


FRANCHISE DISCLOSURE DOCUMENT

	<p>Hangry Joe's Franchising, LLC A Virginia Limited Liability Company 9001 Braddock Rd., Suite 300 Springfield, VA 22151 571-386-1700 email: info@hangryjoes.com www.HangryJoes.com</p>
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Hangry Joe's Franchising, LLC d/b/a Hangry Joe's Hot Chicken offers a franchise opportunity to provide a fast-casual Hot Chicken sandwich restaurant offering premium chicken sandwiches with different spice levels, along with a specialized menu.

The total investment necessary to begin operation of a Hangry Joe's Hot Chicken franchise is \$238,500-\$421,000. This includes \$35,000 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 government 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 Ki Young ("Derek") Cha, 9001 Braddock Rd., Suite 300, Springfield, VA 22151; 571-386-1700.

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 to an advisor, like a lawyer or 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, NW, Washington, DC 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: March 27, 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 can 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 or Exhibits E and F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets
Will my business be the only Hangry Joe's Hot Chicken business in my area?	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 Hangry Joe's Hot Chicken franchisee?	Item 20 or Exhibits E and F lists 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*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

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 franchise business or may harm your franchise business.

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.

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.

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.

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.

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, or other 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 B.

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, arbitration and/or litigation only in Virginia. 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 Virginia than in your own state.
2. **Short 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.
3. **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.

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.

**MICHIGAN ADDENDUM
TO THE DISCLOSURE DOCUMENT**

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 a 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 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, logo type, 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 obligation to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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 Department of the Attorney General's Office, Consumer Protection Division, Franchise Section, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48913; telephone number (517) 373-7117.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor. To simplify the language in this disclosure document, the terms “we,” “us,” and “our” refer to Hangry Joe’s Franchising, LLC d/b/a Hangry Joe’s Hot Chicken, the Franchisor. The terms “you” and “your” refer to the person or entity that buys this franchise, including any guarantors.

We are a Virginia Limited Liability Company formed on June 9, 2021. Our principal business address is 9001 Braddock Rd., Suite 300, Springfield, VA 22151.

We do business as “Hangry Joe’s Hot Chicken.”

Exhibit B contains our agents for service of process.

Parents or Predecessors. We have a parent, TiG Food Services LLC, with a principal business address at 9451 Lee Highway #1117, Fairfax, VA 22031 that was formed on December 24, 2019.

From time to time, our Parent may set up entities to operate company stores for a period of time, often to start an outlet and then sell it to franchisees.

TiG Food Services LLC does not offer franchises in any line of business or offer products or services to franchisees.

We do not have any predecessors.

Affiliates. From time to time, we may set up affiliate entities to operate company stores for a period of time.

Our affiliates do not offer franchises in any line of business or offer products or services to franchisees.

International Franchising. In 2022, we started franchising in the United Arab Emirates (“UAE”) through a Master Franchise. As of December 31, 2022, the UAE Master Franchise had 0 franchised outlets in UAE.

Our Business and the Franchises Offered. The franchise offered is a fast casual Hot Chicken sandwich restaurant offering premium chicken sandwiches with different spice levels, along with a specialized menu.

We do not operate a business of the type being franchised. We do not engage in other business activities except the offering of franchises as disclosed here.

The General Market. The general market for this service is developed in some areas but still developing in others. Your services will primarily be sold to individuals. Sales are year-round.

Laws and Regulations. Your business may be subject to various federal, state, and local laws and regulations, including those that (i) establish general standards, specifications, and requirements for the construction, design, and maintenance of restaurant premises, (ii) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements for restaurants, employee practices concerning the storage, handling, cooking, and preparation of food and beverages, restrictions on smoking, availability of and requirements for public accommodations, including restrooms, (iii) establish menu disclosure standards, and (iv) regulate the proper use, storage, and disposal of waste materials. If you serve alcoholic beverages, you will also be required to obtain and maintain a liquor license. Some state “dram shop” laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol. You should investigate the application of these laws further.

Competition. Our primary competition comes from other chicken sandwich and fast casual restaurants, including franchised and non-franchised national, regional, and local businesses.

Our Prior Business Experience. We have offered franchises of the type offered here since 2021. We have not offered franchises in any other line of business. We have not conducted the type of business you will operate.

ITEM 2 BUSINESS EXPERIENCE

Ki Young (“Derek”) Cha, CEO. Mr. Cha has served as our CEO since June 2021. From December 2019 to the present, Mr. Cha has also served as the CEO of our Affiliate, TiG Food Services LLC in Fairfax, VA. From December 2018 until October 2019, Mr. Cha served as President of Thirsty Joe’s Franchising, LLC in Richmond, VA. From March 2014 until December 2018, Mr. Cha served as CEO of Zzaam International Inc. in Richmond, VA.

Min Soo (“Mike”) Kim, COO. Mr. Kim has served as our Chief Operations Officer since June 2021. From December 2019 to the present, Mr. Kim has also served as the COO of our Affiliate, TiG Food Services LLC in Fairfax, VA. From 2002 until November 2020, Mr. Kim served as Manager for Hee Been in Alexandria, VA.

ITEM 3 LITIGATION

Concluded Matters Against Persons Identified in Item 2 of this Disclosure Document:

Sweet Frog Stony Brook Inc. et al. v. SweetFrog Enterprises, LLC et al., Case No. 2:14-cv-02356-JSWDW, United States District Court, Eastern District of New York. On April 11, 2014, Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc., two sweetFrog franchisees, filed a lawsuit against SFE, SFE, and Derek Cha (the “sweetFrog Defendants”). The plaintiffs asserted claims alleging that, among other things, the sweetFrog Defendants had violated the New York Franchise Sales Act, New York General Business Law § 680, et seq. (“NYFSA”) by making unauthorized and fraudulent pre-sale financial performance representations and by failing to register the franchise offering with the New York Attorney General prior to entering into franchise agreements

with the plaintiffs. The plaintiffs demanded damages in excess of \$685,000, rescission of their franchise agreements, and recovery of their attorneys' fees. The sweetFrog Defendants disputed the plaintiffs' claims but agreed to mediate the dispute. Prior to the deadline to answer or otherwise respond to the complaint, on July 29, 2014, the parties entered into an agreement pursuant to which (1) the plaintiffs would attempt to sell their franchised shops and transfer their franchise agreements to any third party(ies) approved by SFF before November 1, 2014, and (2) if the plaintiffs were unable to identify a suitable buyer for their franchised shops by November 1, 2014, the parties agreed to mutual termination of the franchise agreements and that SFF would purchase the equipment from each plaintiff's shop for an agreed price of \$50,000 for each shop. The case was dismissed with prejudice on August 6, 2014.

Tri Star Consulting Group, Inc. et al. v. SweetFrog Enterprises, LLC, Derek Cha, et al., Case No. 2:14-cv-02228-ADS-AKT, United States District Court, Eastern District of New York. On April 9, 2014, Tri Star Consulting Group, Inc., a licensee and area developer of SFE ("Tri Star"), and Sweet Frog Hauppauge, Inc., a licensee of SFE ("Hauppauge"), filed a lawsuit against SFE, SFF, and Derek Cha (collectively, the "sweetFrog Defendants"). Tri Star asserted claims alleging, among other things, that SFE had breached its license/area development agreement with Tri Star by (a) terminating the license agreement/area development agreement for nonpayment of royalty fees; (b) by licensing SFF the right to sell franchises in its development territory in New York City; and (c) by failing to pay fees allegedly owed to Tri Star related to the operation of franchised sweetFrog locations within Tri Star's development territory. Hauppauge asserted claims alleging, among other things, that the sweetFrog Defendants had violated the New York Franchise Sales Act, New York General Business Law § 680, et seq. ("NYFSA") and had committed fraudulent and negligent representations by making unauthorized and fraudulent pre-sale financial performance representations and by failing to register the franchise offering with the New York Attorney General prior to entering into franchise agreements with the plaintiffs. Tri Star demand damages in excess of \$75,000, a declaration that it was not in default of the license/area development agreement, a declaration that SFE was obligated to pay fees to Tri Star based on revenues of all franchised sweetFrog locations in New York City, an order enjoining SFF from selling franchises in New York City, and recovery of its attorneys' fees. Hauppauge demanded damages in excess of \$330,000, rescission of its license agreement, and recovery of its attorneys' fees. The sweetFrog defendants disputed the plaintiffs' claims but agreed to mediate the dispute. Prior to the deadline to answer or otherwise respond to the complaint, on September 9, 2014, Tri Star and the sweetFrog Defendants entered into an agreement pursuant to which (1) the parties agreed to mutual termination of Tri Star's license/area development agreement; (2) SFE agreed to pay Tri Star \$19,830.58; (3) SFF agreed to pay Tri Star an ongoing commission equal to 2% of the net sales of all franchised sweetFrog locations in New York City through November 2031; and (4) Tri Star agreed not to operate any competitive business in New York City for so long as SFF was obligated to make commission payments to Tri Star. Prior to the deadline to answer or otherwise respond to the complaint, on September 9, 2014, Hauppauge and the sweetFrog Defendants entered into an agreement pursuant to which (1) the parties agreed to mutual termination of Hauppauge's license agreement; and (2) SFE agreed to pay Hauppauge \$75,000. The case was dismissed with prejudice on September 20, 2014.

Other than these actions, no litigation is required to be disclosed in this item.

**ITEM 4
BANKRUPTCY**

On January 15, 2013, our officer, Min Soo Kim, filed a voluntary petition for relief under Chapter 7 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Eastern District of Virginia, Case No. 13-10213-RGM. Min Soo Kim received a discharge of debts on April 29, 2013.

Other than this matter, no bankruptcy is required to be disclosed in this item.

**ITEM 5
INITIAL FEES**

You must pay to us an initial franchise fee of \$35,000 per Territory in a lump sum.

The initial franchise fee sometimes varies depending on circumstances, such as the purchase of additional territories. Once paid, the initial franchise fee is fully earned and nonrefundable.

**ITEM 6
OTHER FEES**

Fee	Amount	Due Date	Remarks
Royalty Fee (Notes 1 and 2)	6.5% of Gross Revenues	Payable each Thursday as to the prior week's Gross Revenues	See Note 1 for a definition of Gross Revenues.
Local Advertising	The greater of 1% of Gross Revenues the prior month or \$1,000/month	Monthly	You agree to spend these sums pursuant to our guidelines in local advertising.
Advertising Fee	None at present Up to 2% of Gross Revenues	Monthly	You agree to pay to this fee, if implemented, to support our advertising program.
Third party software fees	Actual amount incurred; approximately \$500 per month	Monthly	You agree to pay fees to third party software providers per our specifications for use of POS and other software systems.
Update Training Fee	\$250 per attendee	At the time of training	We reserve the right to charge up to \$250 per attendee to provide Update Training.

Insufficient Funds Fee	\$50 per transaction	As incurred	You agree to pay this fee to us if an electronic transfer or other payment from you to us is declined.
Audit Fee	Cost of Audit plus \$50 per month Late Fee on any late payment	Immediately upon conclusion of audit	Payable if an audit discloses an under reporting of Gross Revenues or underpayment to us by 2% or more.
Annual Convention Fee	Up to \$350 per attendee	Before attending the Annual Convention	We reserve the right to impose this fee to attend our Annual Convention.
Testing/ Inspection Fees to Approve a Supplier	\$100/hour plus any costs incurred	When incurred	You must pay this fee to us if you request us to test and inspect a new supplier.
Transfer Fee	\$5,000 for a transfer of the franchise or a majority interest in it. \$2,500 upon transfer of minority interest.	Due before transferring	We must approve the transfer.
Renewal Fee	\$2,500	When you enter into a new franchise agreement upon the expiration of the term of your original franchise agreement	
Late fee	\$50 per month	10 days after billing	You must pay a late fee for each past due payment.
Client Refunds	The amount of any fee we refund to a client	As invoiced	If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client of all or a portion of the client fees, we may make the refund and bill you. You agree to pay the charges.

Assistance Fee in the event of death or incapacity	Our reasonable expenses plus 10% of Gross Revenues for the period in which we operate or assist in the operation of the Franchised Business.	At time of expense	We are entitled to this fee if we must operate your franchise due to your death or incapacity. FA Secs.
Sales, Excise, or Gross Receipts tax	Actual amount of tax paid	At time of payment of fees to us which are subject to any tax	If required by the federal, state or locality in which your franchise is located. Including sales, excise or gross receipts tax or similar type tax on the initial franchise fee, royalty, and other fees and costs.
Third party charges that we incur on your behalf	Actual amount of charge	At time of expense	If we incur third party charges on your behalf, you agree to reimburse us for any such charges.
Adulteration, Dilution or Failure of Sanitation Inspection Fee	\$500 per visit plus our actual expenses	At time of expense	If we inspect your Restaurant and find a violation, and we find the same violation at another inspection within one year, then you must pay the inspection fee and our expenses of correcting the violation, like travel expenses, cost of product sample analysis, and any attorney fees. For purposes of charging this fee, we charge for violations that jeopardize health, safety, and/or the brand.
Indemnity	Actual loss sustained	At time of expense	You must indemnify us from any loss caused by your operation of the Franchised Business.
Attorney Fees and Costs	Actual amount incurred	At time of expense	If we are the substantially prevailing party in litigation with you, you agree to pay our costs and attorney fees.

