in the Territory. Franchisee agrees that it would be an unfair method of competition for Franchisee to duplicate, or to allow others to use or duplicate, any of the knowledge, know-how, or expertise for any reason other than the operation of the Franchised Business under this Agreement. Franchisee further recognizes the importance of devoting substantial time and energy to the Franchised Business. Therefore, Franchisee Agrees that:

- (a) During the term of this Agreement Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager, or otherwise, in any Competing Business (except another DABOBA Outlet) or Franchisor, licensor of a Competing Business; provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article.
- (b) For a period of two (2) years following the transfer (by Franchisee or by an owner signing an Owner's Acknowledgement to this Agreement), expiration, or termination of this Agreement for any reason, Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager or otherwise, in any Competing Business (except a DABOBA Outlet) or Franchisor, licensor of a Competing Business anywhere in the Franchise's Territory or the Territory of any other DABOBA Outlet; provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article. If Franchisee is in breach of this Section following the transfer, expiration or termination of this Agreement (including by continuing to operate the Premises as a DABOBA Outlet after the Agreement has expired or terminated), the period of duration for the obligation set forth herein will be tolled until the resolution of any enforcement action taken by Franchisor against Franchisee to enforce this Section.

17.2 Unless the context otherwise requires, the term "Franchisee" as used in this Article 17 shall include, individually and collectively, all partners, officers, directors, and managers of Franchisee, and owners or holders, directly or indirectly (and any partners, officers, directors, and managers of any such holder), of 5% or more of the beneficial interest in Franchisee.

18. NO PARTNERSHIP OR AGENCY

Parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor pursuant to the License granted by Franchisor. Franchisee shall not represent itself as being Franchisor, nor an agent, partner, employee or representative of Franchisor and shall not hold itself out as such nor as having any power or authority to incur any obligation of any nature express or implied on behalf of Franchisor.

19. **INDEMNITY**

Franchisee and each of its owners agree to indemnify, defend and hold harmless Franchisor and its directors, officers, employees, agents, successors and/or assignees (the “**Indemnified Parties**”) on demand against for and against all claims, proceedings, costs and damages arising out of the operation of the DABOBA Outlet by Franchisee, Franchisee’s breach of this Agreement including any breach of agreement which may be entered between Franchisee with any other persons in connection with the operation of the Franchised Business, any Taxes as described in Section 22 and all injuries caused to any person, damage to property and matters set out under Section 8.7.

20. **INDEPENDENT INVESTIGATION**

Franchisee acknowledges that it has conducted an independent investigation of the License and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee as an independent businessman. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee express or implied as to the potential volume of profits or success of the business venture contemplated by this Agreement, including form of financing to be secured to initiate the business.

21. **FORCE MAJEURE**

21.1 Neither Party shall be held liable for failure or delay in the performance of its obligations under this Agreement, if such performance is prevented, hindered or delayed by the occurrence of an unforeseeable act or event which is beyond the reasonable control of either Party (“**Force Majeure**”).

21.2 For the purpose of this Agreement, “Force Majeure” shall include but are not limited to:

- (a) acts of God including but not limited to fire, flood, earthquake, storms, hurricane, landslides or other natural disasters;
- (b) epidemics, pandemics, public health emergencies, strikes, lockouts, riots, work stoppages or other industrial disturbances which are beyond the control of the affected Party;

- (c) government regulations or directions or unanticipated exercise of discretionary powers vested in any government or public or local authority or any other similar action, law, judgment, order, decree, embargo or blockade; or
- (d) act of any sovereign including but not limited to civil commotion, war, invasion, act of foreign enemies, hostilities, rebellion, revolution, military or usurped power.

21.3 The Party affected (“**Affected Party**”) by a Force Majeure event shall notify the other party in writing as soon as reasonably practicable after commencement of a Force Majeure event (“**Notice of Force Majeure**”).

21.4 The Affected Party shall make all reasonable efforts to mitigate the effects of the Force Majeure event on the performance of its obligations under this Agreement.

21.5 As soon as reasonably possible after the end of the Force Majeure event, the Affected Party shall notify the other Party in writing that the Force Majeure event has ended and resume performance of its obligations under the Agreement.

21.6 If the Force Majeure event continues for more than six (6) months starting from the Notice of Force Majeure Event which renders the performance of the Agreement impossible, Parties shall be released from their respective obligations whereupon:

- (i) all outstanding monies due and owing to Franchisor shall be paid immediately; and
- (ii) Franchisee shall forthwith cease the Business.

22. TAXES

22.1 Unless otherwise expressly stated, all sums payable or consideration to be provided in connection with this Agreement, are exclusive of Taxes.

22.2 Either Party shall pay and shall hold other Party harmless against liability for the payment of all taxes, fines or imports together with interest and penalties (if any) payable or determined to be payable thereon or in respect of this Agreement and any transactions contemplated by this Agreement or any receipts made in relation to this Agreement.

22.3 Franchisee shall take such steps as it deems necessary or appropriate for any withholding of any taxes which Franchisee is required by any law or regulation or any governmental authority, whether federal, state, local and foreign withholding taxes.

22.4 In the event that a refund opportunity arises with respect to any Tax(es) paid by one Party as a result of the transactions governed by this Agreement, both Parties shall reasonably work together to pursue such refund. If one Party receives a refund or a

credit for any Tax(es) paid by the other party with respect to this Agreement, then the party receiving the refund or credit agrees to refund to that other party the full amount of such refund or credit.

22.5 Each Party shall be responsible for filing appropriate tax return and paying its own taxes.

23. CONTINUOUS OBLIGATION

All obligations of the parties hereto which expressly or by their nature survive the transfer, expiration or termination of the shall continue in full force and effect, notwithstanding such transfer, expiration or termination.

24. CONSENT

Franchisee shall obtain all council and other statutory consents, approvals and Franchisee necessary to carry on the Business prior to commencing trading and shall maintain such consents, approvals and Franchisee and/or obtain such other consents, approvals and Franchisee as may be necessary during the Term and such further period for which it may be renewed or extended as provided under Section 3.2.

25. KNOWLEDGE OR ACQUIESCENCE

Knowledge or acquiescence by either Party hereto of or in any breach of any of the terms, conditions or covenants herein contained shall not operate as or be deemed to be a waiver of such terms, conditions or covenants or any of them and notwithstanding such knowledge or acquiescence, each Party hereto shall be entitled to exercise their respective rights under this Agreement and to require strict performance by the other of the terms, conditions and covenants.

26. INVALIDITY & SEVERABILITY

If any provision of this Agreement is or may become under any written law or is found by any court or administrative body or competent jurisdiction to be illegal, void, invalid, prohibited or unenforceable then such provision shall be ineffective to the extent of such illegality, voidness, invalidity, prohibition or unenforceability and the remaining provisions of this Agreement shall remain in full force and effect.

27. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

28. NOTICES

28.1 Any notice required to be given pursuant to this Agreement shall be in writing and be in the English Language to the addresses as set out herein:

Franchisor

DABOBA USA, INC.

77 Las Tunas Drive
Suite 205,
Arcadia, California 91007
Email : melissa@daboba.my
Attention: Melissa Chow

Franchisee

Attention: _____
E-mail: _____

28.2 Any notice given under this Agreement shall be deemed to have been served as follows:

- (a) if sent by registered mail, in which case it shall be deemed to have been received five (5) Business Days from the date of posting; or
- (b) if delivered by courier service, on delivery and acknowledged receipt thereof; or
- (c) delivered by hand, at the time of actual delivery to the relevant address and acknowledged receipt thereof; or
- (d) if sent by electronic mail, when delivered to the email address unless there is an auto-return email specifying that the email was not successfully delivered, and if the delivery or receipt falls on a non-Business Day, it shall be taken as having been delivered on the next Business Day.

29. BINDING EFFECT

This Agreement shall be binding upon the respective successors in title, estates, personal representatives, heirs and permitted assigns as the case may be, of the Parties hereto.

30. VARIATION

No change to any provisions or Section of this Agreement can be made without the mutual consent of the Parties and shall be made in writing which is signed by the authorized representative of both Parties.

31. INDEPENDENT LEGAL ADVICE

Parties hereby acknowledge that they have been advised to obtain independent legal advice with respect to entering into this Agreement, that they have obtained such independent legal advice or has expressly deemed not to seek such advice. Parties are entering into this Agreement with full knowledge of the contents hereof, of the Parties' own free will and with full capacity and authority to do so.

