

FRANCHISE DISCLOSURE DOCUMENT

DAHAN HOSPITALITY GROUP LLC
A Florida limited liability company
7901 4th Street N # 19171
St. Petersburg, Florida 33702
646-583-1400
Franchise@CaffeAronne.com
FranchiseAronne.com

You will operate a Caffé Aronne location, where you will operate a mobile café and catering unit or a stationary kiosk café offering coffee, fresh pre-made snacks, sandwiches, wraps, and salads.

The total investment necessary to begin operation of a Caffé Aronne mobile café and catering unit franchise ranges from \$98,350 to \$181,000. This includes \$75,000-\$125,000 that must be paid to us or our affiliate.

The total investment necessary to begin operation of a Caffé Aronne stationary kiosk café franchise ranges from \$125,750 to \$267,500. This includes \$75,000-\$125,000 that must be paid to us or our 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 the disclosure document at least 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. **Note, however, that no government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document 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: April 1, 2024, amended May 20, 2024

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 Exhibit E.
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 C 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 Caffé Aronne business in my area?	Item 12 and the "territory" provisions in the franchise agreement and multi-unit operator 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 Caffé Aronne franchisee?	Item 20, Exhibit E 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 agency information in Exhibit A.

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

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 Florida. Out-of-state 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 Florida than in your own state.
- 2) **Spouse Liability:** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
- 3) **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment."

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if a) to see whether your state requires other risks to be highlighted.

DAHAN HOSPITALITY GROUP LLC
Franchise Disclosure Document
Table of Contents

ITEM 1: THE FRANCHISOR, AND A PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2: BUSINESS EXPERIENCE	3
ITEM 3: LITIGATION	3
ITEM 4: BANKRUPTCY	3
ITEM 5: INITIAL FEES	3
ITEM 6: OTHER FEES	4
ITEM 7: ESTIMATED INITIAL INVESTMENT.....	10
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	13
ITEM 9: FRANCHISEE'S OBLIGATION	15
ITEM 10: FINANCING	17
ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING ...	17
ITEM 12: TERRITORY	24
ITEM 13: TRADEMARKS	25
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	26
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	27
ITEM 16: RESTRICTIONS ON WHAT FRANCHISEE MAY SELL	27
ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	31
ITEM 18: PUBLIC FIGURES	28
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS	33
ITEM 20: OUTLETS AND FRANCHISEE INFORMATION	35
ITEM 21: FINANCIAL STATEMENTS.....	38
ITEM 22: CONTRACTS	38
ITEM 23: RECEIPTS	38

LIST OF EXHIBITS

EXHIBIT A: List Of State Franchise Administrators And Agents For Service Of Process
EXHIBIT B: Franchise Agreement
EXHIBIT C: Financial Statements of Dahan Hospitality Group LLC
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Outlets as of the date of this Disclosure Document
EXHIBIT F: State Addenda
Receipt

ITEM 1: THE FRANCHISOR, AND A PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means Dahan Hospitality Group LLC, the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Caffé Aronne franchise, as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of Florida on January 26, 2022. Our principal business address is 7901 4th Street N # 19171, St. Petersburg, Florida 33702, and our telephone number is 646-583-1400. Our registered agent for service of process is Legalinc Corporate Services Inc., 5237 Summerlin Commons Boulevard, Suite 400, Fort Meyers, Florida 33907. We do business under our company name, “Caffé Aronne” and its associated design (the “Marks”). We do not own or operate any businesses of the type you will be operating, but our affiliate does. We have not offered franchises in any other line of business. We only offer franchises which operate under the “Caffé Aronne” Marks. We began offering franchises in April 2024.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor.

Our affiliate, Aronne Franchise Supply LLC is a Florida limited liability company that was formed on May 10, 2023 and has a principal address of 7901 4th Street N # 19171, St. Petersburg, Florida 33702. Aronne Franchise Supply LLC is your authorized supplier of the custom designed and branded Piaggio Ape and coffee beans. Aronne Franchise Supply LLC has not offered franchises in this or in any other lines of business previously.