*Except where otherwise specified, we impose and collect all the fees in this table, you pay them to us, and we do not refund them. We may vary the royalty fee in some cases depending upon circumstances.

Note 1: “**Gross Revenues**” is defined as all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes.

Note 2: Before you may open for business, you must sign and deliver to us all bank documents needed to permit us to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and the bank new documents to permit us to debit your bank account within three days. We require you to execute an Automatic Bank Draft Authorization and pay most fees to us via ACH electronic funds transfer. See Schedule 2 to the Franchise Agreement.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT*

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee (Note 1)	\$35,000	\$35,000	Check or EFT	Upon entering into franchise agreement	Us
Travel and Living Expenses to Attend Initial (Note 2)	\$3,000	\$5,000	Charge	Before and during initial training	Third-party vendors
Leasehold Improvements (Note 3)	\$75,000	\$150,000	Check/Charge	Before opening	Third-party vendors
Rent and Security Deposit (Note 4)	\$10,000	\$20,000	Check	As incurred	Landlord
Architectural Services (Note 5)	\$5,000	\$10,000	Check/Charge	Before opening	Architect
Signage (Note 6)	\$2,000	\$5,000	Check/Charge	Before opening	Third-party vendors
Furniture, Fixtures, Equipment, and Smallwares (Note 7)	\$40,000	\$70,000	Check/Charge	Before opening	Third-party vendors

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
Computer Hardware, Software, and POS System (Note 8)	\$8,000	\$10,000	Check/Charge	Before opening	Third-party vendors
Supplies/Inventory (Note 9)	\$7,000	\$14,000	Check/Charge	Before opening	Third-party vendors
Grand Opening Advertising (Note 10)	\$2,000	\$5,000	Check/Charge	As incurred	Third-party vendors
Payroll (Note 11)	\$30,000	\$60,000	Check/ACH	Bi-weekly	Employees
Insurance (Note 12)	\$2,500	\$5,000	Check/Charge	As incurred	Third-party vendors
Professional Fees (Note 13)	\$3,000	\$5,000	Check/Charge	As incurred	Accountants, Attorneys
Utilities (Note 14)	\$1,000	\$2,000	Check/Charge	As incurred	Third-party utilities
Additional Funds- 90 days (Note 15)	\$15,000	\$25,000	Check/Charge	As incurred	Third party vendors
TOTAL (Note 16)	\$238,500	\$421,000			

*The initial fees listed above which are paid to us are nonrefundable as paid. Whether such fees paid to third parties are refundable would depend upon their policies. We do not finance any portion of your initial investment.

Note 1 – Initial Franchise Fee. We base the table above on the purchase of a single franchise.

Note 2 - Travel and Living Expenses to Attend Initial Training. We offer initial training at one of our franchise outlets. We will designate a location in Virginia or Maryland that is convenient to our corporate office and available when the training is scheduled. Travel and living expenses will vary significantly depending upon whether you live within driving distance or whether you must fly, rent a car, or incur lodging expenses. Your costs may vary.

Note 3 – Leasehold Improvements. You will need to operate from an appropriate retail location. The amount of leasehold improvement expense that you will incur will depend upon whether the location was previously used as a restaurant and the amount of renovations and repairs needed to convert the outlet to a franchised restaurant.

Note 4 - Rent and Security Deposit. The amount of rent that you will incur will vary in the different market areas. We estimate rent for the first three months plus a security deposit for one month's

rent. The low rent amount is based on securing a rent abatement for the first 3 months and paying only a security deposit in a moderate rent location. Rent abatement may not be possible in all areas depending on the strength of the local real estate market at the time.

Note 5 – Architectural Services. You will need to engage an architect to assist with your build out. Your costs will vary.

Note 6 – Signage. We provide estimates for interior and exterior signage. Type of signage allowed varies depending on city ordinances and landlord preferences. Your signage needs and costs will vary.

Note 7 – Furniture, Fixtures, Equipment, and Smallwares. You will need kitchen and restaurant furniture, fixtures, equipment and smallwares such as silverware.

Note 8 – Computer Hardware, Software, and POS System. You must comply with our computer hardware, software, and POS specifications which we set forth in detail in Item 11.

Note 9 - Supplies/Inventory. Your primary cost for supplies and inventory will be for food items, uniforms, and paper goods. Your costs may vary.

Note 10 – Grand Opening Advertising. We require you to engage in a Grand Opening Advertising campaign to draw attention to the opening of your business.

Note 11 – Payroll. Your payroll costs will vary depending upon how much of the management work you do and prevailing wage rates in your area.

Note 12 – Insurance. You will need insurance as we describe in detail in Item 8. We estimate above your insurance premium costs for the initial three months of operation only. You will normally pay insurance as you agree with your carrier (monthly, quarterly, semi-annually, or annually).

Note 13 – Professional Expenses. You may incur professional legal and accounting fees to assist you with this franchise purchase, your entity set up, licensing, and other legal and accounting issues.

Note 14 – Utilities. Utilities rates vary by market areas. Additionally, some utilities such as gas, electric, sewer, water, or trash removal are included in the lease rate and some are not.

Note 15 - Additional Funds-90 Days. We estimate the additional funds that you will need for the first 90 days of operations. Additional funds are to pay for permits, Local Advertising, miscellaneous expenses, and to maintain sufficient working capital. We base this estimate upon the years of experience our management team has in the restaurant industry.

Note 16 - Does not include Royalties, Advertising Fees, interest expenses, or taxes.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing. You must use advertising material from us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Architectural Services. You must use architectural services to assist with your build out. You may purchase these services from any qualified Architect but we must approve the plans.

Computer Hardware, Software, and POS System. We require you to use such computer hardware, software, and POS systems as we specify, which may include vendor designations.

Food and Beverages. You must purchase food and beverages pursuant to our specifications, which may include a vendor designation.

Furniture, Fixtures, Equipment, and Smallwares. You must purchase furniture, fixtures, equipment, and Smallwares pursuant to our specifications, which may include a supplier designation.

Insurance. You must purchase and maintain insurance that we specify. All policies must name us and our designated affiliates as an additional insured and you must furnish us proof of coverage. You may obtain additional insurance coverage as you feel necessary. You may purchase your insurance from any carrier rated A- or better subject to our approval, not to be unreasonably withheld. Here are our present insurance specifications:

Type	Amount
Comprehensive General Liability Insurance	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Additional Comprehensive General Liability Insurance	\$1,000,000
Employer's Liability, Worker's compensation, and Occupational Disease Insurance	\$1,000,000
Tenant Liability	\$75,000 per occurrence
Improvement and betterment (building coverage)	\$175,000
Care, Custody, or Control Insurance (optional)	\$150,000
All-Risk Property Insurance (optional)	80% of the replacement cost of the building; 100% of the replacement costs of the contents

You may elect to have reasonable deductibles for the coverages described in above.

Certificates of insurance must be sent in upon annual expiration date.

Leased Location. You will need a site in which to operate the Franchised Business. We furnish site selection guidelines. We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease. You may lease from any landlord.

Leasehold Improvements. You may purchase leasehold improvements from a Contractor or other supplier that we approve and you must build out your location pursuant to our specifications.

Signs. You must purchase signage pursuant to our specifications, which may include a vendor designation.

Supplies/Inventory. You must purchase supplies and inventory pursuant to our specifications, which may include vendor designations.

Whether we or our Affiliates are Approved Suppliers:

We are an approved supplier of advertising material, but not the only approved supplier of such items. Our Affiliate is not an approved supplier of goods or services you will use in your franchise.

Officer Interests in Suppliers:

Our officers, Ki Young (“Derek”) Cha and Min Soo (“Mike”) Kim, own an interest in us.

Alternative Suppliers:

We do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers if approved by us and they meet our criteria. We charge \$100/hour plus any costs incurred to test another supplier that you propose. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. Your request must include sufficient specifications, photographs, drawings and other information and samples to enable us to determine whether supplier meets our specifications. Your request must also provide confirmation that the supplier is financially sound and carries adequate liability insurance. We will examine the quality of the items and the supplier’s ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. We will notify you within 30 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications:

We issue and modify specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

We may, but do not currently, derive revenue or other material consideration from required purchases or leases by you.

In our last fiscal year ending December 31, 2022, neither we nor our affiliates earned revenue or other material consideration from required purchases or leases by franchisees.

Required Purchases as a Proportion of Costs:

We estimate that required purchases described above will be approximately 70-80% of all purchases and leases by you of goods and services to establish a franchise and approximately 60-70% of your operating costs.

Supplier Payments to Us:

Designated suppliers do not make payments to us from franchisee purchases, however, we reserve the right to receive such payments in the future.

In the fiscal year ended December 31, 2022, we did not yet receive any supplier rebates.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

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**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.

Franchisee’s Obligations	Section In Franchise Agreement	Item in Disclosure document
a. Site selection and acquisition/lease	3, 6.2	11
b. Pre-opening purchases/leases	6.10, 6.11, 6.12, 6.13	7, 8
c. Site development and other pre-opening requirements	6.2	11
d. Initial and ongoing training	5.8, 6.1, 6.8	11
e. Opening	6.3	11
f. Fees	4, 7, 15, 19.11	5, 6, 7, 8, 11
g. Compliance with standards and policies/Manual	6.4	8, 11
h. Trademarks and proprietary information	7, 8	13, 14
i. Restrictions on products/services offered	6.6	8, 16
j. Warranty and customer service requirements	6.7	6
k. Territorial development and sales quotas	3, 6.17	12
l. Ongoing product/service purchases	6.10, 6.11, 6.12	8
m. Maintenance, appearance & remodeling requirements	6.14	Not Applicable
n. Insurance	6.9	8
o. Advertising	7	8, 11
	13.3	6

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
p. Indemnification		
q. Owner's participation/management/staffing	6.5	15
r. Records and reports	9	11
s. Inspections and Audits	9	11
t. Transfer	14	17
u. Renewal	2.2	17
v. Post-termination obligations	11	15, 16, 17
w. Non-competition covenants	12	15, 16, 17
x. Dispute resolution	19	17

**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.

Before Opening:

Initial Training. We provide initial training at one of our franchise outlets in Virginia or Maryland or another location we designate. The topics covered in initial training are described in the chart below in this Item 11. (Franchise Agreement, Section 5.1).

Site Selection. We do not generally own the premises and lease it to you. We provide to you criteria to help you select a site. We must approve any site you select before you sign a lease for that location. We do not select the site. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the information required by us on the proposed site.

We consider the following factors when reviewing a proposed site: (i) residential and office building population, (ii) income levels, (iii) demographics, (iv) competition, (v) visibility, (vi) proximity to

other of our locations, (vii) accessibility, (viii) traffic, (ix) size, (x) condition and character, (xi) parking, and (xii) available signage.

If you do not locate a site of which we approve within 120 days of the date of the Franchise Agreement, we can terminate the Franchise Agreement without any refund to you, or allow you more time. (Franchise Agreement, Section 5.2(a)).

Plans and Layout. We will furnish a sample site layout plan. (Franchise Agreement, Section 5.2(b)).

Build out. It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits. (Franchise Agreement, Section 6.2(b)).

Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement. (Franchise Agreement, Sections 5.2(c) and 6.2(d)).

Assistance to Hire and Train Employees. We provide assistance in the type and number of employees that should be hired. However, you are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees. (Franchise Agreement, Section 5.3).

Assistance to obtain equipment, signs, fixtures, opening inventory, and supplies. We provide guidance to obtain equipment, signs, fixtures, opening inventory, and supplies by providing the names of approved vendors or specifications for these items. We do not deliver or install these items. (Franchise Agreement Section 5.4).

Operations Manual. We provide access to our Operations Manual (“Manual”) to offer guidance in the operation of your Franchised Business. (Franchise Agreement, Section 5.5).

Establishing Prices. We provide assistance and guidance in establishing prices for products and services. (Franchise Agreement, Section 5.5).

Length of Time Before Opening: The typical length of time between the signing of the Franchise Agreement and the opening of your outlet is 6-12 months. You agree to begin operations and be open for business no later than 12 months from the time both parties execute the franchise agreement. If you and we can not agree on a site, we can allow you more time to search for a site or terminate the franchise agreement.

Factors that can affect the time length in which to be open for business include: the time needed to (1) obtain financing; (2) enter into a lease; (3) comply with zoning; (4) obtain licenses and permits; (5) perform construction; (6) weather conditions; (7) acquire and install furniture, fixtures, equipment, and signage; and (8) hire and train staff.

During the Operation of the Franchise:

Operational Support. We offer assistance with operating problems and issues that you may encounter. (Franchise Agreement, Section 5.6).

Marketing Support. We offer marketing assistance and support. (Franchise Agreement, Section 7).

Computer Hardware and Software. We specify computer hardware and software to assist in the operation of your Franchised Business. (Franchise Agreement, Section 5.7).

Additional Training or Seminars. We may elect to offer additional training or seminars. (Franchise Agreement, Section 5.8).

Advertising Program and Fund:

Grand Opening Advertising. You agree to spend \$2,000 - \$5,000 pursuant to our guidelines on Grand Opening Advertising.