32. ENTIRE AGREEMENT

32.1 Franchisor and Franchisee each acknowledge and warrant to each other that they wish to have all terms of their business relationship defined in this written Agreement. Neither Franchisor nor Franchisee wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Franchisee agree that this Agreement, together with any other documents or agreement executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as presentations, inducements, promises, agreements, or any other term), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on his or her behalf, which might be taken to constitute agreements, representations, inducements, promises, or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and Franchisor and Franchisee each agree that they have placed, and will place, no reliance on any such discussions, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights, and obligations of the parties with respect to any aspect of the relationship between the parties. No future franchise license rights or offer of franchise license rights have been promised to Franchisee and no such franchise license rights or offer of franchise license rights shall come into existence, except by means of a separate writing, executed by an officer of Franchisor or such other entity granting the Franchise Agreement and specifically identified as a modification of this Agreement. No change, modification amendment or waiver of any of the provisions hereof, including by custom or usage of trade or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto, and signed by the party to be charged.

33. APPENDICES AND SCHEDULE

Appendices and Schedules annexed hereto shall be taken as read and construed as an essential part of this Agreement.

34. **DECISIONS IN WRITING**

No decision, exercise of discretion, opinion or approval of any matter mentioned in this Agreement or arising from it shall be deemed to have been made by Franchisor except if in writing and shall be at its sole discretion unless otherwise expressly provided in this Agreement.

35. **ENFORCEMENT**

35.1 **Mediation.** In the event of any unsettled claims, disputes, or controversies between Franchisor and Franchisee, and other matters arising between them relating to this Agreement, the dealings or relationship between them, or Franchisee's development or operation of the Franchised Business ("**Dispute**"), either party has the option of initiating a mediation procedure by submitting a written request for mediation to the American Arbitration Association in accordance with the Commercial Mediation Rules.

35.1.1 The mediation process shall begin promptly, but in no event later than thirty (30) days after cessation of negotiations between the parties, and shall be concluded within thirty (30) days of the day the request for mediation is made, unless the parties mutually agree otherwise.

35.1.2 Mediation shall be private, voluntary, and nonbinding. Any party may withdraw from the mediation at any time before signing a settlement agreement upon written notice to each other party and to the mediator. The mediator shall be neutral and impartial. The mediator's fees shall be shared equally by the parties. The mediator shall be disqualified as a witness, consultant, expert, or counsel for either party with respect to the matters in Dispute and any related matters.

35.1.3 Unless the parties agree otherwise, the entire mediation process shall be confidential and without prejudice. The parties and the mediator shall not disclose any information, documents, statements, positions, or terms of settlement. Nothing said or done or provided by the parties in the course of mediation shall be reported or recorded or, except as ordered by a court of competent jurisdiction, placed in any legal proceeding or construed for any purpose as an admission against interest. Nevertheless, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in mediation.

35.1.4 All mediation proceedings shall take place in the city where Franchisor maintains its principal place of business at the time of the mediation.

35.1.5 The commencement of any mediation shall not act to prevent either party from instituting or proceeding with any action which may be the subject of the Dispute.

35.2 Temporary Restraining Orders and Injunctive Relief. Notwithstanding anything to the contrary contained in this Article, Franchisee and Franchisor each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. Franchisee acknowledges that a proper case to obtain temporary restraining orders and temporary or permanent injunctive relief from a court of competent jurisdiction shall include, but not be limited to, the following:

35.2.1 Any Dispute involving actual or threatened disclosure or misuse of the contents of the Manual or any other confidential information or trade secrets of Franchisor;

35.2.2 Any Dispute involving the ownership, validity, use of, or right to use or license the Proprietary Marks;

35.2.3 Any action by Franchisor to enforce the covenants set forth in Article 11 and Article 13 of this Agreement; and

35.2.4 Any action by Franchisor to stop or prevent any threat or danger to public health or safety resulting from the construction, maintenance, or operation of the Franchised Business. The provisions of this Article are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

35.3 Litigation. The parties hereby agree in order to minimize disruption or interference with operation of the franchise system as a whole, the parties agree as follows:

35.3.1 Any and all court proceedings arising from or relating in any manner to any dispute between Franchisor and Franchisee arising out of, relating to or referencing this Franchise Agreement or its breach in any way, shall be brought in, and only in, any state court of general jurisdiction sitting in the county and state, or in the United States District Court for the district, in which Franchisor has its principal place of business at the time any such action is instituted, and Franchisee irrevocably submit to the jurisdiction of such courts and waive any objection Franchisee may have to either the jurisdiction or venue of such court. No individual shall be joined as a party to such proceedings if such joinder has the effect of destroying federal court jurisdiction unless that individual or entity is a necessary party to the proceeding as a matter of law.

35.3.2 THE PARTIES AGREE THAT ALL DISPUTES ADMITTED TO THE COURT PURSUANT TO THIS PROVISION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

35.3.3 NO PUNITIVE OR EXEMPLARY DAMAGES SHALL BE AWARDED AGAINST EITHER FRANCHISOR OR FRANCHISEE OR ANY AFFILIATES OF EITHER OF THEM, IN ANY PROCEEDING, AND ALL CLAIMS TO SUCH DAMAGES ARE HEREBY WAIVED.

35.4 Statute of Limitations. Franchisor and Franchisee agree that no form of action or proceeding permitted hereby will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this Agreement or otherwise, unless the proceeding is brought before the expiration of the earlier of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation; or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation. Notwithstanding the foregoing, where state or federal law mandates or makes possible by notice or otherwise a shorter period, such shorter period shall apply in all cases, in lieu of the time specified in (i) or (ii) above.

35.5 Franchisor's Business Judgment. The parties hereto recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe the right of Franchisor to take (or refrain from taking) certain actions in the exercise of its discretion based on its assessment of the overall best interest of the network and/or franchise program. Where such discretion has been exercised, and is supported by the business judgment of Franchisor, neither a mediator nor a judge shall substitute his or her judgment for the judgment so exercised by Franchisor.

35.6 Legal Fees. In the event Franchisor incurs legal fees or costs or other expenses to enforce any obligation of Franchisee hereunder, or to defend against any claim, demand, action or proceeding by reason of Franchisee's failure to perform or observe any obligation imposed upon Franchisee by this Agreement, then Franchisor shall be entitled to recover from Franchisee the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any obligation of Franchisee hereunder or thereafter or otherwise.

35.7 No Class Actions. Any disagreement between Franchisee and Franchisor (and Franchisor's affiliates) will be considered unique as to its facts and must not be brought as a class action, and Franchisee waives any right to proceed against Franchisor (and Franchisor's affiliates, stockholders, officers, directors, employees, agents, successors and assigns) by way of class action, or by way of a multi-plaintiff, consolidated or collective action.

36. GOVERNING LAW

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement and the relationship between Franchisor and Franchisee will be interpreted and construed in accordance with the substantive laws of the State of Delaware, without giving effect to its conflicts of law provisions, provided that any nothing in this Section is intended by the parties to subject this Agreement to any franchise of similar law, rule or regulation of such state to which this Agreement would not otherwise be subject. If applicable law provides Franchisee with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, Franchisor will comply with the

requirements of such laws to the extent they exceed Franchisor's obligations under this Agreement.

37. WAIVER

The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies of the parties provided in law. No failure or delay on the part of any party in exercising nor any omission to exercise any right, power, privilege, or remedy accruing to the other party under this Agreement upon any default on the part of the other party shall impair any such right, power privilege or remedy or to be construed as a waiver thereof or any acquiescence in such default.

38. DECLARATION BY PARTIES

The parties hereto hereby declare that the contents of this Agreement have been duly explained to each of them in a language that each of them understands and each of them have fully understood the same before placing their respective signatures hereto.

39. COSTS

Franchisee agrees to pay Franchisor Five Thousand dollars (\$5,000.00) for cost and disbursements incidental in preparation of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first above written.

“Franchisor”

“Franchisee”

DABOBA USA, INC., a Delaware Limited Liability Company **[FRANCHISEE]**, a _____

BY: _____
ITS: _____

BY: _____
ITS: _____

OWNERS' ACKNOWLEDGEMENT

Each following party is an owner of Franchisee. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner of Franchisee mentioned in this Agreement, including rights and obligations relating to confidentiality, competition, and transfers.