Our affiliate, Dahan Intellectual Properties LLC is a New York limited liability company that was formed on December 12, 2022 and has a principal address of 976A Lexington Avenue, New York, NY 10021. Dahan Intellectual Properties LLC is the owner of the Marks and has exclusively licensed use of the Marks to us. Dahan Intellectual Properties LLC has not offered franchises in this or in any other lines of business previously.

We have operated, through our affiliates, outlets similar to the franchise offered by this Disclosure Document since 2018.

We may operate other Caffé Aronne concepts, including additional Caffé Aronne outlets, or other concepts in the future.

The Franchise Offered:

We grant franchises for the right to operate a Caffé Aronne business offering coffee and fresh pre-made snacks, sandwiches, wraps, and salads under the “Caffé Aronne” Marks, using

our distinctive operating procedures and standards in a limited protected territory and from a specific location or locations (the “Franchised Business”).

We offer two models:

- a stationary kiosk café that is operated at a fixed location such as a mall or a shopping center under a short-term lease; and
- a mobile café and catering unit that provides products and services within a designated territory.

The distinguishing characteristics of a Caffé Aronne Franchised Business include, but are not limited to, the Caffé Aronne distinctive trade dress, proprietary designs and techniques, operations methods, inventory, procedures for management, training, advertising, and promotional programs, all of which may be changed, improved or further developed by us at a time (the “System”).

Market and Competition:

The market for your Caffé Aronne Franchised Business consists of the general public who seek coffee-based beverages, baked goods, and quick service food. You will compete with various established independent local cafés, coffee shops, bakeries, and regional or national chain outlets offering similar menu items. Competition in the restaurant business in general and the fast-casual food industry in particular is well-established and intense. Sales are year-round.

Industry Specific Regulations:

At all times during the operation of your Franchised Business, you must comply with all laws and regulations for proper food storage, preparation and service.

You and your employees must obtain a ServSafe® Food Handler certification and comply with all laws and regulations for proper food storage, preparation and service.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and foodservice establishment sanitary conditions. State and local agencies inspect food service establishments to ensure that they comply with these laws and regulations. Some state and local authorities have adopted, or are considering adopting, laws or regulations that could affect: the content or make-up of food served at or by your Caffé Aronne outlet; general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as “low calorie” or “fat free”; and the posting of calorie and other nutritional information.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Caffé Aronne Franchised Business, including, among others, business operations, land use, insurance, discrimination, employment and workplace safety laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here.

You should investigate whether there are a state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

ITEM 2: BUSINESS EXPERIENCE

Aaron Dahan: Owner/CEO

Employer	Start/End Date	Title	Location
Dahan Hospitality Group LLC	January 2022 to Present	Owner/CEO	Miami, FL
Dahan Hospitality Inc.	August 2018 to Present	Owner	New York, NY
Gregory's Coffee	October 2018 to March 2019	Barista	New York, NY

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is \$25,000. This payment is fully earned by us, and due in a lump sum payment when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

You will pay our affiliate, Aronne Franchise Supply LLC between \$50,000 and \$100,000 for a custom designed and branded Piaggio Ape for use in the operation of your Franchised Business.

From time to time, we may offer special incentive programs as part of our franchise development activities.

We currently offer a 50% discount on the initial franchise fee for franchisees in good standing whose Caff  Aronne outlet has been in operation for a minimum of 12 months and who open a second or subsequent outlet.

We also offer a 10% discount on the initial franchise fee for members of the U.S. Armed Services or honorably discharged Veterans of the U.S. Armed Services.