Local Advertising. We require you to spend the greater of \$1,000 or 1% of your Gross Revenues the prior month on local advertising pursuant to our guidelines.

Advertising Fund. We reserve the right to implement an Advertising Fund and if we do, you agree to contribute 2% of your Gross Revenues into our Advertising Fund. Franchisor owned outlets do not have to contribute to the Advertising Fund, but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request.

If not all Advertising Fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

We may not use Advertising Fees to solicit new franchise sales.

In our last fiscal year ending December 31, 2022, we did not raise or spend any Fund Fees.

Our Obligation to Conduct Advertising. At present, we do not have an Advertising Fund. If we implement an Advertising Fund in the future, we will use monies in the Advertising Fund to conduct or advise you in the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located. (Franchise Agreement, Section 7.6).

Corporate Website. We will develop and maintain a comprehensive website that contains your location's contact information. (Franchise Agreement, Section 7.6).

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, twitter, and Instagram), applications, digital advertising (including pay-

per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business. (Franchise Agreement, Section 7.6).

Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor. (Franchise Agreement, Section 7.6).

Use of Your Own Advertising Material. You may use your own advertising materials provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. (Franchise Agreement, Section 7.7).

Private Websites. You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval. (Franchise Agreement, Section 7.7).

Advertising Council. We do not have an advertising council composed of franchisees that advises us on advertising policy.

Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative.

Computer and Cash Register Systems:

You must comply with our computer hardware, software, and POS specifications. At present, we require you to have an internet connection, email, and the following hardware and software:

Hardware

A laptop or desktop computer and a printer.

Software and POS System

Microsoft Office 365, a bookkeeping software of your choice, and NOW computer POS systems and credit card processing.

The computer hardware, software, and POS System can be obtained for approximately \$8,000 - \$10,000

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates. You must maintain your computer systems in good working order and must replace, update or upgrade your hardware systems as we require. There are no contractual limitations regarding the frequency or costs of required upgrades or updates relating to the computer system. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately \$1,000.

Independent Access to Information. We have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information, as well as your security camera systems. There are no contractual limitations on our right to access the information. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within five business days of receiving our request.

Operations Manual:

Exhibit H contains the Table of Contents to the Operations Manual along with the page count per chapter. The total page count of the Operations Manual is 109 pages.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Products (overall)	2	18	Note 1
Shift Management	1	3	
Administrative	2	2	
Sanitation/Health	1	2	
Point of Sale System	1	4	
Marketing/ Catering	1	3	
Total	8	32	

Note 1- We offer initial training at an Affiliate restaurant location or another location we designate.

The following Instructors teach our initial training program: Derek Cha, Mike Kim, Hyun Soo (“Jay”) Kim, and Joseph Hyonsok Oh. Guest Instructors may also make select presentations. Item 2 contains the nature of the Instructors’ experience as to Derek Cha and Mike Kim. We set forth the nature of Jay Kim’s and Hyonsok Oh’s experience here:

Jay Kim, Manager. Jay Kim has served as a Manager for us since June 2021. From June 2019 to May 2021, Jay Kim served as a Manager for Pike Kitchen in Rockville, MD. From 2002 until May 2019, Jay Kim served as a Manager for Hee Been in Alexandria, VA.

Joseph Hyonsok Oh, National Assistant Director of Operations. Joseph Hyonsok Oh has served as our National Assistant Director of Operations since June 2021. From August 2012 to September 2021, Joseph Hyonsok Oh served as Owner of J3, Inc. d/b/a Coffee Nature in Washington, D.C.

We set forth the length of the Instructors’ experience in the industry and with the franchisor below:

<u>Instructor</u>	<u>Years of Experience in the Field</u>	<u>Years of Experience with the Franchisor*</u>
Derek Cha	8	2
Mike Kim	20	2
Jay Kim	20	2
Joseph Hyonsok Oh	11	2

*Includes years of experience with any of our affiliates.

We intend to hold initial training classes quarterly, or more often if necessary.

We use the Operations Manual and the kitchen facilities of a restaurant to conduct initial training.

We do not charge for you to attend initial training, but you are responsible for travel, lodging, transportation, meal costs, and your employees’ wages to attend initial training.

We require that you or, in the case of an entity, your principals, attend initial training. You may enroll your Management personnel upon our approval. Your successful completion of initial training to our satisfaction is required to operate a franchise within three months of signing the franchise agreement. We advise you during or immediately after initial training if you have successfully completed the course.

Additional Training or Seminars. We may elect to offer and require you to attend, either live or electronically, additional training and seminars that we may offer. We may charge up to \$250 per person trained per day, plus any expenses we incur to provide this training. You must also pay any travel and living expenses that you or we incur to attend training.

ITEM 12 TERRITORY

The territory will normally be for a radius of 2-5 miles around your outlet.

We may approve relocation of the franchised business if we feel that conditions have changed such that a relocation represents a sound business decision.

We would not normally grant to you approval to open an additional outlet within your territory, but may grant you additional franchise territories if we feel you have the time, energy, capital, and management structure to be able to successfully open and operate another territory.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Continuation of your territorial rights does not depend on achieving a certain sales volume, market penetration, or other contingency, and we may not alter your franchise territory, even if there is a population increase in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You and other franchisees may not solicit (but may accept) orders from consumers outside of your territory, including through the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, but you may engage in internet and social media marketing pursuant to our guidelines which such marketing may extend outside your territory. We also reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

[remainder of page intentionally left blank]

**ITEM 13
TRADEMARKS**

The franchise agreement licenses to you the right to use the following principal trademarks (“Marks”) registered with the U.S. Patent and Trademark Office (“USPTO”):

Description of Mark	Serial/Registration Number	Principal Supplemental Register of the USPTO	or the Registration Date
Hangry Joe’s	6671086	Principal	March 15, 2022

We have filed all required affidavits and renewals.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

TiG Food Services LLC, a Virginia limited liability company, owns the trademarks listed in the chart above and licenses them to us pursuant to a written License Agreement dated June 11, 2021. The License Agreement is perpetual in duration and may be terminated upon a material breach not remedied after 30 days’ written notice. If the License Agreement was terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

At this time, we do not hold any patents material to the franchise system. We claim a copyright to our Operations Manual, marketing material such as our website text, and other printed material, although we have not presently filed a registration of those copyrights. We consider all of these items confidential and proprietary. Upon termination of your franchise agreement, you must return to us our Operations Manuals and any confidential information.

You will not directly or indirectly disclose, publish, disseminate or use our “Confidential Information” except as authorized in the Franchise Agreement. You may use our Confidential Information to perform your obligations under the Franchise Agreement, but in doing so you will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information. We may share performance data of your franchised business between us, our employees and affiliates, our franchisees and their employees. You agree to keep such performance data confidential.

“Confidential Information” means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

“Customer Data” is considered Confidential Information, and includes all information about Customers that may be collected in connection with their use of your services, including, but not limited to, name, telephone number, address and email address.

Upon termination of your franchise agreement, you must return to us our Operations Manuals and any Confidential Information. You may never - during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated - reveal any of our Confidential Information to any other person or entity or use it for the benefit of any other person or business.

ITEM 15
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS**

You are required to participate personally in the direct operation of the Franchised Business or have a Designated Manager who attends and successfully completes our initial training to our satisfaction. Any replacement Designated Manager must also attend and successfully complete our initial training to our satisfaction. Any Designated Manager must also sign a Confidentiality and Non-Compete Agreement as we may specify. A Designated Manager is not required to have any equity interest in the franchisee’s business.

You and any Designated Manager must pass a background check.

All owners of this franchise must guarantee the obligations under the Franchise Agreement.

You agree to accurately and completely furnish to us the names, contact information, and ownership percent on anyone owning an interest in this franchise on the Signature Page to the Franchise Agreement. No change to the owners or ownership percentages are permitted without our prior written consent.

Your Franchised Business must be open such days and hours as we specify in the Operations Manual or other informational bulletin, and the days and hours may change.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale through your franchised business only a Chicken sandwich style restaurant as specified by us and such products and services that we have approved in writing. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved.

You may offer your services to any customers, consistent with your territorial rights.

You are required to sell all goods or services that we authorize, unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

For the duration of your franchise agreement, you may not offer competitive services in the states and territories of the United States unless you receive our prior written consent.

You will not, directly or indirectly, for a 2-year period after the termination, expiration, or non-renewal of this Agreement, including a sale of the franchise or your interest in it, offer a fast casual Hot Chicken sandwich restaurant in the Territory or within 25 miles of the boundaries of the Territory, or within 25 miles of any other outlet of ours or a franchisee of ours in operation at the time.

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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.

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	2	10 years.
b. Renewal or extension of the term	2	Can be renewed for successive ten (10) year terms if you are in compliance with your Franchise Agreement (“Agreement”).
c. Requirements for you to renew or extend	2, 4.11	Renewing your Franchise Agreement means that you are able to continue your operations as a franchisee for an additional term. You must pay the renewal fee of \$2,500, sign a general release of claims, notify us in writing at least 180 days before the expiration of the Agreement, and sign our then current Agreement, which may contain materially different terms and conditions than your original contract.
d. Termination by franchisee	10.1	You may terminate the Agreement if you sell the franchise pursuant to the terms of the Franchise Agreement, do not renew, or upon any grounds allowed under applicable law.
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	10.2, 10.3	We can terminate only if you default.
g. “Cause” defined – curable defaults	10.3	Violate the Agreement, Manual, any other agreement with us, or owe monies to us more than 30 days past due, and do not cure such breach within 30 days after notice.
h. “Cause” defined – non-curable defaults	10.2	Do not pass initial training, fail to obtain our approval of a site or open on time, become insolvent, commit a material violation of law, abandon the Franchised Business, submit a materially false Franchise Application, fraud, uncured default of other agreement, fail to pay suppliers an amount exceeding \$3,000 for more than 60 days; fail to

Provision	Section In Franchise Agreement	Summary
		permit us to inspect or audit your franchise; or commit three or more breaches within 12 months.
i. Franchisee’s obligations on termination/renewal	11	Cease operations and stop using our marks; deliver to us business records; pay debts due to us; cancel or assign telephone numbers to us; assist in lease transfer and our purchase of your assets, at our option; return Manual and Confidential Information to us; cancel fictitious names; adhere to other post term duties; execute any necessary documents.
j. Assignment of contract by franchisor	14.1	We may assign to a successor in interest who remains bound by terms of Agreement.
k. “Transfer” by franchisee - defined	14.2	Includes transfer of Franchise Agreement, any interest of the Franchise Agreement, or substantially all of the assets of the Franchised Business.
l. Franchisor’s approval of transfer by franchisee	14.2	We have the right to approve all transfers.
m. Conditions for franchisor’s approval of transfer	14.5	<p>You must be:</p> <ul style="list-style-type: none"> -current in monetary obligations; -in compliance with the Franchise Agreement; -execute any transfer, amendment, or release forms that we may require; -provide to us a copy of the proposed transfer documents; -transferee must meet our criteria; -transferee must execute our then-current Franchise Agreement; -pay to us the Transfer Fee; -transferee must satisfactorily complete our initial training program; -comply with the post-termination provisions; -transferee must obtain necessary licenses and permits; -obtain any lessor approval for transfer; -the transfer must be made in compliance with any laws that apply to the transfer; -the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation; -you must request that we provide the prospective transferee with our current franchise disclosure document.

Provision	Section In Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	14.6	We have a right of first refusal to match any purchase offer for your franchise, any interest in the franchise, or substantially all the assets of the Franchised Business.
o. Franchisor's option to purchase franchisee's business	11(g)	We have a right to purchase your furniture, equipment, signage, fixtures, and supplies post-termination.
p. Death or disability by franchisee	15	Transfer must be commenced within 60 days, completed within 6 months; we must approve the transferee, transferee must attend and successfully complete training, and sign our current Agreement.
q. Non-competition covenants during the term of the franchise	12	No competition allowed in the United States and its territories.
r. Non-competition covenants after the franchise is terminated or expires	12	You may not compete in the Territory or within 25 miles of the Territory (or any other outlet of ours) for 2 years.
s. Modification of the agreement	16	No modifications except to Operations Manual. Revisions to the Manual will not unreasonably affect the franchisee's obligations, including economic requirements, under the Agreement.
t. Integration/merger clause	18	Only the terms in the franchise agreement are binding (subject to federal or state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. No claim in any franchise agreement(s) is intended to disclaim the representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	19	You must first attempt to resolve claims against us through mediation. Illinois, Maryland, and Washington franchisees must arbitrate claims against us.
v. Choice of forum	19	All claims must be brought before a court of general jurisdiction closest to our corporate office (subject to applicable state law).
w. Choice of Law	19	Virginia law governs (subject to applicable state law).

**ITEM 18
PUBLIC FIGURES**

We have not paid any compensation or other benefit to a public figure for the use of their endorsement or recommendation of the franchise to prospective franchisees.

**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 a franchisee’s 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 actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Ki Young (“Derek”) Cha, 9001 Braddock Rd., Suite 300, Springfield, VA 22151; 571-386-1700; the Federal Trade Commission, and the appropriate state regulatory agencies.