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

sign here if the owner is an entity

sign here if the owner is an individual

By: _____

Print name: _____

Name: _____

Percentage Ownership: _____

Its: _____

Percentage Ownership: _____

SCHEDULE I

KEY TERMS

Item	Description	Particulars
1.	Date of this Agreement ("Effective Date")	
2.	Initial Franchise Fee: Deposit paid: Balance payable at execution:	\$ _____ \$ _____ \$ _____
3.	Royalty	Six percent (6%) the monthly Gross Sales payable on or before the 7 th day of each calendar month.
4.	Premises and Location	
5.	Territory	The location identified on the map in Schedule II herein.
6.	Term	5 years starting from the Effective Date
7.	Option to Renew or Renewal Term	For a further term of 5 years
8.	Successor Agreement Fee	\$15,000
9.	Expiration Date	On the day before the fifth anniversary of the Effective Date

SCHEDULE II
TERRITORY

[Insert map or description]

EXHIBIT 1

PROPRIETARY MARKS

Tradename : DABOBA

Trademark / Logo

(As of the Effective Date, the Trademark registration application is still under review by the United States Patent and Trademark Office)



EXHIBIT 2

GUARANTY

In consideration of, and as an inducement to DABOBA USA, INC. (“**Franchisor**”), to enter into the foregoing Franchise Agreement with _____ (“**Franchisee**”) dated _____ (“**Franchise Agreement**”), the undersigned individually and, if more than one guarantor, jointly and severally, guarantee the punctual payment and performance of all obligations of Franchisee under the Franchise Agreement and any documents, agreements, instruments and promissory notes executed pursuant to or in connection with the Franchise Agreement (“**Franchise Documents**”). This shall be an unconditional, irrevocable, and continuing guaranty for the entire term of this Guaranty and the Franchise Agreement.

The undersigned agree that they are willing to remain fully bound by this Guaranty notwithstanding any action or inaction of Franchisor and Franchisee in connection with the Franchise Agreement, and that their obligation shall not be modified, waived, or released by any modification, amendment, or departure from the terms of the Franchise Agreement, or by any forbearance, extension of time, waiver, or release granted by Franchisor to Franchisee or any guarantor or with respect to any security held by Franchisor. The undersigned expressly waive any and agree to pay and perform the obligations of Franchisee without notice or demand from Franchisor and without any requirement that Franchisor first proceed against Franchisee or any other guarantor.

The undersigned waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (iii) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed;
- (iv) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (v) any and all other notices (including, without limitation, notice of amendment or modification of the Franchise Agreement, notice of default or termination, and any other notices required by the Franchise Agreement) and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- (i) the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;

- (ii) the undersigned will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;
- (iii) this Guaranty will apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- (iv) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
- (v) such liability will not be diminished, relieved or otherwise affected by any extension of time, creditor or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied; and
- (vi) will pay Franchisor's court costs and reasonable attorney's fees in enforcing or collecting on this Guaranty.

All capitalized terms when used herein will have the meaning ascribed to them in the Franchise Agreement.

This Guaranty will be governed, construed and interpreted in accordance with the substantive laws of the State of _____, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the ____ day of _____, 20 __.

WITNESS(ES):

GUARANTOR(S):

Print or Type Name

Print or Type Name

Signature

Signature

Print or Type Name

Print or Type Name

Signature

Signature

SPOUSAL CONSENT

The undersigned spouse of Guarantor hereby consents to the execution of the foregoing Guaranty by their spouse and agrees to be bound thereby to the extent of their interest in any assets or property of Guarantor and further agrees that their community assets shall be bound thereby. This consent shall not be construed as an agreement by the undersigned spouse that such spouse's separate property is subject to the claims of Franchisor arising out of enforcement of this Guaranty.

Print or Type Name

Signature

EXHIBIT 3

LEASE RIDER

This Addendum to Lease ("Addendum") entered into this ____ day of _____, 20__, by and between _____ ("Franchisee") and _____ ("Landlord") for the premises located at _____;

WHEREAS, Franchisee has executed a Franchise Agreement ("Franchise Agreement") with DABOBA USA, INC. ("Franchisor"), and as part of said Franchise Agreement, the lease ("Lease") for the franchised DABOBA location ("Restaurant") must contain certain provisions; and

WHEREAS, Landlord and Franchisee agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, Landlord and Franchisee hereby agree as follows:

1. Landlord agrees that Franchisee will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of Franchisor.
2. Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease at the same time that such letters and notices are sent to Franchisee. Landlord further agrees that, if it intends to terminate the Lease, the Landlord will give Franchisor 30 days' advance written notice of such intent, specifying in such notice all defaults that are the case of the proposed termination. Franchisor will have after the expiration of the period during which Franchisee may cure such default, an additional 15 days (or if there is no cure period, at least 15 days) to cure, at its sole option, any such defaults. Franchisor, or an affiliate of Franchisor, will have the right, but not obligation, upon giving written notice of its election to Franchisee and Landlord, to cure the breach and succeed to Franchisee's rights under the Lease, and any renewals or extensions thereof.
3. Upon default, expiration or termination of the Franchise Agreement or the Lease, and upon notice to Landlord, Franchisor or its designee will have the option, without however any obligation, to assume Franchisee's obligations under the Lease, on the same terms and conditions available to Franchisee. Further, if Franchisee or any other party with an interest in Franchisee transfers to Franchisor or another party all of its or their interest in the Franchise Agreement, Franchisee or the Restaurant, the transferee will have the right to assume the Lease on the same terms and conditions as are contained in the Lease.

4. Franchisor will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect Franchisor's interest in its proprietary marks. Landlord agrees that in such event Franchisor will not be liable for trespass or any other crime or tort. Further, Franchisor or its designated agents will be permitted to enter the leased premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

5. Franchisee may assign to Franchisor all of its rights of further assignment at any time if the Landlord is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by Franchisor.

6. Upon request of Franchisor, the Landlord will provide Franchisor with copies of all reports, information, or data in Landlord's possession with respect to sales made from the leased premises.

7. Copies of any and all notices pertaining to the Lease will also be sent to Franchisor at the following address, or at such other address as may be designated by Franchisor in writing:

77 Las Tunas Drive, Suite 205, Arcadia, California 91007

8. Franchisor will be a third-party beneficiary of this Addendum and has the right independently of Franchisee to enforce all of its rights hereunder.

9. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Addendum will govern.

FRANCHISEE:

LANDLORD

By:_____

By:_____

Its:_____

Its:_____

EXHIBIT 4

STATE LAW ADDENDUM

[Add state law addendum here, if applicable]

EXHIBIT 5

BOBA TEA SCH BHD LICENSE AGREEMENT ADDENDUM

This ADDENDUM TO DABOBA USA, INC. FRANCHISE AGREEMENT (the “**Addendum**”) is made and entered into by and between **Daboba USA, Inc.** (“**Franchisor**”), _____ (“**Franchisee**”), and with respect to Sections _____ **Boba Tea Sch Bhd** (“**Parent**”) on _____, 20__ (“**Effective Date**”). Franchisor and Franchisee are referred to as a “**Party**” and jointly as the “**Parties.**”

W I T N E S S E T H: That,

WHEREAS, Parent and Franchisee executed a license agreement dated _____, 20__ (as amended, the “**Old Agreement**”), for the operation by Franchisee of a Daboba business at _____(the “**Location**”);

WHEREAS, Parent and Franchisee have agreed to terminate the Old Agreement;

WHEREAS, Franchisor and Franchisee on even date herewith are entering into a franchise agreement for the Location, (as amended, the “**Franchise Agreement**”), as amended by this Addendum;

WHEREAS, Parent under the Old Agreement granted Franchisee certain rights that are not granted to new franchisees by Franchisor, but Franchisor has nonetheless agreed to grant such rights to Franchisee;

NOW, THEREFORE, in consideration of the premises set forth in this Addendum and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Termination of Old Agreement.** Franchisee and Parent agree that there are no outstanding amounts or obligations due and owing under the Old Agreement, except for \$_____, that Franchisee agrees to pay on the Effective Date, and under such sections of the Old Agreement that survive the termination pursuant to this Agreement, including post-termination obligations. By mutual agreement, Parent and Franchisee hereby terminate the Old Agreement as of the Effective Date, and except as expressly herein provided, as of the Effective Date the Old Agreement will be of no further force or effect. The covenants contained in the Old Agreement which, by their terms, permit or require performance by the parties after the termination of the Old Agreement shall survive and be enforceable by Parent notwithstanding said termination, including, but not limited to provisions: relating to confidential information, competition after the expiration or termination of the Old Agreement, and indemnity.

2. **Amendment of Franchise Agreement.** The Parties agree that during the initial term of the Franchise Agreement, unless sooner terminated, Franchisee is entitled to the following payments from Franchisor:

- (a) For each franchisee that opens a Daboba outlet in the designated territory set forth in Exhibit A (“Designated Territory”) hereto: (i) ___% of the Initial Franchise Fee received by Franchisor; (ii) ___% of the Royalty paid by the franchisee to Franchisor; and (iii) ___% of the revenue received by Franchisor for the franchisees’ inventory purchases from Franchisor or its designee.