We reserve the right to offer, modify or withdraw any incentive program without notice to you.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Fee ¹	6% of Gross Revenue.	Monthly via ACH on the 5 th day of each month for the preceding month.	Royalties are paid directly to us.
Brand Development Fund Contribution ²	Up to 3% of Gross Revenue. The current Brand Fund Contribution is 2% of Gross Revenue, with a minimum of \$500.	Monthly via ACH at the same time and in the same manner as the Continuing Royalty Fee.	Brand Fund Contributions are paid directly to the Brand Fund.
Grand Opening Marketing/Local Advertising and Marketing	\$1,000 Up to 5% of Gross Revenue. The current minimum expenditure is 2% of Gross Revenue or \$500 per month, whichever is greater.	As incurred.	Payable to third parties. All advertising must be pre-approved by us.
Cooperative Advertising	Your share of the total cost of cooperative advertising	As incurred.	Payable to third parties.
Internal Systems Fee	Up to \$500 per month. Currently \$0 per month.	As incurred.	Payable to us for new or improved technology for the benefit of the System and the Franchised Business, including, but not limited to, assigned phone numbers and email addresses, a franchise portal, benchmarking platform, app, or other operations or communications systems. We may increase the fee based on supplier pricing increases, introduction of new technology and/or changes in vendors.
Interest	1.5% per month or highest rate allowed by law.	As incurred.	Interest is paid to us from the date of nonpayment or underpayment.

Type of Fee	Amount	Due Date	Remarks
Late Charge	\$100	As incurred.	If you fail to pay us the Continuing Royalty Fee, Brand Fund Fee, or if you fail to submit your Gross Revenue report when due, we may charge you \$100 for each late submission in addition to interest charges.
Transfer Fee	50% of the then-current franchise fee or \$22,500, whichever is greater; No charge for (i) transfers to an entity owned and controlled by the franchisee for convenience purposes; (ii) for transfers of ownership interest among existing shareholders or members of the Franchisee entity or to add a new shareholder or member where such transfer does not change management control of the Franchisee entity or (iii) transfers upon Franchisee's death or disability to a spouse, parent or child.	Transfer fee is paid to us upon application to transfer.	Payable to us. See Item 17.
Relocation Fee	Franchisor's actual costs, if any, including travel lodging, and meals, to inspect and approve any new location.	As incurred.	Payable to us.
Non-Sufficient Funds Fee	\$100	As incurred.	If your payment is returned or denied for insufficient funds, for each occurrence we may charge you an Insufficient Funds Fee.

Type of Fee	Amount	Due Date	Remarks
Examination of Books and Records ³	Costs of examination plus related expenses.	As incurred.	Payable to us.
Initial Training	No charge for initial training. You must pay all travel and other related expenses incurred by all trainees. The current fee to train a replacement trainee is \$500 per person.	Travel and related expenses are due as incurred. Fees for training a replacement trainee are due prior to the commencement of training.	Initial training takes place at our company headquarters and/or an affiliate-owned or franchised outlet. You must pay the incidental costs of attendance, which include but are not limited to airfare, transportation, hotel and food costs for all trainees. Incidental costs are payable to third-party suppliers. Fees for replacement trainees are payable to us. See Item 11.
Additional Training at Franchisor's Location ⁴	Currently \$250 per person per day plus expenses incurred.	As incurred.	Payable to us.
Remedial Training/ On-Site Training at Franchisee's Location	Currently \$350 per trainer per day plus travel and other expenses incurred.	As incurred.	Payable to us.
Conference Fee	Currently \$1,500 per person. You must pay all travel and other related expenses incurred by you and your personnel to attend the annual conference, which include but are not limited to, airfare, transportation, hotel, and food costs for all trainees.	As incurred.	Payable to us.
Successor Agreement Fee	25% of the then current Franchise Fee or \$7,500, whichever is greater.	Upon signing the then-current form franchise agreement.	Payable to us. See Item 17.