[remainder of page intentionally left blank]

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

**System Wide Outlet Summary
For Years 2020 to 2022**

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	1	+1
	2022	1	20	+19
Company-Owned	2020	0	0	0
	2021	0	1	+1
	2022	1	2	+1
Total Outlets	2020	0	0	0
	2021	0	2	+2
	2022	2	22	+20

Table No. 2

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

State	Year	Number of Transfers
Virginia	2020	0
	2021	0
	2022	2
Total	2020	0
	2021	0
	2022	2

Table No. 3

**Status of Franchised Outlets
For Years 2020 to 2022***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End
Maryland	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
Texas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Virginia	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	13	0	0	0	0	14
Total	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	19	0	0	0	0	20

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4

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

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Maryland	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	2	0	0	2	0
New Jersey	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Texas	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Virginia	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	2	0	0	3	0
Total	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	6	0	0	5	2

*Company outlets refers to outlets run by our affiliates, as disclosed in Item 1.

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	2	0
California	0	6	0
Delaware	0	2	0
D. of Columbia	0	1	0
Florida	0	8	0
Georgia	0	3	0
Illinois	2	4	0
Kentucky	0	2	0
Louisiana	0	2	0
Maryland	3	6	0
Michigan	0	1	0
New Jersey	1	2	0
New York	0	2	0
North Carolina	1	4	0
Ohio	0	6	0
Pennsylvania	1	2	0
Rhode Island	0	2	0
South Carolina	1	2	0
Tennessee	0	4	0
Texas	0	6	0
Virginia	18	6	1
TOTALS	28	73	1

Exhibit E contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit F contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21 FINANCIAL STATEMENTS

Exhibit G contains our audited financial statements as of December 31, 2022 and 2021 and June 30, 2021.

Our fiscal year ends December 31.

We have not been in business three years yet and so can not include all financial statements required by the Franchise Rule.

ITEM 22 CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

- C. Franchise Agreement
 - Schedule 1-Territory
 - Schedule 2-Automatic Bank Draft Authorization
 - Schedule 3-Telephone Number Assignment
 - Schedule 4-Lease Rider
 - Schedule 5-State Addenda to the Franchise Agreement
- D. Release

ITEM 23
RECEIPT

Exhibit J contains two copies of a Receipt of our Disclosure Document.

[remainder of page intentionally left blank]

EXHIBIT A

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this 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 these persons from membership in this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

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

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

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

The franchise agreement requires application of the laws of Virginia. 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 FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER

OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.HangryJoes.com

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.

The highest interest rate allowed by law in California is ten percent (10%) annually.

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.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

**ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
5. 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.

MARYLAND ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, “This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

3. Item 17.v. is modified to also provide, “Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”

4. 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.

5. Surety Bond-Items 5 and 7 of the Disclosure Document are modified to also provide: “Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Commissioner.”

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the 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 and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
 1.
 - Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
 - Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
 - The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE 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. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party 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.

B. No such party has 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.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 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, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive 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, or 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 injunctive 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. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(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.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

Rhode Island law applies.

**VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. 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.

WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Washington Franchise Investment Protection Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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.

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.

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.

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

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.

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.

Initial Fee Deferral:

Items 5 and 7 are amended to also provide: “Based upon our financial condition the Washington Securities Division requires that we defer the payment of all initial fees due to the franchisor and/or its affiliates by the franchisee until all pre-opening obligations of the franchisor are completed and the franchise is open for business. Accordingly, you will not be required to pay the initial fees until we have completed our pre-opening obligations to you and you are open for business.”

**WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT B

State Administrators and Agents for Service of Process

State	State Administrator	Agent for Service of Process
California	Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013 2101 Arena Boulevard Sacramento, CA 95834 1-866-275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Charlottesville, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Charlottesville, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Division	Maryland Securities Commissioner

	200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 (212)-416-8222	New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, New York 12231-0001 (518) 473-2492 Phone
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501

Texas	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

EXHIBIT C

HANGRY JOE'S FRANCHISING, LLC

FRANCHISE AGREEMENT



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WHEREAS, Hangry Joe's Franchising, LLC d/b/a Hangry Joe's Hot Chicken ("we," "us," or "our") offers a franchise opportunity for a fast casual Hot Chicken sandwich restaurant offering premium chicken sandwiches with different spice levels, along with a specialized menu ("System"). Our system utilizes specified marketing techniques and operating procedures; and

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively "Franchisee," "you," or "your") desire to utilize our System and our trade names, service marks, and trademarks (collectively, the "Marks"); and

NOW, THEREFORE, for value received, we and Franchisee ("the Parties") agree as follows:

1. GRANT OF FRANCHISE

1.1 Grant of Franchise. Subject to the terms of this franchise agreement ("Agreement" or "Franchise Agreement"), we grant to you a franchise ("Franchised Business") using our system and our Marks in the territory described in Schedule 1 ("Territory"). You agree to abide by the terms of this Agreement.

2. TERM AND RENEWAL

2.1. Term. This Agreement will be effective for a ten (10) year term beginning on the Effective Date specified in this Agreement.

2.2 Renewal. You may renew for another term by signing our then current franchise agreement if you are in compliance with this Agreement and meet the other conditions for renewal. You may also renew future franchise agreements if you are in compliance with such agreements and meet the other conditions for renewal by signing our then current franchise agreement. To renew, you must exercise a general release of all claims that you might have against us. Other terms, conditions, and fees may vary. If you wish to renew, you must notify us in writing at least 180 days before the expiration of this Agreement.

3. TERRITORY

The territory will normally be for a radius of 2-5 miles around your outlet as set forth on Schedule 1 to the Franchise Agreement.

We may approve relocation of the franchised business if we feel that conditions have changed such that a relocation represents a sound business decision.

We would not normally grant to you approval to open an additional outlet within your territory, but may grant you additional franchise territories if we feel you have the time, energy, capital, and management structure to be able to successfully open and operate another territory.

We do not grant you options, rights of first refusal, or similar rights to acquire additional franchises.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Continuation of your territorial rights does not depend on achieving a certain sales volume, market penetration, or other contingency, and we may not alter your franchise territory, even if there is a population increase in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You and other franchisees may not solicit (but may accept) orders from consumers outside of your territory, including through the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, but you may engage in internet and social media marketing pursuant to our guidelines which such marketing may extend outside your territory. We also reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

4. FEES AND PAYMENTS

4.1 Initial Fees. You must pay to us an initial franchise fee of \$35,000 per Territory.

The initial franchise fee is fully earned and nonrefundable as paid.

4.2 Royalty Fee. You agree to pay to us a weekly Royalty Fee of 6.5% of Gross Revenues.

“**Gross Revenues**” is defined as all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes.

4.3 Advertising Fees. You agree to the advertising fees and payments disclosed in Section 7 of this Franchise Agreement, below.

4.4 Third Party Software Fees. You agree to pay fees to third party software providers per our specifications for use of Point of Sale and other software systems.

4.5 Update Training Fee. If we offer refresher courses or update training, we reserve the right to charge, and you agree to pay, up to \$250 per day, plus any expenses we incur to provide this training.

4.6 Insufficient Funds Fee. You agree to pay to us a minimum of \$50 per transaction if an electronic transfer or other payment from you to us is declined.

4.7 Audit Fee. You agree to pay to us our cost in performing an audit of your Franchise Business, plus a Late Fee of \$50 per month on any late payment found through such audit if the audit discloses an under reporting of Gross Revenues or underpayment to us by 2% or more.

4.8 Annual Convention Fee. We reserve the right to impose an Annual Convention Fee of up to \$350 per attendee.

4.9 Testing/ Inspection Fees to Approve a Supplier. You agree to pay to us \$100/hour plus any costs incurred if you request us to test and inspect a new supplier.

4.10 Transfer Fee. You agree to pay to us a Transfer Fee of \$5,000 if you wish to transfer ownership of the rights under this Franchise Agreement, or a majority of the ownership of this Agreement or in an entity holding this Agreement. You agree to pay us a Transfer Fee of \$2,500 for the transfer of a minority interest in the franchise. We do not charge a transfer fee if the owners of this Agreement transfer this Agreement into an entity owned by the same owners with the same ownership percentages.

4.11 Renewal Fee. You agree to pay to us a Renewal Fee of \$2,500 to enter a new franchise agreement and continue your rights as a franchisee for an additional term.

4.12 Late Fee. You agree to pay to us a \$50 per month late fee on any late payments you owe to us.

4.13 Client Refunds. If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client all or a portion of the client’s fees, we may pay the client directly and bill you. You agree to pay the charges.

4.14 Assistance Fee in the Event of Death or Incapacity. In the event of your death or incapacity, you agree we are entitled to reimbursement from you or your estate for any reasonable

expenses incurred continuing operation of your Franchised Business, plus 10% of Gross Revenues for the period in which we operate or assist in the operation of the Franchised Business.

4.15 Sales, Excise or Gross Receipts Tax. If required by the federal government, state or locality in which your Franchised Business is located, the initial franchise fee, royalty, and other fees and costs may be subject to sales, excise, gross receipts or similar type tax, which you agree to pay to us at the same time and in the same manner as you pay these fees and costs to us.

4.16 Fees to Third Parties. You agree to reimburse us for any third-party charges we may incur on your behalf. You are solely responsible for all fees and expenses to third parties required to operate your Franchised Business.

4.17 Adulteration, Dilution or Failure of Sanitation Inspection Fee. If we inspect your Restaurant and find a violation, and we find the same violation at another inspection within one year, then you must pay the inspection fee and our expenses of correcting the violation, like travel expenses, cost of product sample analysis, and any attorney fees. For purposes of charging this fee, we charge for violations that jeopardize health, safety, and/or the brand.

4.18 Payment Period and Method. You agree to pay to us fees based upon Gross Revenues by the Thursday of each week as to Gross Revenues earned the prior week. You agree to pay to us other recurring fees by the 10th of the month which was incurred or accrued in the prior month. You must pay to us all other fees when incurred. We reserve the right to modify the payment methods and schedule in our Operations Manual.

Before you may open for business, you must sign and deliver to us all bank documents needed to permit us to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and the bank new documents to permit us to debit your bank account within three days. We require you to execute an Automatic Bank Draft Authorization and pay most fees to us via ACH electronic funds transfer. See Schedule 2 to this Agreement.

5. OBLIGATIONS OF FRANCHISOR

5.1. Initial Training. We provide you with an initial training program, currently two (2) weeks long, at our Affiliate restaurant in Ashland, Virginia or such other location as we designate.

5.2 Site Selection and Build Out.

(a) Site Selection. We provide to you criteria to help you select a site. We must approve any site you select before you sign a lease for that location. We do not select the site. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the information required by us on the proposed site.

If you do not locate a site of which we approve within 180 days of the date of the Franchise Agreement, we can terminate the Franchise Agreement without any refund to you, or allow you more time.

(b) Plans and Layout. We will furnish to you a sample site layout plan.

(c) Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement.

(d) Relocation Review. We will evaluate locations you propose to us to relocate your Franchised Business. We will typically approve or disapprove a relocation site within 14 days of your submission to us of the information required by us on the proposed site. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

5.3 Assistance to Hire and Train Employees. We provide assistance in the type and number of employees that should be hired. However, you are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees.

5.4 Assistance to obtain equipment, signs, fixtures, opening inventory, and supplies. We provide guidance to obtain equipment, signs, fixtures, opening inventory, and supplies by providing the names of approved vendors or specifications for these items. We do not deliver or install these items.

5.5 Operations Manual. We provide you access to our proprietary and confidential Operations Manual, as well as any other manuals and writings prepared by us for your use in operating a Franchised Business (“Manual”). We may disseminate the Manual electronically. We may revise the Manual from time to time to adjust for legal or technological changes, competition, or attempts to improve in the marketplace.

5.6 Operational Support. We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business.

5.7 Computer Hardware and Software. We specify computer hardware and software to assist in the operation of your Franchised Business.

5.8 Additional Training or Seminars. We may elect to offer and require you to attend, either live or electronically, additional training or seminars that we may offer.

6. OBLIGATIONS OF FRANCHISEE

6.1 Training. You must successfully complete our initial training within three (3) months of the Effective Date of this Agreement and before you may operate the Franchised Business.

6.2 Site Selection and Build Out.

(a) Site Selection. You must select a site for operation of your Franchised Business pursuant to our guidelines. You agree to obtain our written approval for your proposed site. You may operate the Franchised Business only at the accepted site.

(b) Buildout. It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits.

(c) Plans and Layout. You are required to submit the layout and have it approved by us. We will typically approve or disapprove a proposed layout within 14 days of your submission to us. Once approved by us, it is your responsibility to remodel the premises and install the furniture, fixtures and equipment accordingly. You agree that we have the right to inspect your buildout and require adjustments so that the buildout is in a good and workmanlike manner and conforms to the plans and layout and not open for business until we have approved of the buildout and workmanship.

(d) Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement.

(e) Relocation Review. You must obtain our approval if you wish to relocate. We will evaluate locations you propose to us to relocate your Franchised Business. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

6.3 Starting Date. You agree to be operational within twelve (12) months of the Effective Date of this Agreement.

6.4 Operations Manual. You agree to operate the Franchised Business according to the then current Operations Manual, as well as information bulletins and guidance that we disseminate electronically.