3. **Release.**

(a) Franchisee, its owners, directors, officers, managers, and agents (the “Franchisee Parties”), hereby fully, finally and forever release, forgive and discharge each of Parent and its affiliated companies and each of their respective owners, directors, officers, managers, and agents, (“Parent Parties”), and each of them, of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, known or unknown, vested or contingent, which any of the Franchisee Parties now own or hold, or has at any time heretofore owned or held, or may at any time own or hold against Parent Parties arising prior to and including the date of this Agreement, including any such claim arising out of or in any way related to the Old Agreement; provided, however, that this Addendum shall exclude: (i) claims arising from assertion of any continuing rights granted by this Addendum; (ii) claims arising under other agreements between the parties, or guarantees made by the parties; and (iii) claims under provisions in the Old Agreement surviving pursuant to Section 1 of this Addendum.

[All states except for California: Franchisee Parties expressly intend to release, and understand that by this Addendum, Franchisee Parties are releasing all claims, whether presently known, unknown, suspected, or unsuspected. Franchisee Parties understand and acknowledge that Franchisee may hereafter discover facts different from or in addition to those facts Franchisee Parties now believe to be true with respect to the matters released in this Addendum. Franchisee Parties assume any and all risk of mistake (or discovery of additional facts) in connection with the matters giving rise to this Addendum.]

[California specific release: Franchisee Parties expressly intend to release, and understand that by this Addendum, Franchisee Parties are releasing all claims, whether presently known, unknown, suspected, or unsuspected, including, but not limited to, those claims within the scope of Section 1542 of California Civil Code, if applicable, which expressly states:

“A general release does not extend to claim which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have affected his settlement with the debtor.”

and any other state statute, precedent, or common law principle of similar import or effect.

Franchisee Parties expressly waive the benefits of Section 1542 and similar state statutes, precedent or common law principles of similar import or effect. Franchisee Parties understand and acknowledge that Franchisee may hereafter discover facts different from or in addition to those facts Franchisee Parties now believe to be true with respect to the matters released in this Addendum. Franchisee Parties assume any and all risk of mistake (or discovery of additional facts) in connection with the matters giving rise to this Addendum.

(b) Subject to the exceptions set forth in Section 3 (a) above, Franchisee Parties acknowledge and agree that this release applies to all claims for injuries, costs, expenses, damages or losses (whether those injuries, costs, expenses, damages or losses are known or unknown, foreseen or unforeseen, or patent or latent) that Franchisee Parties may have against Parent Parties.

(c) Except as provided in Section 1 above, Parent Parties, hereby fully, finally and forever releases, forgives and discharges Franchisee Parties of and from any claims, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character, and description, known or unknown, vested or contingent, which Parent Parties now own or hold, or have at any time heretofore owned or held, or may at any time own or hold against Franchisee Parties, arising prior to and including the date of this Release, including any such claim arising out of or in any way related to the Old Agreement, provided, however, that this Addendum shall exclude: (i) claims arising from assertion of any continuing rights granted by this Addendum; (ii) claims arising under other agreements between the parties, or guarantees made by the parties; and (iii) claims under provisions in the Old Agreement surviving pursuant to Section 1 hereof (including the obligation to pay any outstanding amount expressly set forth in Section 1).

(d) Subject to the exceptions set forth in Section 3 (c) above, Parent acknowledges and agrees that this release applies to all claims of injuries, costs, expenses, damages or losses (whether those injuries, costs, expenses, damages or losses are known or unknown, foreseen or unforeseen, or patent or latent) that Parent Parties may have against Franchisee Parties.

(e) Franchisee Parties hereby covenant and agree not to bring any claim, action, suit or proceeding against Parent Parties, and Parent Parties hereby covenant and agree not to bring any claim, action, suit or proceeding against Franchisee Parties,

regarding or related in any manner to any claim released herein, and further covenant and agree that this release constitutes a bar to any such claim, action, suit or proceeding.

(f) The provisions of this Addendum may be pleaded as a full and complete defense to, and may be used as the basis for any injunction against, any action, suit or other proceeding that may be instituted, prosecuted or attempted in breach of this Addendum.

(g) This release by Franchisee Parties and Parent Parties shall not apply to those covenants contained in the Old Agreement which by their terms require or permit performance by the parties after the termination of the Old Agreement or to any and all obligations arising out of this Agreement.

4. **Effectiveness of Agreement.** To the extent not amended herein, all other terms and conditions of the Franchise Agreement shall remain in full force and effect. No references to the amendments contained herein need be made in any instrument or document at any time referring to the Franchise Agreement and any such reference is deemed to be a reference to the Franchise Agreement as amended by this Addendum. In the event of any conflict between the terms of the Franchise Agreement and the terms of the Addendum, the terms of this Addendum shall control. All capitalized terms not defined in this Addendum shall have the respective meanings set forth in the Franchise Agreement.

5. **Entire Agreement; Governing Law; Counterparts.** This Addendum and the documents provided for herein contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, agreements, and understandings with respect thereto. This Addendum may only be amended by a written document duly executed by the Parties. This Addendum shall be governed by and construed in accordance with the same laws as the Franchise Agreement. This Addendum shall inure to the benefit of and shall be binding upon the respective successors, heirs, administrators, executors, personal representatives, trustees, and permitted assigns of the Parties. This Addendum may be executed in multiple counterparts, each considered an original, but all of which shall constitute but one amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum as of the Effective Date.

DABOBA USA, INC.
a Delaware corporation

[Franchisee]
a [_____]

By: _____
Name:
Its:

By: _____
Name:
Its:

EXHIBIT A
Designated Territory

[Insert map or description of Designated Territory]

EXHIBIT E
STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

**MULTI-STATE AMENDMENT
TO FRANCHISE AGREEMENT
(FOR THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI)**

This Amendment pertains to franchises sold in the state that have adopted as law the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements (the "SOP") and is for the purpose of complying with the statutes and regulations of such states. Signing this Amendment where the SOP, because applicable jurisdictional requirements are not met, does not subject the parties to the provisions of the SOP. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. The following language is added immediately before the signature block of the Franchise Agreement:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By:
Its:
Date of signature: _____

By: _____
Its: _____
Date of signature: _____

CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of California that are subject to the California Franchise Investment Law (the “Act”) and is for the purpose of complying with California statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act, as set forth in this Amendment, or otherwise. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, will be amended as follows:

1. The following language is added as new Section 40 of the Franchise Agreement:

“No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee’s understanding of the law and facts as of the time of the franchisee’s investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Notwithstanding anything to the contrary in this Agreement, and to the extent required by California Corporations Code Section 31512.1, any provision in this Agreement, the franchise disclosure document, and any other acknowledgement, questionnaire, or other writing, disclaiming or denying: (a) representations made by Franchisor or its personnel or agents to Franchisee before entering into the Franchise Agreement; (b) reliance by Franchisee on any representations made by Franchisor, or its personnel or agents; (c) reliance by Franchisee on the franchise disclosure document; or (d) violations of any other provision of the Act [that will be a reference to the California franchise law]; is void and will not be enforced by Franchisor.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

By:
Its:
Date of signature: _____

By:
Its:
Date of signature: _____

By:
Its:
Date of signature: _____

**ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Illinois law shall supersede any provisions of the Franchise Agreement or Delaware law which are in conflict with the law.

2. Nothing in Section 36 of the Franchise Agreement waives any rights Franchisee may have under Section 41 of the Illinois Franchise Disclosure Act of 1987, which provides:

"Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

3. Section 35.3 of the Franchise Agreement is amended to provide that venue shall be in an appropriate Illinois court of general jurisdiction or United States District Court in Illinois.

Dated: _____

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

MARYLAND AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the “Act”) and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20____, will be amended as follows:

1. The following language is added to Section 3.2 of the Franchise Agreement:

“, except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
3. The following language is added to Section 15.2 of the Franchise Agreement:

“, except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”
4. The following language is added to the end of Section 35.3 of the Franchise Agreement:

“Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law.”
5. The following language is added to the end of Section 35.4 of the Franchise Agreement:

“all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise.”
6. The following language is added to Sections 3.2 and 15.2 of the Franchise Agreement:

“Representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:

Franchisee:

—

By: _____

By: _____

Its: _____

Its: _____

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the “Act”) and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 10.6 of the Franchise Agreement is amended to add the following language.