Type of Fee	Amount	Due Date	Remarks
3 rd Party Accounting Fee ⁵	Costs and Expenses.	As incurred.	Payable to third party accounting provider.
Indemnification	Amount of loss or damages plus costs.	As incurred.	You must indemnify and hold us, our affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.
Liquidated Damages	An amount equal to the average monthly Royalty Fee and Brand Fund Contribution paid or owed during the 12 months of operation preceding the effective date of termination multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement.	Upon termination of the Franchise Agreement due to your default.	Payable to us.
Confidential Operating Manual Replacement Fee	Our then-current fee. Currently, the Operating Manual Replacement Fee is \$100.	As Incurred.	Payable to us.
Management Fee	Four hundred and fifty dollars (\$450) per day per representative, plus our expenses.	As incurred.	Payable to us. If you breach your Franchise Agreement, we may temporarily manage your franchised business.

Type of Fee	Amount	Due Date	Remarks
Reimbursement of Costs and Expenses for Non-Compliance ⁶	Costs and expenses.	As incurred.	Payable to us.
Testing or Supplier Approval Fee	Our costs and expenses to test and approve.	Upon request.	Payable to us.
Post-Termination or Post-Expiration Expenses	Costs and expenses.	As incurred.	Payable to us.
Reimbursement of Legal Fees and Expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As incurred.	Payable to us.
Insurance	Amount paid by us for your insurance obligations plus an additional ten percent (10%) administrative fee.	As incurred.	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes.	As incurred.	You must reimburse us for a taxes that we must pay to a taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to a sales taxes or income taxes imposed by a authority.
Mystery Shop/Customer Satisfaction Measure ⁷	Currently up to three times per year, up to \$300 per mystery shop.	As required by provider.	Payable to third parties.

Type of Fee	Amount	Due Date	Remarks
Customer Dispute Resolution Reimbursement	Amount reimbursed.	When incurred.	Payable to us. If we issue a refund to a customer on your behalf, you must reimburse us for that amount.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

1) Royalty payments are paid monthly via ACH on the 5th of the month for the prior month. Royalty payments are 6% of Gross Revenue from your Caffé Aronne Franchised Business. "Gross Revenue" includes all revenues and income from any source derived or received by you from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted under the Franchise Agreement, including but not limited, any and all other revenues received using our methods, operations and/or trade secrets, whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue shall include the full amount payable by your customers, without deduction for your delivery costs or for other write-offs; however, Gross Revenue shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (iii) properly documented promotional discounts (i.e., coupons). Gross Revenue does not include gift card purchases, at the time of purchase, but Gross Revenue does include the redemption amount of purchases made by gift card.

2) You must pay directly to our Brand Fund a Brand Fund Contribution of 2% of monthly Gross Revenue or \$500, whichever is greater, subject to increases not to exceed 3% of monthly Gross Revenue, generated by your Franchised Business. Payments are due at the same time and in the same manner as the Royalty Fee. You may be required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report your revenues for the week, then we will collect 120% of the last Brand Fund collected and settle the balance the next period in which you report revenue.

3) We have the right to conduct an audit of the books and records of the Franchised Business. If we do so, with an independent auditor or otherwise and it is determined that you underestimated your Gross Revenues in a report by 2% or less, then you must pay within 15 days of written notice, the underreported amount plus interest. If it is determined that you underestimated your Gross Revenues in a report by more than 2%, then you must pay within 15 days of written notice, the underreported amount along with the cost of conducting the audit, including without limitation travel, lodging, meals, wages, expenses, accountant fees, attorneys' fees and interest.

4) We may offer mandatory and/or optional additional training programs, including a national business meeting or annual conference, from time to time. If we require it, you must participate in additional training and/or a national business meeting or annual conference for up to 3 days per year at a location we designate. You are responsible for any and all

incidental expenses incurred by you and your personnel in connection with additional training, including, without limitation, costs of travel, lodging, meals and wages.

5) We reserve the right to require you to use an external accounting service if (i) you do not keep your books and records in accordance with our requirements or (ii) we determine that use of an external service by all franchisees is beneficial to the System.