6.5 Personal Participation. You are required to participate personally in the direct operation of the Franchised Business or have a Designated Manager who attends and successfully completes our initial training to our satisfaction. Any replacement Designated Manager must also attend and successfully complete our initial training to our satisfaction. Any Designated Manager must also sign a Confidentiality and Non-Compete Agreement as we may specify.

You and any Designated Manager must pass a background check.

All owners of this franchise must guarantee the obligations under the Franchise Agreement.

You agree to accurately and completely furnish to us the names, contact information, and ownership percent on anyone owning an interest in this franchise on the Signature Page to the Franchise Agreement. No change to the owners or ownership percentages are permitted without our prior written consent.

6.6 Authorized Products and Services Only. You may offer for sale through your franchised business only a Chicken sandwich style restaurant as specified by us and such products and

services that we have approved in writing. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved.

You may offer your services to any customers, consistent with your territorial rights.

You are required to sell all goods or services that we authorize, unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

6.7 Customer Service. You shall serve customers patronizing your Franchised Business in a professional and respectful businesslike manner and diligently fulfill your obligations to them when they desire to purchase your goods or services. You understand that we may issue standards for the timing of food going out to customers, monitor your performance in this respect, and you agree to comply with such standards.

6.8 Employee Training. You shall train your employees to competently and professionally carry out their duties and offer excellent customer service. You shall ensure that your employees have any training, licenses, or certifications required by applicable law. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees.

6.9 Insurance. You are required to have insurance as may be required by your state laws and as we may specify in the Operations Manual. You must name us and all our officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date. So long as your Franchised Business is not substantially destroyed by fire or other casualty, if you suffer a loss to your franchise, such as fire or theft, you are required to use the insurance proceeds to replace or repair the premises or property damaged or lost.

6.10 Furniture, Fixtures, Equipment, Inventory, and Supplies. You agree to use furniture, fixtures, equipment, inventory, and supplies as we specify, which may include a vendor designation, to operate the franchise.

6.11 Computer Hardware and Software Systems. You are required to purchase or use such computer hardware and software systems to operate your Franchised Business as we may specify.

6.12 Telephone Number. You agree to maintain a dedicated telephone number for your Franchised Business.

6.13 Licenses and Permits. You must obtain such state and local business and other licenses and permits as your state and local law may require.

6.14 Brand Image and Remodeling. You agree to present your Franchised Business in a clean and well-maintained manner in order to uphold the image and goodwill of our franchise system. We may require you to remodel your business once every ten (10) years and you agree to do so pursuant to our guidelines.

6.15 Minimum Days and Hours. You agree to be open for business, at a minimum, the days and hours that we specify in the Operations Manual.

6.16 Laws and Regulations. You agree to comply with all federal, state, and local laws, and regulations.

6.17 Minimum Requirements. Not Applicable.

7. ADVERTISING

7.1 Use of our Marks. We allow and require you to use our Marks to hold out your Franchised Business to the public. You agree to use only our Marks as we develop them for this purpose. Use of our Marks must be in accordance with our Operations Manual.

7.2 Grand Opening Advertising. You agree to spend \$2,000 - \$5,000 around the time of the opening of your Franchised Business to promote its opening, pursuant to our guidelines.

7.3 Local Advertising and Promotions. Your advertising and promotions shall conform to the following requirements:

- a) You shall advertise and promote only in a manner that will reflect favorably on us.
- b) You agree to participate in all promotional programs that we create, offer or advertise.
- c) Your advertising must comply with federal, state, and local laws.
- d) You agree to spend the greater of 1% of Gross Revenues the prior month or \$1,000/month on local advertising, pursuant to our guidelines.

7.4 Advertising Fee and Fund. We reserve the right to implement an Advertising Fund and if we do, you agree to contribute 2% of your Gross Revenues into our Advertising Fund. Franchisor owned outlets do not have to contribute to the Advertising Fund, but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request.

If not all Advertising Fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

We may not use Advertising Fees to solicit new franchise sales.

7.5 Our Obligation to Conduct Advertising. We use monies in the Advertising Fund to conduct or advise you in the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located.

Corporate Website. We will develop and maintain a comprehensive website that contains your location's contact information.

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business.

Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor.

7.6 Use of Your Own Advertising Material. You agree to use our advertising templates or, if you wish to use your own advertising materials, you may do so provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved.

Private Websites. You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval.

7.7 Entity Name Requirements. You may not use the words "Hangry," "Joe's" or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. However, "Hangry Joe's Hot Chicken" followed by your entity number, or such other designation as we shall specify, shall be your "doing business as" name for an entity which owns this franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."

7.8 No Confusingly Similar Marks. You agree not to use any marks that could be confused with our Marks.

7.9 Update to our Marks. We may replace, modify, or add to our Marks. If we replace, modify, or add additional marks, you agree to update or replace your supplies, etc. to reflect the new marks, at your expense, in the time frame we provide at the time of such an update.

7.10 Publicity. Except as required by law, you may not make any press release or other public announcement respecting the subject matter of this Agreement without our written consent as to the form of such press release or public announcement.

7.11 Name and Likeness. You give us permission to use your name and likeness in all forms and media for advertising, trade, and any other lawful purposes.

8. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

8.1 Definition. “Confidential Information” means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, Customer Data, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

8.2 Confidentiality. You will not directly or indirectly disclose, publish, disseminate or use our Confidential Information except as authorized herein. You may use our Confidential Information to perform your obligations under this Agreement, but in doing so will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information.

8.3 Return of Information. Upon termination or expiration of this Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

8.4 Customer Data. We retain all right, title, and interest in and to the Customer Data during and after the term of this Agreement, provided that you use the Customer Data during the Term of this Agreement as permitted by this Agreement or our Manual, and in accordance with law. “Customer Data” means any and all information about Customers that may be collected in connection with their use of your franchise services, including, but not limited to, name, telephone number, address and email address.

8.5 Intellectual Property Ownership. We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

8.6 Suggestions. You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

8.7 Performance Data. You agree that we may share performance data from your Franchised Business between our employees, franchisees and their employees. You agree to keep such performance data confidential.

9. REPORTS AND REVIEW

9.1 Reports. You must send us such reports in the time and manner we may specify in the Operations Manual. At present, you must send to us the following reports during the following time frames:

Name of Report	When Due
Weekly Gross Revenues Report	By Thursday of each week to report Gross Revenues for the prior week
Monthly Gross Revenues Report	By the 5 th of the month to report Gross Revenues for the prior month
Annual Profit & Loss Statement	By January 31 of each year as to income and expenses incurred in the prior year

9.2 Reviews. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. This includes the right to send in secret shoppers. And this also includes the right to inspect and copy all tax returns and bank statements that may show revenues from the Franchised Business. We also have the right to require that you implement a plan to resolve issues that we discern from any review we conduct.

9.3 Time Frame to Furnish Documents. If, as part of a review of your business operations, we request a copy of any business records related to the Franchised Business, you must send us at your expense these records within five (5) business days of receiving our request.

9.4 Independent Access to Information. You agree that we have and that you will provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information, as well as your security camera systems.

10. TERMINATION

10.1 Termination by You. You may terminate this Agreement by not renewing; that is by notifying us in writing of your desire to not renew at least 180 days prior to the expiration of this Agreement. If you terminate pursuant to this paragraph, you must still comply with all of the provisions of this Agreement that require performance post-termination.

10.2 Termination by Us. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

- a) If you do not pass our initial training in accordance with our passing standards;

- b) If you fail to obtain our approval of a site or open on time;
- c) If you become insolvent, meaning unable to pay your bills in the ordinary course as they become due;
- d) If you commit a material violation of any law, ordinance, rule, or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business or if you are convicted of, or plead guilty or no contest to a felony;
- e) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three or more business days, except when active operation is not reasonably possible, such as because of a natural disaster;
- f) If you include a materially false representation or omission of fact in your Confidential Franchise Application to us;
- g) If you or your principals commit any fraud or misrepresentation in the operation of the Franchised Business;
- h) If you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure;
- i) You fail to pay suppliers an amount exceeding \$3,000 for more than 60 days;
- j) You fail to permit us to inspect or audit your franchise; or
- k) If you commit three or more breaches of this Agreement, the Operations Manual, or any other agreement with us, in any 12-month period regardless of whether such breaches were cured after notice.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and an opportunity to cure within thirty (30) days, if:

- a) You violate any other term or condition of this Agreement, the Operations Manual, or any other agreement with us; or
- b) Any amount owing to us from you is more than 30 days past due.

10.4 No Refund of Initial Fee. We have no obligation to return or refund any fee to you upon termination of this Agreement.

11. POST TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed, or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

- a) Cease to operate the Franchised Business and discontinue using any of our Marks or any marks which are likely to be confused with our Marks;
- b) Deliver to us the original and all copies, both paper and electronic, of the business records of your Franchised Business (retaining only such copies as you need for legal or tax purposes);
- c) Pay to us all amounts owing to us;
- d) At our request, cancel or assign to us all telephone numbers under your ownership used in the Franchise Business;
- e) Reimburse customers for any fees paid for services not yet rendered;
- f) At our option, and upon our request, use your best efforts to assist in our taking over the lease of the location of your Franchised Business, whether it be through a new lease or assignment;
- g) At our option, offer to us the right to purchase your furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration;
- h) Deliver to us any paper and electronic copies of the Operations Manual and any Confidential Information;
- i) Cancel all fictitious name or other listings which you have filed for use of any of the Marks;
- j) Adhere to the provisions of the post-term covenants not to compete and not to solicit;
- k) Abide by any other covenant in this Agreement that requires performance by you after you are no longer a franchisee; and
- l) Execute, from time to time, any necessary papers, documents, and assurances to effectuate the intent of this Section 11.

12. NON-COMPETE AND NO SOLICITATION.

12.1 Non-Compete.

- a) **In-Term.** You will not, during the Term of this Agreement, in the United States or its Territories, directly or indirectly, offer a fast casual Hot Chicken sandwich restaurant.

- b) **Post-Term.** You will not, directly or indirectly, for a 2-year period after the termination, expiration, or non-renewal of this Agreement, including a sale of the franchise or your interest in it, offer a fast casual Hot Chicken sandwich restaurant in the Territory or within 25 miles of the boundaries of the Territory, or within 25 miles of any other Hangry Joe's outlet of ours or a franchisee of ours in operation at the time.

12.2 No Solicitation of Customers. You will not, for a period of two years after expiration or termination of this Agreement, in the Territory or within fifty (50) miles of the boundaries of the Territory, directly or indirectly solicit the patronage of any client served by your prior Franchised Business during the last 24 months that you were a franchisee, or such shorter time as you were a franchisee, for the purpose of offering such person or entity, for a fee or charge, a fast casual Hot Chicken sandwich restaurant.

12.3 Waiver of Bond. You agree that if we bring suit to enforce Sections 11, 12.1, or 12.2 above, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

12.4 Severability. If any covenant or provision of Section 12.1 or 12.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

13. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

13.1 Maintenance of Goodwill. You agree not to disparage us or our current and former employees, agents, members, or directors. During the term of this Agreement, you agree not to do any act harmful, prejudicial, or injurious to us.

13.2 Independent Contractor. You and we are independent contractors to each other. Neither you nor we is an agent, fiduciary, partner, employee, or a participant in a joint venture, and neither you nor we has the authority to hold out as such to third parties. You do not have any authority to bind or obligate us. We are not and will not be liable for any act, omission, debt, or other obligation of yours.

13.3 Indemnity. You are responsible for all loss or damage and for all contractual liability to third parties originating in or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related. You agree to defend, indemnify, and hold harmless us and our employees, officers, directors, and members with respect to any such claim, loss, or damage, including our costs and attorney fees.

14. TRANSFER

14.1 Assignment by Us. We may assign this Agreement to an assignee who agrees to remain bound by its terms. We do not permit a sub-license of the Agreement.

14.2 Transfer by You. You may transfer this Franchise Agreement, any interest under this Agreement, or substantially all the assets of the Franchised Business only if we approve, and you comply with the provisions in this Section 14. We shall not unreasonably withhold approval. If this Agreement is held by joint tenants or tenants in common, all joint tenants or tenants in common must join in any transfer of an ownership interest in this Agreement, except any person who is deceased or under a legal disability.

14.3 Transfer to a Controlled Entity. A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. A transfer to a Controlled Entity shall not trigger the Right of First Refusal, described in Section 14.6 below. At the time of the desired transfer of interest to a Controlled Entity, you must notify us in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. We do not charge a transfer fee for this change.

14.4 Transfer within an Entity. A transfer of interest within an entity shall not trigger the Right of First Refusal described in Section 14.6 below if only the percentage ownership, rather than the identity of the owners, is changing. Prior to the time of the desired transfer of interest within an entity, you must notify us in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or Franchise Agreement as required by us, and you shall pay to us the applicable transfer fee specified in Section 4 above.