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

2. Section 12 of the Franchise Agreement is amended to add the following language:

“At the election of Franchisor, Franchisor may terminate the Agreement effective upon the expiration of 90 days after giving of written notice in the event Franchisee defaults, and does not cure to Franchisor’s reasonable satisfaction within the 60-day notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any six month period, and any subsequent occurrence of the same or substantially similar default within such six month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure.”

3. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Section 10.6 of the Franchise Agreement is amended as follows:

"With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement."

5. Section 35.3 of the Franchise Agreement is amended as follows:

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction."

6. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 35.3 of the Franchise Agreement is amended as follows:

"Nothing contained herein shall limit Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."

7. Minn. Rule 2860.4400J. prohibits requiring a franchisee to consent to liquidated damages.

8. Section 35.4 of the Franchise Agreement is amended to add the following:

"Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement as of the day and year set forth above.

Franchisor:

DATED: _____

By: _____

Its: _____

Franchisee:

DATED: _____

By: _____

Its: _____

**NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, _____, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the license occurred in New York.

2. The following is added as a new Section 12 of the Franchise Agreement:

"Franchisee may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 36 of the Franchise Agreement:

"This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the “Act”) and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The Franchise Agreement between _____ (“Franchisee” or “You”) and _____ (“Franchisor”) dated as of _____, 20__ (the “Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the “Amendment”):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1995). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, such release shall exclude claims arising under the North Dakota Franchise Investment Law, and such acknowledgments shall be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Agreement are enforceable only under certain conditions according to North Dakota Law. If the Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under the North Dakota Franchise Investment Law.
- d. If the Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the

arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.

- f. If the Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its Owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on _____, 20____.

Franchisor:

By: _____

Its: _____

Franchisee:

By: _____

Its: _____

**RHODE ISLAND AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, ____ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: _____, _____.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

**VIRGINIA AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, ____, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 12 of the Franchise Agreement is amended by adding the following language:

"§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

Dated: _____

Franchisor:

By: _____

Its: _____

Franchisee:

By: _____

Its: _____

**WASHINGTON AMENDMENT
TO FRANCHISE AGREEMENT**

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, ____ hereby agree that the Franchise Agreement will be amended as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your license.

2. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3. A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

4. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

5. The undersigned hereby acknowledges receipt of this amendment.

Dated: _____, _____.

Franchisor:

Franchisee:

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT F
TABLE OF CONTENTS OF OPERATIONS MANUAL

DABOBA FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

SECTION A: INTRODUCTION

WELCOME LETTER FROM THE FOUNDER	1
DABOBA CORE VALUES.....	2
THE STORY OF DABOBA.....	3
Services Provided to Daboba Franchisees	4
Site Selection ◀.....	4
Construction Assistance ◀.....	4
Initial Training ◀.....	4
Initial On-Site Assistance ◀.....	5
Ongoing Training and Support ◀.....	5
Use of Trademarks ◀.....	5
Protected Territory ◀.....	5
Global Menu Standards ◀.....	6
Approved Suppliers ◀.....	6
Design Assistance ◀.....	6
Advertising Materials and Sales Aids ◀.....	6
Corporate Website ◀.....	7
Management and Operations Advice ◀.....	7
Ongoing Research and Development ◀.....	7
Franchisee Advisory Councils ◀.....	7
RESPONSIBILITIES OF DABOBA FRANCHISEE AND STAFF	8
Responsibilities to Customers ◀.....	8
Responsibilities to Your Employees ◀.....	8
Responsibilities to the Franchisor ◀.....	9
Responsibilities to Other Franchisees ◀.....	9
VISITS FROM THE CORPORATE OFFICE.....	10
PAYING OTHER FEES.....	11
Additional On-Site / Remedial Training ◀.....	11
Additional Training ◀.....	11
Annual Meeting ◀.....	11
Audit ◀.....	11
Costs and Attorneys' Fees ◀.....	12
Indemnification ◀.....	12
Insufficient Funds ◀.....	12
Insurance Fees ◀.....	12

Interest ◀.....	12
Management Fee ◀.....	12
Mystery Shopper Fee ◀.....	13
Relocation Fee ◀.....	13
Renewal Fee ◀.....	13
Supplier/Product Testing ◀.....	13
Technology Fee ◀.....	13
Technology Maintenance and Upgrades ◀.....	13
Transfer Fee ◀.....	14

SECTION B: PRE-OPENING PROCEDURES

PRE-OPENING CHECKLIST	1
Pre-Opening Checklist ◀.....	2
Development Cost Summary Sheet ◀.....	9
ESTABLISHMENT OF BUSINESS FORM.....	10
SITE SELECTION PROCESS.....	11
Site Selection Criteria	11
Market Analysis ◀.....	12
Gaining Site Selection Acceptance ◀.....	13
Lease Considerations ◀.....	13
Negotiating a Lease ◀.....	14
Gaining Lease Acceptance ◀.....	16
Working with an Architect ◀.....	17
Selecting a Contractor ◀.....	18
Building Out the Store Facility ◀.....	19
Pre-Opening Inspection ◀.....	21
Design Features ◀.....	22
List of Required Equipment And Smallwares	25
Initial Inventory.....	26
Logo and Signage Specifications	27
Business Cards and Letterhead ◀.....	27
Signage Requirements ◀.....	28
Contracting with Required Utilities and Services	3
Obtaining Required Licenses and Permits	32
Health Department Regulations ◀.....	33
Setting Up Bank Accounts	35

DABOBA FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

Accounts to Open ◀	35	PROFILE OF THE IDEAL DABOBA TEAM MEMBER	16
Procuring Required Insurance Policies	36	RECRUITING TEAM MEMBERS	22
Meeting Your Tax Obligations	38	Determining Hiring Needs ◀	22
Employer Identification Number ◀	38	Getting the Word Out ◀	23
Federal Taxes ◀	38	Employment Applications ◀	24
State Taxes ◀	39	Pre-Screening ◀	24
CONDUCTING A GRAND OPENING	40	JOB DESCRIPTIONS	26
Planning ◀	42	Store Manager ◀	26
SECTION C: HUMAN RESOURCES		Asst. Store Manager ◀	29
HELPFUL LINKS / RESOURCES	1	Tearista I ◀	31
EEOC GUIDELINES FOR HIRING EMPLOYEES	3	Tearista II ◀	32
Employers Covered by EEOC-Enforced Laws ◀ 3		THE INTERVIEW PROCESS	34
How Employees Are Counted ◀	4	Conducting the Interview ◀	36
Record Keeping Requirements ◀	4	Completing the Interview Report ◀	42
Reporting Requirements ◀	4	Reference Check ◀	42
Charge Processing Procedures ◀	5	Background Checks ◀	42
Mediation ◀	5	Making a Job Offer ◀	43
Remedies ◀	6	TRAINING TEAM MEMBERS	45
Regulatory Enforcement Fairness Act ◀	6	Training Tips ◀	45
Technical Assistance ◀	6	Orienting New Team Members ◀	46
Informal Guidance ◀	7	Initial Training ◀	48
Publications ◀	7	Ongoing Training Process ◀	51
WAGE AND LABOR LAWS	8	PERSONNEL POLICIES	52
Fair Labor Standards Act ◀	8	TIME TRACKING PROCEDURES	62
What the FLSA Requires ◀	8	UNIFORM AND DRESS CODE	63
What the FLSA Does Not Require ◀	10	CONDUCTING PERFORMANCE EVALUATIONS	65
FLSA Minimum Wage Poster ◀	11	Preparation ◀	66
Other Mandatory Labor Law Posters ◀	11	Procedure ◀	67
LAWS REGARDING HARASSMENT	13	Review Meeting ◀	68
Sexual Harassment ◀	13	PROGRESSIVE DISCIPLINE	69
Racial and Ethnic Harassment ◀	13	TERMINATION/SEPARATION	71
Pregnancy Discrimination ◀	14	Termination ◀	71
Religious Accommodation ◀	14	Resignation ◀	74
IMMIGRATION REFORM / CONTROL ACT	15A	Rehire or Reinstatement ◀	74

DABOBA FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

SECTION D: DAILY OPERATING PROCEDURES

SUGGESTED HOURS OF OPERATION	1	Monthly Cleaning ◀.....	31
DAILY ROUTINES	2	Floors ◀.....	33
Opening Procedures ◀.....	2	Walls and Ceilings ◀.....	33
Ongoing Procedures ◀.....	5	Windows ◀.....	34
Shift Change (from Opening to End Shift Leader) ◀.....	6	Lighting and Air Vents ◀.....	34
Closing Procedures ◀.....	6	Pictures / Wall Posters ◀.....	34
Manager Daily Duties ◀.....	8	Waste Receptacles ◀.....	34
ALLERGEN INFORMATION.....	11	Restrooms ◀.....	35
DRINK PROCEDURES.....	12	Sidewalks ◀.....	35
CONTROLLING WASTE AND SPOILAGE	13	Dumpster Area ◀.....	35
CUSTOMER SERVICE PROCEDURES	14	Care of Cleaning Equipment ◀.....	35
Daboba Customer Service Philosophy ◀.....	14	Fire Extinguishers ◀.....	36
Providing Excellent Customer Service ◀.....	15	Boba Cooking Machine Maintenance ◀.....	36
Obtaining Customer Feedback ◀.....	17	FOOD SAFETY AND SANITATION	38
Handling Customer Complaints ◀.....	17	Types of Contamination ◀.....	39
Menu Board Operations ◀.....	19	Cross-Contamination ◀.....	40
PROVIDING THE DABOBA EXPERIENCE	20	Biological Hazards ◀.....	40
Counter Service Customer Engagement ◀.....	20	Staphylococcus ◀.....	41
Taking Orders ◀.....	22	Salmonellosis ◀.....	41
Suggestive Selling ◀.....	23	Clostridium Perfringens (E. Coli) ◀.....	42
Making Drinks ◀.....	24	Botulism ◀.....	43
Cups and Sealing ◀.....	24	Hepatitis Virus A ◀.....	43
TRANSACTING SALES.....	25	FOODBORNE ILLNESS.....	45
Using your LINGA POS System to Enter Orders ◀.....	25	Contributing Factors to a Foodborne Illness ◀.....	46
The Farewell ◀.....	25	Recommended Manager Script ◀.....	47
MONEY HANDLING PROCEDURES.....	26	MAINTENANCE AND REPAIRS	49
Accepting Payment ◀.....	26	Preventative Maintenance ◀.....	49
Cash Handling Procedures ◀.....	26	Maintenance Work Orders ◀.....	51
Accepting Credit Cards ◀.....	27	SAFETY AND SECURITY	52
Gift Cards ◀.....	28	Safety Guidelines ◀.....	53
REQUIRED CLEANING.....	29	Responsibility ◀.....	53
Daily Cleaning ◀.....	29	Orientation ◀.....	53
Weekly Cleaning and Maintenance ◀.....	30	Workers' Compensation Issues ◀.....	57
		Chemical Safety ◀.....	58
		SDS (Safety Data Sheets) ◀.....	59

DABOBA FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

Fire Safety ◀.....	61	Food Cost and Controls ◀.....	32
Burglary ◀.....	65	How to Control Food Cost ◀.....	33
Preventing Electric Shock ◀.....	65	Tips for Investigating High Food Cost Categories ◀.....	34
Preventing Falls ◀.....	65	Portion Controls ◀.....	35
Proper Lifting Techniques ◀.....	67	Effective Scheduling and Labor Cost ◀.....	35
Preventing Cuts ◀.....	67	Calculating Labor Cost ◀.....	36
Box Cutter Handling ◀.....	68	Ways to Control Labor Cost ◀.....	37
Preventing Burns ◀.....	68	Health Inspection Process.....	40
Disorderly Customers ◀.....	68	Typical Daboba Health Inspection Requirements ◀.....	41
SECTION E: MANAGING A DABOBA STORE		HACCP Based Inspections ◀.....	42
THE DABOBA MANAGEMENT PHILOSOPHY.....	1	OPERATIONAL & FINANCIAL REPORTING.....	43
Qualities of a Good Manager ◀.....	1	Features of the LINGA POS System ◀.....	43
MANAGEMENT TOOLS.....	3	Generating and Analyzing Necessary Reports ◀.....	43
Use of Checklists ◀.....	3	PCI Compliance ◀.....	44
MANAGING PERSONNEL.....	4	LOSS PREVENTION TECHNIQUES.....	45
Scheduling Team Members ◀.....	4	Asset Control ◀.....	45
Communicating with Team Members ◀.....	7	Threats to Cash Management ◀.....	47
Hosting Team Member Meetings ◀.....	11	Inventory Control System ◀.....	48
Motivating Team Members ◀.....	12	FRANCHISE REPORTING REQUIREMENTS.....	49
MANAGING THE CUSTOMER EXPERIENCE.....	16	Royalty Payment ◀.....	49
Communicating with Customers ◀.....	16	Advertising Contributions ◀.....	49
Maintaining a Positive Environment ◀.....	16	Electronic Funds Transfer ◀.....	50
INVENTORY MANAGEMENT.....	18	Financial Statements ◀.....	50
Product Ordering Procedures ◀.....	18	SECTION F: MARKETING AND PROMOTION	
Establishing Par Levels ◀.....	20	MARKETING PLAN.....	1
Ordering from Approved Suppliers ◀.....	20	DEVELOPING CREATIVE MATERIALS.....	2
Changing Approved Suppliers ◀.....	21	Developing your Marketing Plan ◀.....	2
Product Receiving Procedures ◀.....	21	Use of Social Media ◀.....	2
Labeling and Rotating Inventory ◀.....	23	PROMOTING DABOBA IN YOUR AREA.....	9
Shelf Life ◀.....	24	Community Involvement ◀.....	9
Storage ◀.....	24	Use of Media ◀.....	10
Tracking Inventory ◀.....	27	Direct Mail ◀.....	11
Steps for Taking Inventory ◀.....	29	Email Marketing ◀.....	12
COST CONTROLS.....	31	In-App Marketing: Push Notifications ◀.....	13
Prime Cost Concept ◀.....	31		

DABOBA FRANCHISE OPERATIONS MANUAL

TABLE OF CONTENTS

Paid Social Media Advertising ◀	14	PUBLIC RELATIONS	22
Google Advertising and Search Engine Marketing ◀	15	OBTAINING ADVERTISING APPROVAL	24
Website/App Merchandising and Marketing ◀	15	APPENDICES:	
Social Media Influencers ◀	16	APPROVED SUPPLIER	
In-Store Promotions/Specials ◀	18	BRAND GUIDELINES	
Guidelines for Using Daboba Marks ◀	18	CHECKLIST	
Using Referrals to Build Business ◀	19	DRINK RECIPE	
REQUIRED ADVERTISING EXPENDITURES.....	21	FORMS AND SAMPLES	
Brand Development Fund ◀	21	LINGA POS SYSTEM	
		PRE-OPENING	
		SAFETY AND HYGIENE	

EXHIBIT G
LIST OF FRANCHISEES

Franchisee	Street Address	City	State	Telephone Number
To Da Moon LLC	9240 Garden Grove Blvd Ste 8, Garden Grove, CA 92844, USA.	Garden Grove	California	5628104352
PNBROS LLC	16449 Bernardo Center Dr, San Diego, CA 92128	San Diego	California	6199061980
Naceoli, LLC	9331 & 9333 MIRA MESA BLVD	San Diego (La Jolla)	California	8587744656
Yilufa Venture Group LLC	1920 17th street	Lohi (Denver)	Colorado	3106504167
Bear Investments LLC	8711 SW 124th Avenue Kendall	Kendall (Miami)	Florida	8652586774
Bear Investments LLC	7930 NW 36TH ST STE 13-16 DORAL	Doral (Miami)	Florida	8652586774
DABOBA CHICAGO KD CORPORATION	2142B S Archer Ave.	Chicago	Illinois	7732660221
DABOBA CHICAGO LLC	17W414 22ND STREET	Oakbrook Terrace	Illinois	7089833497
DABOBA USA LLC	210 Carey Lane	Elizabethtown	Kentucky	2704018344
DABOBA MARYLAND	1059 Rockville pike, Pace 1079	ROCKVILLE	Maryland	2403617940
TURTLE BOBA LLC	8 Franklin st	Worcester	Massachusetts	6179436569
Daboba Mansfield LLC	348 Matlock Rd, Ste 100	Mansfield	Texas	4699889988
Mai Duong INC	9140 N Fwy. Ste 312	Fort Worth	Texas	4694497462
Daboba Bear LLC	1300 E Beltline Rd. Ste 400	Garland (Richardson)	Texas	2144634417
Daboba South East LLC	9820, Gulf Fwy #C3C, Houston Texas, 77034	Houston	Texas	7135055589
D&K Restoration Services LLC	3321 159th St Sw	Lynwood (Seattle)	Washington	2063278378
Daboba Berry LLC	12004 NE Fourth Plain Blvd	Vancouver	Washington	3609521707
Daboba Houston Corporation	11360 Bellaire Blvd Ste 80	Houston	Texas	8323829340
Socaldaboba Inc	8917 Carlton Hill Blvd	San Diego	California	6199080168
Daboba L.L.C.	12668 Se 38th St, Factoria Village	Bellevue (Seattle)	Washington	2068760558

Franchisee	Street Address	City	State	Telephone Number
SK Eats LLC	4411 Mercury St. Suite 105B,	San Diego	California	8584058148
T.L. Tea LLC	2743 S. Market Street #236	Gilbert	Arizona	4806127226

EXHIBIT H

FRANCHISEES WHO LEFT THE SYSTEM OR HAVE NOT COMMUNICATED

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The following franchisees left our system in our last fiscal year, or did not communicate with us within 10 weeks of the issuance date of this disclosure document:

NONE

EXHIBIT I
FINANCIAL STATEMENTS

Audited Financial Statements

Daboba USA, Inc.