14.5 Conditions for Approval of Transfer. We may condition our approval of any proposed sale or transfer of the franchised business or of your interest in this Agreement upon satisfaction of the following occurrences:

14.5.1 You are current in all monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;

14.5.2 You are in full compliance with this Agreement;

14.5.3 You execute any transfer, amendment, or release forms that we may require;

14.5.4 You or the transferee will provide to us a copy of the proposed documents as we may request to evidence the transfer;

For a transfer under Section 14.2 above, the following conditions also apply:

14.5.5 The transferee must be approved by us and demonstrate to our satisfaction that s/he meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred;

and has adequate financial resources and capital to meet the performance obligations under this Agreement;

14.5.6 The transferee must execute our then-current Franchise Agreement;

14.5.7 You or the transferee must pay to us the Transfer Fee specified in Section 4 above;

14.5.8 The transferee must satisfactorily complete our initial training program at the transferee's expense within the time frame we establish;

14.5.9 You must comply with the post-termination provisions of this Agreement;

14.5.10 The transferee must obtain within the time limits set by us and maintain thereafter, all permits and licenses required for operation of the Franchised Business;

14.5.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.5.12 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.5.13 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation and performance under its franchise agreement;

14.5.14 You must request that we provide the prospective transferee with our current franchise disclosure document;

14.5.15 Our approval of the transfer will not constitute a waiver of any claims we may have against the transferring party;

14.5.16 We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Franchised Business as you have supplied us hereunder; and

14.5.17 In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

14.6 Right of First Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise Agreement, any interest in it, or substantially all the assets of the Franchised Business, you shall grant us the option (the "Right of First Refusal") to purchase the Franchised Business as provided here:

- a) Within fourteen (14) days of receipt of the offer, you shall offer the Right of First Refusal to us by notice in writing, including a copy of the signed offer to purchase which you received ("Notice"). We shall have the right to purchase the Franchised Business or interest in the

Franchised Business at and for the price and upon the terms set out in the Notice, except that we may substitute cash for any non-cash form of payment proposed and we shall have 60 days after the exercise of our Right of First Refusal to close the said purchase. Should we wish to exercise our Right of First Refusal, we will notify you in writing within 15 days from its receipt of the Notice. Upon the giving of such notice by us, there shall immediately arise between us and you, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.

- b) If we do not exercise our Rights of First Refusal, you may transfer the Franchised Business or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions in Section 14.5 above and complete the sale within 90 days from the day on which we received the Notice. If you do not conclude the proposed sale transaction within the 90-day period, the Right of First Refusal granted to us shall continue in full force and effect.

15. DEATH OR INCAPACITY

In the event of your death or incapacity, you, or your estate, as the case may be, must actively begin the process to seek a transfer of your rights under this Agreement within 60 days and must complete the transfer within 6 months of your death or incapacity. If you or your estate fails in either respect, then we may terminate this Agreement. The new Franchisee must pay the transfer fee specified above, meet our qualifications, complete initial training, and enter into a new Franchise Agreement. And we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services from the date of your death or incapacity until transfer or termination, plus 10% of Gross Revenues for the period in which we operate or assist in the operation of the Franchised Business. The term “incapacity” means a condition that prevents you from reasonably carrying out your duties under this Agreement.

16. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by our authorized officer. We may, however, modify the provisions of the Manual, without your consent, as discussed in Section 5.

17. NON-WAIVER OF BREACH

The failure of either party to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

18. FULL UNDERSTANDING

This Agreement, including the schedules, is the entire agreement between the parties. This Agreement supersedes all other prior oral and written agreements and understandings between you and us with respect to the subject matter of this Agreement. Nothing in this or in any related agreement, however,

is intended to disclaim the representations we made in the franchise disclosure document we furnished to you.

19. GOVERNING LAW

19.1 Choice of Law. Except as to claims governed by federal law, Virginia law governs all claims that in any way relates to or arises out of this Agreement or any of the dealings of the parties (“Claims”). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

19.2 Jurisdiction and Venue. You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Springfield, Virginia. However, if you are an Illinois, Maryland, or Washington State resident or your franchise territory is located in Illinois, Maryland, or Washington State, you agree to bring any Claims, if at all, solely in arbitration before the American Arbitration Association in the city or county where our corporate headquarters are located.

19.3 Jury Waiver. In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

19.4 Class Action Waiver. You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

19.5 Punitive Damages Waiver. As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

19.6 Limitation of Actions. You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

19.7 Prior Notice of Claims. As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

19.8 Internal Dispute Resolution. You must first bring any Claim to our CEO, after providing notice as set forth in Section 19.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

19.9 Mediation. Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we can not mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association (“AAA”), and split any AAA and mediator fees equally.

19.10 Waiver of bond. You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

19.11 Attorney Fees. If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

19.12 Third Party Beneficiaries. Our officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Governing Law provisions contained herein.

19.13 Survival. All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

19.14 Severability Clause. If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

20. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

21. NOTICES

You shall give any required notice or request in writing by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to our CEO, at our corporate office, presently 9001 Braddock Rd., Suite 300, Springfield, VA 22151. Telephone: 571-386-1700. We may also give any such notice to you in the same manner at the address indicated below your signature on this Agreement, such other more current address as we may have for you, or by e-mail.

22. ACKNOWLEDGMENTS

You acknowledge that you have read our Franchise Disclosure Document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. You acknowledge that we have recommended, and that you have had the opportunity to obtain, review of this Agreement and our Franchise Disclosure Document (“FDD”) by your lawyer, accountant or other

business advisor prior to execution. Except as may be stated in Item 19 of our Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of our franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between us and any other franchisee.

23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Paragraphs 11-13 above**, the obligation to make specified payments, and pay any other debts due to us. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

Franchisee: _____ Entity Number: _____

Type: _____ (Sole Proprietor, LLC, Corp., Joint Tenants with Right of Survivorship (“JTROS”), Tenants in Common, Partnership).*

SIGNATORS:

By: _____ By: _____
(Signature) (Signature)

(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

By: _____ By: _____
(Signature) (Signature)

(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

Hangry Joe’s Franchising, LLC

By: _____ Effective Date: _____
Ki Young (“Derek”) Cha, CEO

***Joint Tenants with Right of Survivorship is typically for married couples and must be owned equally by each tenant, 50-50 for two owners, and if one spouse passes away, the other automatically receives the decedent’s share. Tenants in common is normally for non-spouses and if one passes away, his or her share passes by will or state law to his or her heirs.**

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT
TERRITORY**

Your Territory shall be as follows:

SCHEDULE 2 TO THE FRANCHISE AGREEMENT

AUTOMATIC BANK DRAFT AUTHORIZATION

ACH Origination Authorization

Please complete the following with your banking information and attach a voided check:

Company Name: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

Routing Number: _____

Account Number: _____

I hereby authorize Hangry Joe’s Franchising, LLC and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my franchise agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either Hangry Joe’s Franchising, LLC or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: _____

Printed Name of Person Signing: _____

Title (if any): _____

Application Date: _____

Telephone Number: _____

Applicant’s Address: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT

TELEPHONE NUMBER ASSIGNMENT AGREEMENT

THIS TELEPHONE NUMBER ASSIGNMENT AGREEMENT is made between Hangry Joe's Franchising, LLC ("Franchisor," "we," "us," or "our") and the franchisee named below ("Franchisee," "you" or "your").

BACKGROUND

A. The parties are entering into a Franchise Agreement ("Agreement").

B. As a condition to signing the Franchise Agreement, we have required that you appoint us Attorney in Fact, to take effect upon the expiration or termination of the Agreement, as to the telephone numbers, listings, and advertisements (collectively "Listings") relating to your Franchise.

TELEPHONE NUMBER ASSIGNMENT

Upon expiration or termination of the Agreement for any reason, Franchisee's right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, and to immediately at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of the Listings

Franchisee agrees that Franchisor may require Franchisee to "port" or transfer to Franchisor or an approved call routing and tracking vendor all Listings.

DURABLE POWER OF ATTORNEY

Appointment as Attorney in Fact. For value received, Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings. This appointment gives to us full power to receive, transfer or assign to us or our designee or take any other actions required of Franchisee under the Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the foregoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such Listings and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee's rights under the Agreement for any reason. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not

be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

Governing Law and Survival. The validity, construction and performance of this Assignment is governed by the laws of the State in which we are located. All our rights survive the termination, expiration or non-renewal of the Agreement and inure to our benefit and to the benefit of our successors and assigns.

FRANCHISEE:

FRANCHISOR:

Hangry Joe’s Franchising, LLC

By: _____

By: _____

Ki Young (“Derek”) Cha, CEO

By: _____

Date: _____

SCHEDULE 4 TO THE FRANCHISE AGREEMENT

LEASE RIDER

Landlord	
Landlord Name:	
Landlord Address:	
Landlord Phone Number:	

Franchisor	
Franchisor Name:	Hangry Joe's Franchising, LLC
Franchisor Address:	9001 Braddock Rd., Suite 300, Springfield, VA 22151
Franchisor Phone Number:	571-386-1700

Tenant	
Tenant Name:	
Address of Leased Premises:	
Date of Lease:	

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Hangry Joe's Hot Chicken (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease, subject to Landlord's approval in its reasonable discretion. To exercise this option, Franchisor must notify Landlord within 10 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Landlord and Tenant consent to allow Franchisor to assume any existing term of the Lease (the "Assumption"), provided that any and all defaults have been cured and all payments due under the Lease are current, and to enter into a written agreement providing for such Assumption. In the event of an Assumption, Landlord will deliver possession of the Leased Premises to Franchisor free and clear of any rights of the Tenant or any third party. Landlord further consents to give Franchisor the right, following the Assumption, to assign its interest in the Lease or to sublet the Leased Premises to another franchisee of Franchisor with reasonable consent from the Landlord.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Franchisor's brand, subject to Landlord's approval in its reasonable discretion.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises within 10 days of such expiration or termination, to take any such actions as may be consistent with its rights under this Lease Agreement Rider or to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

LANDLORD:

By: _____
Name: _____
Title: _____

TENANT:

By: _____
Name: _____
Title: _____

FRANCHISOR:

Hangry Joe's Franchising, LLC

By: _____
Name: Ki Young ("Derek") Cha
Title: CEO
Date: _____

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

**CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Sections 10.2 and 10.3 are deleted and in their place are substituted the following:

10.2 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 10.3 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this 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.

FRANCHISEE:

By: _____

By: _____

FRANCHISOR:

Hangry Joe's Franchising, LLC

By: _____
Ki Young ("Derek") Cha, CEO

Date: _____

**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. 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.

FRANCHISEE:

FRANCHISOR:

Hangry Joe's Franchising, LLC

By: _____

By: _____

Ki Young ("Derek") Cha, CEO

By: _____

Date: _____

**MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

2. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

3. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All 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.

5. Surety Bond- The Franchise Agreement is modified to also provide: ““Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance which is being satisfied by posting a surety bond which we filed with the Commissioner.”

5. 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.

FRANCHISEE:

FRANCHISOR:

Hangry Joe’s Franchising, LLC

By:_____

By:_____

Ki Young (“Derek”) Cha, CEO

By:_____

Date:_____

**MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the 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 and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FRANCHISEE:

FRANCHISOR:

Hangry Joe’s Franchising, LLC

By: _____

By: _____

Ki Young (“Derek”) Cha, CEO

By: _____

Date: _____

**RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE:

By: _____

By: _____

FRANCHISOR:

Hangry Joe's Franchising, LLC

By: _____
Ki Young ("Derek") Cha, CEO

Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

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

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.

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.

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.

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

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.

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.

Initial Fee Deferral:

The Franchise Agreement is amended to also provide: “Based upon our financial condition the Washington Securities Division requires that we defer the payment of all initial fees due to the franchisor and/or its affiliates by the franchisee until all pre-opening obligations of the franchisor are completed and the franchise is open for business. Accordingly, you will not be required to pay the initial fees until we have completed our pre-opening obligations to you and you are open for business.”

The undersigned does hereby acknowledge receipt of this addendum.

FRANCHISEE:

FRANCHISOR:

Hangry Joe’s Franchising, LLC

By: _____

By: _____

Ki Young (“Derek”) Cha, CEO

By: _____

Date: _____

**WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.
2. The Franchise Agreement is amended to also include the following language:

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:

FRANCHISOR:

Hangry Joe's Franchising, LLC

By:_____

By:_____

Ki Young ("Derek") Cha, CEO

By:_____

Date:_____

**EXHIBIT D
RELEASE**

THIS RELEASE is made and given by _____,
("Releasor") with reference to the following facts:

1. Releasor and Hangry Joe's Franchising, LLC (Releasee) are parties to one or more franchise agreements.
2. The following consideration is given:

_____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

_____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

_____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

_____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

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

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island

Investment Act, and the Washington Franchise Investment Protection Act.