Balance Sheet with
Independent Auditors' Report

September 7, 2023

DABOBA USA, INC.
Balance Sheet with Independent Auditors' Report
September 7, 2023

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1
Balance Sheet	3
Notes to Financial Statement	4



214 W. Main
Valley Center, Kansas 67147
Phone (316) 755-0033 Fax (316) 755-2661

Independent Auditors' Report

To the Board of Directors and Shareholder
of Daboba USA, Inc.

Opinion

We have audited the accompanying balance sheet of Daboba USA, Inc. (a Delaware corporation), as of September 7, 2023, and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Daboba USA, Inc. as of September 7, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Daboba USA, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Daboba USA, Inc.'s ability to continue as a going concern within one year after the date that the financial statement is available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statement

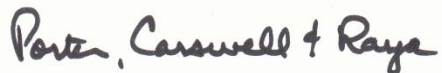
Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Daboba USA, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Daboba USA, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The image shows a handwritten signature in dark ink that reads "Porter, Carswell & Raya". The signature is written in a cursive, flowing style.

Porter, Carswell & Raya, Chartered
September 27, 2023

DABOBA USA, INC.

Arcadia, California

BALANCE SHEET

September 7, 2023

ASSETS

Current Assets		
Cash and cash equivalents	\$	50,970
Other Assets		
Organization fees		<u>30</u>
Total Assets	\$	<u><u>51,000</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities	\$	-
Stockholder's Equity		
Common stock, \$.01 par value; 1,000 shares authorized, issued, and outstanding		10
Paid-in capital		<u>50,990</u>
Total Stockholders' Equity		<u><u>51,000</u></u>
Total Liabilities and Stockholders' Equity	\$	<u><u>51,000</u></u>

See accompanying notes and independent auditors' report.

DABOBA USA, INC.
Arcadia, California

NOTES TO FINANCIAL STATEMENT
September 7, 2023

1. Summary of Significant Accounting Policies

Daboba USA, Inc.'s accounting policies conform to accounting principles generally accepted in the United States of America. The most significant accounting policies are summarized below.

Organization and Nature of Operations

Daboba USA, Inc. (the Company), incorporated in Delaware in January 2023, is a development stage company whose planned principal operations are the sales of Daboba bubble tea shop franchises in the United States. The Company's activities are subject to significant risks and uncertainties, including rapidly changing consumer preferences and the need to acquire additional capital resources for the continuation and expansion of its business.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Subsequent Events

Management has evaluated subsequent events through September 27, 2023, the date on which the financial statement was available to be issued.

Unaudited Financial Statements

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

EXHIBIT J
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (“Agreement”), dated _____, _____, is made by and between **DABOBA USA, INC.** a Delaware limited liability company, with its principal office at 77 Las Tunas Drive, Suite 205, Arcadia, California 91007 (“Franchisor”), and _____, located at _____ (“Recipient”).

Recitals

On _____, _____, Franchisor and _____ (“**Franchisee**”) entered into a Franchise Agreement to operate a Daboba franchise (the “Franchised Business”) at _____ (“**Franchise Agreement**”). Recipient is either an owner of Franchisee (each, an “**Owner**”), or one of Franchisee’s owners, shareholders, partners, members, officers, directors, managers, employees, or agents.

Under the Franchise Agreement, Franchisor has agreed to provide Confidential Information, as that term is defined in the Franchise Agreement and below, to Franchisee solely on the condition that Franchisee and the Owners of Franchisee agree that Franchisee (if an individual), its Owners (if an entity), officers, directors, members, partners, managers, employees and agents who have access to such Confidential Information sign a Confidentiality Agreement. Recipient agrees that the Confidential Information is being disclosed to him or her under the terms and conditions of this Agreement.

The Franchise Agreement also requires each of Franchisee’s shareholders, partners, members, officers, directors, managers, employees and agents to sign a covenant not to compete.

Terms and Conditions

NOW, THEREFORE, in consideration of the covenants and the promises herein contained, the parties agree as follows:

1. Recipient acknowledges and agrees that all Confidential Information he or she receives from Franchisor is confidential and proprietary information and trade secrets in which Franchisor has a proprietary interest. “Confidential Information” [**adjust as necessary**] includes, by way of example, but not limitation, certain information relating to the operation of the Franchised Business including, without limitation, the standards, methods, procedures and specifications of the System, including the System Standards and the contents of the Operations Manual. Recipient will not acquire any interest in the Confidential Information learned by Recipient other than the right for Recipient to utilize the same in connection with ownership and/or operation of the its Franchised Business during term of the Franchise Agreement, including any renewal term or the term of any subsequent Franchise Agreement entered into between Franchisor and Franchisee, and the use or duplication of the Confidential Information in any other business or capacity will constitute an unfair method of competition with Franchisor, its affiliates, and Franchisor’s other franchisees.

2. Franchisor is disclosing the Confidential Information to Recipient solely on the condition that Recipient agree, and Recipient hereby agrees, that any Confidential Information received from Franchisor (a) shall only be used by Recipient for purposes of performing the Franchise Agreement, (b) will not be used by Recipient in any other business, manner or capacity, (c) will have its absolute confidentiality maintained by Recipient both during and after

the term of the Franchise Agreement, including any renewal term, (d) will not be copied by Recipient without written authorization, and (e) will not be disclosed by Recipient to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Confidential Information to any third party, and further agrees to limit the dissemination of the Confidential Information within its own organization to individuals whose duties justify the need to know such Confidential Information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Confidential Information and to restrict its use solely to the purposes specified herein. Each other person receiving the Confidential Information must also sign a copy of this Agreement.

3. Recipient acknowledges that no other right or license to use the Confidential Information is granted by this Agreement, and agrees that the amount of the Confidential Information to be disclosed to Recipient is completely within the discretion of Franchisor.

4. Recipient hereby agrees that any addition, modification, adaptation, improvement, refinement, discovery, invention or innovation of the System or any Proprietary Mark (collectively, a **"Business Improvement"**) made by Franchisee or its employees or Owners shall be the sole and exclusive property of Franchisor, regardless of Franchisee's, its employee's or the Owners' participation or sole participation in its development, and shall be deemed assigned to Franchisor. Upon Franchisor's request, Recipient shall, and shall cause his/her employees and all owners to, execute any instruments and documents that Franchisor requests and shall assist Franchisor to perfect or protect all intellectual property rights in such Business Improvement. Recipient shall not be entitled to any compensation for the use or licensing of any Business Improvement.

5. Upon termination or expiration of the Franchise Agreement, or earlier if requested by Franchisor, Recipient will return all Confidential Information and the Operations Manual (including any copies thereof that Franchisor may have permitted Recipient to make) to Franchisor.

6. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

7. Recipient acknowledges and agrees that Franchisor will suffer irreparable injury not capable of precise measurement in monetary damages if Recipient discloses or misuses any Confidential Information. Accordingly, in the event of a breach of this Agreement by Recipient, Recipient consents to entry of interim relief, including, without limitation, the entry of a temporary restraining order, preliminary injunction, permanent injunction, writ of attachment, appointment of a receiver, and any other equitable relief which the court deems necessary in order to prevent irreparable injury, all without the requirement that bond be posted. Recipient agrees that the award of equitable remedies to Franchisor in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Franchisor.

8. Recipient hereby agrees to indemnify, hold harmless and, upon request, defend Franchisor and its affiliates, and their respective members, owners, shareholders, directors, officers, managers, employees and agents (the **"Indemnified Parties"**), from and against all suits, proceedings, assessments, losses, claims, demands or actions of any nature or kind whatsoever (**"Claims"**), directly or indirectly arising out of, or in any manner whatsoever

associated or connected with the failure of Recipient to observe and perform his or her duties and obligations under this Agreement, and against any and all damages, costs, expenses and fees (including, without limitation, reasonable legal expenses and fees), losses, fines or penalties incurred by or on behalf of any of the Indemnified Parties in the investigation or defense of any and all Claims.