Franchisee:

Franchisor:
Hangry Joe’s Franchising, LLC

By: _____

By: _____
Ki Young (“Derek”) Cha, CEO

Printed Name: _____

Date: _____

Title: _____

EXHIBIT E

CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Operational Outlets as of 12/31/2022:

Maryland

Tae Rim
Royal Castle Inc
14907 Carlbern Dr
Centreville, VA 20120
571-287-1764

Yoojun Kim
YJK-Rockville, Inc
10050 Darnestown Rd
Rockville, MD, 20850
410-207-6260

Yong Man Kim
Hangry Joes Annapolis, LLC
718 B Rockville Pike
Rockville, MD 20852
312-477-6203

Dae Young Park
DH Pollo Rico, Inc.
2533 Ennalla Ave.
Wheaton, MD 20902
240-888-2475

Texas

Jin Choi
KWH432, Inc.
171 N. Denton Tap Road #600
Coppell, TX 75019
214-693-1855

Daniel Kim
DEI Development Inc.
4140 W. Camp Wisdom Road #A

Dallas, TX 75237
469-381-2445

Virginia

Mi Ryeong Kim
MJC Duke, Inc
3227 Duke St
Alexandria, VA 22314
703-728-2009

Mi Ryeong Kim
HJHC VanDorn Inc.
277 S Van Dorn St
Alexandria, VA 22304
703-728-2009

Hoyle Howard Won
Hangry Joes Ashland, Inc
10040 Sliding Hill Rd
Ashland, VA 23005
301-704-2119

Daniel Paik
Hangry Joe's Centerville, Inc.
14215 U Centerville Square
Centerville, VA 20121
213-220-3128

Mi Kyung Lee
Hangry Joe's Fairfax Inc.
12436 Liberty Bridge Road
Fairfax, VA 22033
(703) 625-3864

Eul Young Lee
EMIW Corporation
13005-R Lee Jackson Memorial Hwy
Fairfax, VA 22033
703-462-0790

Suhan Kim
Blue Bowtie, LLC
3525 S Jefferson St
Falls Church, VA 22041
520-288-3081

Abraham Razeq
Hangry Joe's Short Pump, Inc
11624 West Broad St.
Henrico, VA 23233
540-287-7448

Yong Man Kim
Hangry Joe's Chicken Herndon, Inc
13033 Worldgate Dr
Herndon, VA 20170
312-477-6203

Abraham Razeq
H.J. @ Lansdowne Inc.
6480 Lansdowne Center Drive
Alexandria, VA 22315
540-287-7448

Juyoung Jung
MCB Food, Inc.
9740 Liberia Ave
Manassas, VA 20110
703-906-5229

Yong Man Kim
Hangry Joe's Chicken Herndon, Inc
2952 Chain Bridge Rd
Oakton, VA 22124
312-477-6203

Abraham Razeq
HJ At Parham Inc.
1501 N Parham Rd
Richmond, VA 23229
540-287-7448

Abraham Razeq
HJ at Woodbridge, Inc
14111 Jefferson Davis Hwy
Woodbridge VA 22191
540-287-7448

Franchise Agreement Signed But Outlet Not Yet Open (as of 12/31/2022):

Alabama

Yeongho Son
Hangry Joe Eastern, LLC
2701 Eastern Blvd.
Montgomery, AL 36117
762-338-1231

Illinois

Ferhan Hamid
Fresh Fare Brands, LLC
1025 N. Elmhurst Rd.
Mount Prospect, IL 60056
202-256-1550

Gulam Fatani
Khatani Foods, LLC
760 North Route 59
Naperville, IL 60563
630-201-5410

Maryland

Mi Ryeong Kim
Cristy Kim
HJ Three Star Inc
5595 Spectrum Dr, Unit 101
Frederick, MD 21203
703-728-2009

Mi Ryeong Kim
Cristy Kim
HJF, Inc
7820 Wormand Mill Rd. Suite X
Fredrick, MD 21701
703-728-2009

Numaan Shah
Shah Burgers, LLC
3248 A Crain Hwy
Waldorf, Md 20603
267-229-2333

New Jersey

Jimmy Kim
Frank Cocuzza, Sr
Frank Cocuzza, Jr
129 Washington Place
Hasbrouck Heights, NJ 07604
201-820-8982

North Carolina

Roy Jung
Triple B Group, Inc
10031 Chestnut Wood Ln.
Burke, VA 22015
703-395-2100

Pennsylvania

Jimmy Zhang
Feng Z LLC
300 Market St.
Philadelphia, PA 19106
347-607-9880

South Carolina

Roy Jung
Triple B Group, Inc
10031 Chestnut Wood Ln.
Burke, VA 22015
703-395-2100

Virginia

Omar Abouzake
Ahmad Alhomsy
Hot Chicken Inc
1731 East Main Street
Richmond, VA 23223
804-292-9179

Hemal Amin
Salman Syed
Mohammed Irfan Ali

INSUAF, LLC
1100Ashford Park Drive
Glen Allen, VA 23059
407-620-4853

Sang Han
Sang Lee
Sang Bros, LLC
8058 Skystone Loop
Manassas, VA 20111
571-331-9150

Jim Hong
Hangry Joe's Arlington Westpost Inc
24949 Avonlea Dr.
Chantilly, VA 20152
571-331-1431

Jim Hong
Hangry Joe's Sterling Inc
24949 Avonlea Dr.
Chantilly, VA 20152
571-331-1431

Koo Eun Joo
Triple B Arlington Inc
5512 Willow Valley Rd
Clifton, VA 20124
703-244-0047

Hyun Kim
Pro163 Inc.
14377 Beckett Glen Circle
Chantilly, VA 20151
571-225-5238

Michael Lee
MLVL Co
10209 Glen Chase Ct
Fairfax, VA 22032
703-606-3036

Abraham Razeq
Mohammad Alijayousi
HJ at Stafford Inc
1106 Austin Dr.

Fredericksburg, VA 22401
540-287-7448

Abraham Razeq
Mohammad Alijayousi
HJ at Dillingham Square Inc
1106 Austin Dr.
Fredericksburg, VA 22401
540-287-7448

Abraham Razeq
Mohammad Alijayousi
HJ at Richmond Hwy Inc
1106 Austin Dr.
Fredericksburg, VA 22401
540-287-7448

Abraham Razeq
HJ at Harrison Road Inc
1106 Austin Dr.
Fredericksburg, VA 22401
540-287-7448

Abraham Razeq
HJ at South Point Parkway Inc
1106 Austin Dr.
Fredericksburg, VA 22401
540-287-7448

Abraham Razeq
HJ at Tysons Inc
1106 Austin Dr.
Fredericksburg, VA 22401
540-287-7448

Jacob Razeq
Razeq Family at Lorton Inc.
1201 Anderson St.
Fredericksburg, VA, 22401
540-419-5166

Jacob Razeq
Razeq Family at Central Park Inc.
1201 Anderson St.
Fredericksburg, VA, 22401
540-419-5166

Jacob Razeq
Razeq Family at Dumfries Inc
1201 Anderson St.
Fredericksburg, VA, 22401
540-419-5166

Jacob Razeq
Razeq Family at Springfield Inc
1201 Anderson St.
Fredericksburg, VA, 22401
540-419-5166

EXHIBIT F

FORMER FRANCHISEES

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None

EXHIBIT G

Financial Statements

HANGRY JOE'S FRANCHISING LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2022



Certified Public Accountants

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Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Hangry Joe's Franchising LLC
Springfield, VA

We have audited the accompanying financial statements of **Hangry Joe's Franchising LLC** (a Virginia limited liability company), which comprise the balance sheet as of December 31, 2022 and the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Hangry Joe's Franchising LLC** as of December 31, 2022, and the results of its operations and its cash flows for the year then ended 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 **Hangry Joe's Franchising LLC** 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 Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 statements.

To the Board of Directors
Hangry Joe's Franchising LLC

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 statements, 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 statements.
- 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 **Hangry Joe's Franchising LLC'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Hangry Joe's Franchising LLC'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.

Kositzka, Wicks and Company

Alexandria, Virginia
March 10, 2023

Hangry Joe's Franchising LLC

Balance Sheet
December 31,

2022

Assets

Current assets

Cash	\$	184,995
Accounts receivable, net		8,868
Due from members		125,000
Due from related party		100,000
Notes receivable - franchisees		145,000
Total assets	\$	<u>563,863</u>

Liabilities and members' equity

Current liabilities

Accounts payable and accrued expenses	\$	32,916
Deposits		100,000
Total liabilities		<u>132,916</u>

Members' equity

Retained earnings		<u>430,947</u>
Total members' equity		<u>430,947</u>
Total liabilities and members' equity	\$	<u>563,863</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Hangry Joe's Franchising LLC

Statement of Income for the year ended December 31,

2022

Income

Franchise fees	\$	215,000
Franchise fees - pre-opening		455,000
Royalties		312,196
Other income		112,719
		<u>1,094,915</u>

Operating expenses

Contractors		340,000
Advertising		14,458
Business meals and entertainment		43,330
Commissions		51,646
Office supplies and expense		10,288
Professional fees		36,693
Travel		27,675
Other general and administrative		4,935
		<u>529,025</u>

Net income

\$ 565,890

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Hangry Joe's Franchising LLC

Statement of Members' Equity for the year ended December 31, 2022

	<u>Additional paid in capital</u>	<u>Retained earnings</u>	<u>Total</u>
Balance, December 31, 2021	\$ 125,000	\$ (5,014)	\$ 119,986
Retained earnings adjustment	-	(63,859)	(63,859)
Additional paid in capital adjustment	(125,000)	125,000	-
Net income	-	565,890	565,890
Distributions	-	(191,070)	(191,070)
Balance, December 31, 2022	<u>\$ -</u>	<u>\$ 430,947</u>	<u>\$ 430,947</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Hangry Joe's Franchising LLC

Statement of Cash Flows for the year ended December 31,

2022

Cash flows from operating activities

Net income	\$	565,890
Adjustments to reconcile net income to net cash provided by operating activities:		
Retained earnings adjustment		(63,859)
(Increase) decrease in operating assets		
Accounts receivable		92,007
Due from members		(125,000)
Due from related party		(100,000)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses		32,766
Net cash provided by operating activities		<u>401,804</u>

Cash flows from investing activities

Loans to franchisees		<u>(145,000)</u>
Net cash used in investing activities		<u>(145,000)</u>

Cash flows from financing activities

Distribution to members		(191,070)
Deposits		<u>100,000</u>
Net cash used in financing activities		<u>(91,070)</u>

Net change in cash		165,734
Cash - beginning of year		<u>19,261</u>
Cash - end of year	\$	<u>184,995</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$	-
Cash paid for income taxes	\$	<u>-</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Hangry Joe's Franchising LLC

Notes to Financial Statements December 31, 2022

1. Organization and purpose

Hangry Joe's Franchising, LLC (the Company) is a limited liability company organized on June 9, 2021. The Company offers a franchising opportunity to provide a fast-casual hot restaurant experience offering premium chicken sandwiches with different spice levels, along with specialized menu items.

2. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Outlined below are those policies considered particularly significant to the Company.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and cost recognition

The Company offers non-exclusive rights to operate a franchise for the Hangry Joe's restaurant. When the Company enters into an agreement with a franchisee, the franchisee is contractually obligated to pay the following:

- a) Franchise fees which are due upon execution of the agreement and nonrefundable. Franchise rights are granted through a store level franchise agreement for the franchisee to use the system developed by the Company for the operation of a restaurant at the accepted location. The Company provides access to operating manuals and an initial training program. The franchise term is ten years with an option for an additional five-year renewal term.
- b) Royalty fees, which are calculated as a percentage of the franchisee's gross sales, are due on a weekly basis. Revenue is recognized during the period earned.

As a practical expedient, under Topic 606, the Company determined pre-opening services as a single performance obligation. The Company's primary performance obligation under pre-opening services is to provide initial training and distribution of manuals to the franchisee pursuant to the franchise agreement.

Cash

For purposes of reporting cash flows, cash includes money market accounts and highly liquid debt instruments purchased with a maturity of three months or less.

Concentration of credit risk

The Company maintains its cash in a bank account which, at times, may exceed federally insured (FDIC) limits. FDIC insurance on bank accounts is \$250,000 and applies per depositor, per insured depository institution for each ownership category.

Accounts receivable

Accounts receivable as of December 31, 2022 includes royalty fees of \$8,868 from multiple franchisees. Royalty fees are due on a weekly basis.

See independent auditor's report.

Hangry Joe's Franchising LLC

Notes to Financial Statements December 31, 2022

Allowance for uncollectible accounts

No allowance for uncollectible accounts receivable has been provided since management has determined that all accounts are collectible.

3. Due from members

The Company advanced \$125,000 to the owners during 2022; this amount was receivable as of December 31, 2022.

4. Due from related party

The Company advanced funds to TIG Food Service, an entity with common ownership. The advances, totaling \$100,000, occurred during 2022; this amount was receivable as of December 31, 2022.

5. Notes receivable - franchisees

The Company advanced \$145,000 to franchisees during 2022; this amount was receivable as of December 31, 2022. The Company intends to convert unpaid amounts to notes receivable during 2023, with ownership of the franchise as collateral.

6. Deposits

The Company received a \$100,000 deposit during 2022 from an entity acquiring minority ownership interest of 7.5%. The ownership transfer will be effective during 2023.

7. Income tax status

The Company, with the consent of its members, has elected under Internal Revenue Code to be classified as a Partnership. In lieu of partnership income taxes, the members of the LLC are taxed on their proportionate amount of the Company's taxable income. Therefore, no provision for income taxes has been included in the financial statements.

8. Related party transactions

The Company contracts for services from TIG Food Service, an entity with common ownership. Total expenses incurred to TIG Food Service were \$230,000 for the year ended December 31, 2022.

The Company advanced \$100,000 to TIG during 2022; see also Note 4.

9. Retained earnings adjustment

The Company's accrual-basis income was overstated by \$63,859 on the financial statements for the year ended December 31, 2021. The overstatement did not effect tax-basis income. The financial statements for the year ended December 31, 2021 were not restated; the correction was posted as an adjustment to opening retained earnings.

10. Subsequent events

Management has evaluated events occurring subsequent to December 31, 2022 through March 10, 2023, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements noting no such events.

Independent Auditor's Report

To the Board of Directors
Hangry Joe's Franchising, LLC
Springfield, Virginia

We have audited the accompanying financial statements of Hangry Joe's Franchising, LLC which comprise the balance sheets as of December 31, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Cha Group, LLC

10560 Main Street Suite 305 | Fairfax, VA 22030

Andy.cha@groupcha.com | (703) 678-8848

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hangry Joe's Franchising, LLC as of December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to be 'Andy Cha', written over a horizontal line.

Cha Group, LLC

March 24, 2022

Hangry Joe's Franchising, LLC

Balance Sheet

December 31, 2021

	<u>2021</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 19,260.51
Accounts Receivable, Net	<u>100,875.72</u>
Total Current Assets	<u>120,136.23</u>
Total Assets	<u><u>120,136.23</u></u>
Liabilities and Equity	
Current Liabilities	
Accounts Payable	<u>150.00</u>
Total Liabilities	<u>150.00</u>
Stockholders' Equity	
Equity Capital Contribution	125,000.00
Retained Earnings	<u>(5,013.77)</u>
Total Equity	<u>119,986.23</u>
Total Liabilities and Equity	<u><u>120,136.23</u></u>

Hangry Joe's Franchising, LLC
Statement of Income and Retained Earnings
December 31, 2021

	<u>2021</u>
Income	
Franchise Pre-Opening	\$ 120,000.00
Franchise	37,125.38
Total Revenue	<u>157,125.38</u>
Expenses	
General and Administrative	89.15
Professional fees	1,550.00
Total Expenses	<u>1,639.15</u>
Net Income	<u><u>155,486.23</u></u>
Beginning Retained Earnings	-
Less: Capital Distribution	160,500.00
Ending Retained Earnings	<u><u>(5,013.77)</u></u>

Hangry Joe's Franchising, LLC

Statement of Cash Flows

December 31, 2021

	<u>2021</u>
Operating Activities	
Net Income	\$ 155,486.23
Adjustments to Reconcile Net Income to Net Cash provided by Operations:	
Depreciation and Amortization	
Accounts Receivable (Increase) Decrease in Current Assets	(100,875.72)
Accounts Payable Increase (Decrease) in Current Liabilities	150.00
Net Cash Provided by Operating Activities	<u>54,760.51</u>
Investing Activities	
Net Cash Provided by Investing Activities	<u>-</u>
Financing Activities	
Contribution from Shareholders	125,000.00
Distribution to Shareholders	(160,500.00)
Net Cash Provided by Financing Activities	<u>(35,500.00)</u>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	<u>19,260.51</u>
Cash and Cash Equivalents, Beginning of Period	<u>-</u>
Cash and Cash Equivalents, End of Period	<u>19,260.51</u>

NOTE 1 – Nature of Operations

Hangry Joe's Franchising LLC (the "Company") was incorporated in the Commonwealth of Virginia on June 9, 2021. The Company offers a franchise opportunity to provide a fast-casual Hot Chicken sandwich restaurant offering premium chicken sandwiches with different spice levels, along with specialized menu.

NOTE 2 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, revenue from contracts with customers (Topic 606) ("ASU 2014-09") which supersedes the prior revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. During 2016 and 2017, the FASB issued additional ASUs amending certain aspects of ASU 2014-09. The Company accounts for revenue in accordance with ASC Topic 606.

Revenue Recognition Significant Accounting Policies under ASC 606

The Company's revenues are comprised of franchise revenue and initial franchise fees for pre-opening services.

Franchise Revenue

Our most significant source of revenues arises from 5% royalties and initial fee by our franchisees. Franchise rights are granted through a store level franchise agreement that set out the terms of our arrangement with the franchisee. Royalties are calculated as a percentage of applicable restaurant's sales in exchange for the license of intellectual property associated with the franchise agreement. Our franchise agreements require that the franchisee remit continuing user fees to us as a recurring monthly fee or weekly fee based on the gross sales in the store. Our franchise agreements also typically require certain, less significant, fees paid in the event the franchise agreement is transferred to another franchisee. Royalties represent the majority of the consideration we receive under our franchise agreements.

Based on the application of the sales-based royalty exception within Topic 606, the Company primary performance obligation under the franchise license is granting franchise rights to use the Company's intellectual property, and therefore accounted for under ASC 606 a performance obligation for franchise rights, which is satisfied by granting certain rights to use our intellectual property over the term of each franchise agreement.

Under Topic 606, as a practical expedient, the Company determined pre-opening services as a single performance obligation. The Company's primary performance obligation under pre-opening services is to provide initial training and distribution of manuals to the franchisee pursuant to the franchise agreement. Pre-opening fees are recognized as revenue when the Company provides all the pre-opening required obligations.

Cash and Cash Equivalents

Cash and cash equivalents include all cash maintained in bank accounts and highly liquid investments with maturity dates or less than three months.

Accounts Receivable

Accounts receivable are generally due within 30 days and are stated at amounts due from franchisees, net of allowance for doubtful accounts. Credit is extended based on evaluation of a franchisee's financial condition and, generally, collateral is not required. The Company determines its allowance by considering a number of factors, including length of time trade accounts receivable are past due, the Company's previous loss history and the franchisee's current ability to pay its obligation to the Company.

The Company writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to current revenue in the year received.

Use of Estimate

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

The Company, with the consent of its members, has elected to under the Internal Revenue Code to be classified as a Partnership. In lieu of partnership income taxes, the member of a partnership are taxed on their proportionate amount of the Company' taxable income. Therefore, no provision or liability for income taxes has been included in the financial statements.

NOTE 3 – Concentration of Credit Risk

The Company maintained all of its cash accounts with one commercial bank. Non-interest-bearing accounts were insured to their full balance by the FDIC. As of December 31, 2021. the Company held no funds in excess of covered limits.

NOTE 4 – Franchising

The Company executes franchise and license agreements that set the terms of its arrangement with each franchisee. The franchise and license agreements require the franchisee to pay an initial, non-refundable fee ranging from \$30,000 and royalty fees. The initial term of the agreement is ten years and is thereafter renewable for an additional term.

NOTE 5 – Revenue Recognition

Hangry Joe's Franchising, LLC
Notes to Financial Statements

As discussed in Note 2, the Company's revenues primarily consist of royalties and initial fee by franchisees. Royalties are calculated as a percentage of applicable restaurant's sales in exchange for the license of intellectual property associated with the franchise agreement. As a practical expedient, under Topic 606, the Company determined pre-opening services as a single performance obligation. The Company's primary performance obligation under pre-opening services is to provide initial training and distribution of manuals to the franchisee pursuant to the franchise agreement.

The following table disaggregates the revenue by type.

	<u>2021</u>
Franchise Pre-Opening	\$ 120,000
Franchise	<u>37,125</u>
Total Revenue	<u><u>157,125</u></u>

NOTE 6 – Subsequent Event

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through March 24, 2022, the date the financial statements were available to be issued.

HANGRY JOE'S FRANCHISING LLC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2021

HANGRY JOE’S FRANCHISING LLC
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2021

Table of Contents

Independent Auditor’s Report	1
Financial Statements:	
Balance Sheet	2
Statement of Income and Stockholder's Equity	3
Statement of Cash Flows	4
Notes to Financial Statements	5

Independent Auditor's Report

To the Board of Directors
Hangry Joe's Franchising, LLC
Vienna, Virginia

We have audited the accompanying financial statements of Hangry Joe's Franchising, LLC which comprise the balance sheets as of June 30, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hangry Joe's Franchising, LLC as of June 30, 2021, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.



Fairfax, VA

June 30, 2021

Hangry Joe's Franchising, LLC

Balance Sheet As of June 30, 2021

Assets		
Current Assets		
Cash and Cash Equivalents	\$	125,000
Total Assets	\$	<u>125,000</u>
Liabilities and Equity		
Total Liabilities	\$	-
Stockholders' Equity		
Equity Capital	\$	125,000
Total Equity	\$	<u>125,000</u>
Total Liabilities and Equity	\$	<u>125,000</u>

See independent auditor's report and accompanying notes to the financial statements

Hangry Joe's Franchising, LLC

Statement of Income and Stockholder's Equity
For the Period Ended June 30, 2021

Revenue	-
	<hr/>
Expenses	-
	<hr/>
Net Income	-
	<hr/> <hr/>
Stockholder's Equity, Beginning of Period	-
Capital Contribution	\$ 125,000
	<hr/>
Stockholder's Equity, End of Period	\$ 125,000
	<hr/> <hr/>

See independent auditor's report and accompanying notes to the financial statements

Hangry Joe's Franchising, LLC

Statement of Cash Flows
For the Period Ended June 30, 2021

Cash Flows from Financing Activities	
Shareholder's Contributions	\$ 125,000
	<hr/>
Net Cash Provided by Financing Activities	\$ 125,000
	<hr/>
Net Cash Increase (Decrease) in Cash and Cash Equivalents	\$ 125,000
Cash and Cash Equivalents, Beginning of Period	-
	<hr/>
Cash and Cash Equivalents, End of Period	\$ 125,000

See independent auditor's report and accompanying notes to the financial statements

Hangry Joe's Franchising LLC

Notes to Financial Statements

NOTE 1 – Organization and Nature of Operations

Hangry Joe's Franchising LLC (the "Company") was incorporated in the Commonwealth of Virginia on June 9, 2021. The Company sells and provides support services in connection with the sale and operation of Hangry Joe's franchise outlets.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accounting policies of the Company are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Cash and Cash Equivalents

Cash and cash equivalents include all cash maintained in bank accounts and highly liquid investments with maturity dates or less than three months.

Use of Estimate

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintained all its cash accounts with one commercial bank. Non-interest bearing accounts were insured to their full balance by the FDIC. As of June 30, 2021, the Company held no funds in excess of covered limits

Income Taxes

The Company is not directly subject to income taxes. The results of its operations are includable in the tax returns of its members. Therefore, no provision for income tax expense has been included in the accompanying financial statements.

NOTE 3 – Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through July 3, 2021, the date the financial statements were available to be issued.

EXHIBIT H

TABLE OF CONTENTS OF OPERATIONS MANUAL

<u>Subject</u>	<u>Page Count</u>
Chapter 1: Introduction	6
Chapter 2: Welcome to Hangry Joe's	4
Chapter 3: Support Resources	1
Chapter 4: Franchisee Training	3
Chapter 5: Site Selection and Store Set-Up	31
Chapter 6: Staffing Your Hangry Joe's Franchise	15
Chapter 7: Hangry Joes' Policies	3
Chapter 8: Menu Items and Recipes	3
Chapter 9: Operation and Maintenance	5
Chapter 10: Administration	9
Chapter 11: Marketing	24
Chapter 12: Insurance Requirements & Risk Management	2
Chapter 13: Trademarks and Trade Secrets – Protection Policies	3
Total Pages	109

EXHIBIT I
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:

State	Effective Date
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	December 16, 2022
Minnesota	Pending
New York	Pending
Rhode Island	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 J
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 Hangry Joe’s Franchising, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

Michigan requires 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.

New York requires 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.

If Hangry Joe’s Franchising, LLC 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 law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

The franchisor is Hangry Joe’s Franchising, LLC located at 9001 Braddock Rd., Suite 300, Springfield, VA 22151. Its telephone number is 571-386-1700.

Issuance Date: March 27, 2023

The franchise seller for this offering is:

X	Ki Young (“Derek”) Cha;9001 Braddock Rd., Suite 300, Springfield, VA 22151; 571-386-1700
X	Min Soo (“Mike”) Kim;9001 Braddock Rd., Suite 300, Springfield, VA 22151; 571-386-1700

We authorize the respective state agencies identified in Exhibit B to receive service of process for us in the particular state.

I have received a disclosure document dated March 27, 2023 that included the following Exhibits:

- A. State Addenda to the Disclosure Document
- B. List of State Administrators and Registered Agents
- C. Franchise Agreement
 Schedule 1-Territory

- Schedule 2-Automatic Bank Draft Authorization
- Schedule 3-Telephone Number Assignment
- Schedule 4-Lease Rider
- Schedule 5-State Addenda to the Franchise Agreement

- D. Release
- E. List of Current Franchisees
- F. List of Former Franchisees
- G. Financial Statements
- H. Table of Contents of Operations Manual
- I. State Effective Dates
- J. Receipts

PROSPECTIVE FRANCHISEE:

Date you received this Disclosure Document

If an individual:

If a business entity:

Name of Business Entity

Signature

By: _____
Signature

Printed Name

Printed Name/Title

Address

Address

(Telephone number)

(Telephone number)

Please sign, date, and retain this copy for your records.

**EXHIBIT J
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.

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Michigan requires 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.

New York requires 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.

If Hangry Joe’s Franchising, LLC 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 law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

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- G. Financial Statements
- H. Table of Contents of Operations Manual
- I. State Effective Dates
- J. Receipts

PROSPECTIVE FRANCHISEE:

Date you received this Disclosure Document

If an individual:

If a business entity:

Name of Business Entity

Signature

By: _____
Signature

Printed Name

Printed Name/Title

Address

Address

(Telephone number)

(Telephone number)

Please sign, date, and return this copy to us