9. All terms not otherwise defined in this Agreement shall have the same meanings as the defined terms in the Franchise Agreement.

10. This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of Delaware without giving effect to its conflicts of law principles.

11. This Agreement together with the Franchise Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the disclosure of Confidential Information to Recipient and Recipient's non-competition obligations, and shall not be amended except under a written agreement executed by each of the parties hereto. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month, and year first above written.

Recipient:

Print Name: _____

Position with Franchisee: _____

Franchisor:

DABOBA USA, LLC

By: _____

Name: _____

Its: _____

**EXHIBIT K
GENERAL RELEASE**

[If only the Franchisee is signing the Release, the language in bold and brackets referring to the Owner(s) should be deleted. If both Franchisee and its Owner(s) are signing the Release, the above referenced language should be left in the release, but should be taken out of the brackets and the bold type should be replaced by normal type.]

GENERAL RELEASE

This GENERAL RELEASE ("Release") is made this _____ day of _____, _____, by [Name of franchisee] ("Franchisee"), **[and _____ [Name of owner(s)]**, ("Owner(s)"), with reference to the following facts:

The undersigned Franchisee is a signatory to that certain Franchise Agreement dated _____, _____ ("Franchise Agreement") by and between DABOBA USA, INC. ("Franchisor") and Franchisee granting Franchisee the right to use the Franchisor's System and trademarks to operate the Franchised Business at a specific location.

[The undersigned Owner is an owner of the Franchisee.]

Franchisee **[and Owner each]** agrees that all capitalized terms in this Release shall have the meaning that is ascribed to them in the Franchise Agreement. This Release is being executed by the Franchisee **[and the Owner]** pursuant to the requirements of the Franchise Agreement. Franchisee **[and Owner each]** understands and agrees that execution of this Release is a condition of Franchisee's rights under the Franchise Agreement **[to renew the Franchise Agreement] [to transfer the Franchise Agreement]** and that Franchisee's **[or Owner's]** failure or refusal to execute this Release would result in Franchisee's breach of the Franchise Agreement. In consideration of the rights granted by the Franchise Agreement, Franchisee **[and Owner each]** executes this Release for the benefit of Franchisor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, FRANCHISEE **[AND OWNER EACH]** AGREES AS FOLLOWS:

1. General Release. Franchisee **[and Owner each]** hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, managers, employees, affiliates, successors and assigns (collectively the "Released Parties"), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Franchisee **[or Owner]** ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as "Claims"). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, **[neither]** Franchisee **[nor Owner]** shall have any Claim of any kind or nature whatsoever against the Released Parties, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. **Waiver of Rights.** This Release is intended by Franchisee [and Owner] to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee [or Owner] against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee [and Owner each], for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee [or Owner, as the case may be] would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship.

[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]

3. **Waiver of Civil Code Section 1542.** This Release is intended by Franchisee **[and Owner]** to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee **[and Owner]** against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee **[and Owner each]** hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee **[or Owner, as the case may be]** would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee **[and Owner each]** acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially effected his settlement with the debtor.”

In making this voluntary express waiver, Franchisee **[and Owner each]** acknowledges that Claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee **[and Owner, respectively]** to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee **[and Owner each]** acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. **Release Not Admission.** Franchisee **[and Owner each]** understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Franchisee **[and Owner each]** represents and warrants that Franchisee **[and Owner]** has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. **This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.**

IN WITNESS WHEREOF, Franchisee **[and Owner each]** has executed this Release on the date first shown above.

Franchisee:

[Owner:

(Signature)

By: _____

(Print Name)]

Name: _____

Its: _____

EXHIBIT L
OFFER LETTER



DABOBA USA, Inc.
 77 Las Tunas Drive, Suite 205
 Arcadia, CA 91007
 +949.662.4128

OFFER LETTER FOR FRANCHISE AGREEMENT

To: [insert name of prospective franchisee]

Date: [insert date]

Subject: Daboba Franchise Agreement for [insert general area or specific address if available]

Dear [insert name],

Congratulations! Daboba USA, Inc. (“Daboba”) is pleased to offer you a Franchise Agreement to set up an outlet to be located [insert general area or specific address, if available]. If you accept this offer you will have to pay Daboba a deposit of \$30,000 towards the Initial Franchise fee under the Franchise Agreement at the time you submit your acceptance. This deposit is non-refundable.

The Franchise Agreement Daboba would enter into with you, or an entity that you set up, is the form of Franchise Agreement that is attached to the FDD you have previously received. You should review the Franchise Agreement carefully, as that is the document that will govern the relationship between you and Daboba. The Franchise Agreement contains information about the different fees payable during the term of the Franchise Agreement, but the key fees include:

No.	Item	Amount	Additional Notes
1	Initial Franchise Fee	\$48,000	The \$30,000 payable under this offer letter off-sets the Initial Franchise Fee.
2	Inventory and Small Equipment Fee	\$36,500	Includes small equipment needed to operate your outlet.
3	POS hardware fee	\$3,000	For the computer hardware needed to operate your outlet.
4	Floorplan design fee	\$5,000	
5	Warehouse storage fee	\$600	To off-set our costs for storing inventory imported from abroad.
6	Initial training fee	\$5,000, plus expenses	The expenses will include international airfare for our trainer to attend the training.
7	Agreement fee	\$5,000	To offset Daboba’s legal expenses for preparing your Franchise Agreement.
8	Royalty	6%	Based on gross sales.
9	Brand Development Fund Fee	1.5%	Based on gross sales. The fee may go up to 3%.

No.	Item	Amount	Additional Notes
10	POS monthly fee	\$199.97	
11	Buildout and renovations	Depends on your arrangements with landlord and suppliers	The cost of your buildout and renovations depends on your arrangements with the landlord and suppliers. See Item 7 of the FDD.
12	Renewal fee	\$15,000	Payable if Daboba and you agree to renew the Franchise Agreement when it expire.

Additional fees and expenses are listed in the Franchise Agreement and the FDD.

This offer will expire without any additional notice from us if you do not accept it within 30 days of your receipt of this offer letter. If you reject the offer before that date it will expire on the date you reject it. If you change your mind after rejecting the offer and wish to accept the offer you must first reach out to us to obtain a new offer.

It is our pleasure to extend this offer to you.

Sincerely,

DABOBA USA, INC.

By:

Its:

The offer in this offer letter is accepted:

[Insert name of prospective franchisee entity]

By:

Its:

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT M

RECEIPT PAGES

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DABOBA USA, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If DABOBA USA, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Delaware corporation, located at 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007. Its telephone number is +949.662.4128.

The franchise seller is

- Melissa Chow, 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007, Tel: 949.662.4128;
- Jim Truong, 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007, Tel: 949.662.4128;
- _____, located at _____, Tel: _____.

The issuance date is July 3, 2023. The state effective dates are on an exhibit preceding this Receipt.

DABOBA USA, INC. authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated July 3, 2023 that included the following Exhibits:

- | | |
|---|---|
| A. List of State Administrators | G. List of Franchisees |
| B. Agents for Service of Process | H. Franchisees Who Left System or Have Not Communicated |
| C. State Addenda to FDD | I. Financial Statements |
| D. Franchise Agreement, including Owner’s Guaranty | J. Confidentiality Agreement |
| E. State Specific Amendments to Franchise Agreement | K. General Release |
| F. Table of Contents of Operations Manual | L. Offer Letter |

Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____
of _____

(Your Copy. Sign, date and retain.)

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If DABOBA USA, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If DABOBA USA, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Delaware corporation, located at 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007. Its telephone number is +949.662.4128.

The franchise seller is

- Melissa Chow, 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007, Tel: 949.662.4128;
- Jim Truong, 77 Las Tunas Drive, Suite 205, Arcadia, California, 91007, Tel: 949.662.4128;
- _____, located at _____, Tel: _____.

The issuance date is July 3, 2023 The state effective dates are on an exhibit preceding this Receipt.

DABOBA USA, INC. authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated July 3, 2023 that included the following Exhibits:

- | | |
|---|---|
| A. List of State Administrators | G. List of Franchisees |
| B. Agents for Service of Process | H. Franchisees Who Left System or Have Not Communicated |
| C. State Addenda to FDD | I. Financial Statements |
| D. Franchise Agreement, including Owner’s Guaranty | J. Confidentiality Agreement |
| E. State Specific Amendments to Franchise Agreement | K. General Release |
| F. Table of Contents of Operations Manual | L. Offer Letter |

Date: _____

Prospective Franchisee Signature

Print Name: _____

Address: _____

Individually and as _____
of _____

(Sign, Date and Return to Us)