6) If you fail to do so, in our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Franchised Business or take steps to modify, alter or de-identify the Franchised Business location upon the termination or expiration of the Franchise Agreement. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Franchised Business location.

7) We may establish audit and quality assurance programs conducted by third-party providers, such as, by way of example only, mystery shop programs and periodic quality audits or assurance inspections, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program. If you receive an unacceptable review, you will undergo additional mystery shops, audits or inspections at your expense until your outlet receives a satisfactory review.

ITEM 7: ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
STATIONARY KIOSK CAFE

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$25,000	Lump sum payment in cash or available funds.	Upon signing the Franchise Agreement.	Payable to us
Lease Deposit ²	\$0 to \$5,000	As incurred	Before opening	Landlord
Piaggio Ape	\$50,000-\$100,000	Lump sum payment in cash or available funds	Before opening	Us
Utility Deposit	\$0 to \$1,000	As incurred	Before opening	Utility Providers
Leasehold Improvements ³	\$0-\$1,000	As incurred	Before opening	Third-party providers
Furniture, Fixtures and Equipment	\$10,000 to \$20,000	As incurred	Before opening	Third-Party providers
Signage ⁴	\$1,000 to \$3,000	As incurred	Before opening	Third-party providers
Computer Hardware and Software ⁵	\$600 to \$1,400	As incurred	Before opening	Third-party providers
Initial Inventory ⁶	\$5,000 to \$15,000	As incurred	Before opening	Approved Vendors or Third-party providers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Office Supplies, Printing and Stationery	\$50 to \$1,000	As incurred	Before opening	Third-party providers
Business Permits and Licenses	\$100 to \$1,000	As incurred	Before opening	Licensing Authorities
Insurance	\$1,000 to \$6,000	As incurred	Before opening	Insurance Providers
Professional Fees ⁷	\$4,000 to \$10,000	As incurred	Before opening	Accountants, Attorneys, Business Advisors
Training Expense ⁸	\$3,000 to \$6,100	As incurred	Before opening	Third-party providers
Grand Opening Advertising ⁹	\$1,000 to \$2,000	As incurred	Before and During Opening	Advertising Providers and/or Us
Additional funds-Three Months ¹⁰	\$25,000 to \$70,000	As incurred	After opening	Various
TOTAL	\$125,750 to \$267,500			

YOUR ESTIMATED INITIAL INVESTMENT

MOBILE CAFÉ AND CATERING UNIT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$25,000	Lump sum payment in cash or available funds.	Upon signing the Franchise Agreement.	Payable to us
Lease Deposit ²	\$0 to \$2,000	As incurred	Before opening	Landlord
Piaggio Ape	\$50,000-\$100,000	Lump sum payment in cash or available funds	Before opening	Us
Utility Deposit	\$0 to \$300	As incurred	Before opening	Utility Providers
Leasehold Improvements ³	\$0	As incurred	Before opening	Third-party providers
Furniture, Fixtures and Equipment	\$9,000 to \$20,000	As incurred	Before opening	Third-party providers
Signage ⁴	\$1,000 to \$3,000	As incurred	Before opening	Third-party providers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Computer Hardware and Software ⁵	\$600 to \$1,000	As incurred	Before opening	Third-party providers
Initial Inventory ⁶	\$1,000 to \$3,000	As incurred	Before opening	Approved Vendors or Third-party providers
Office Supplies, Printing and Stationery	\$50 to \$200	As incurred	Before opening	Third-party providers
Business Permits and Licenses	\$200 to \$500	As incurred	Before opening	Licensing Authorities
Insurance	\$500 to \$1,000	As incurred	Before opening	Insurance Providers
Professional Fees ⁷	\$4,000 to \$6,000	As incurred	Before opening	Accountants, Attorneys, Business Advisors
Training Expense ⁸	\$1,000 to \$7,000	As incurred	Before opening	Third-party providers
Grand Opening Advertising ⁹	\$1,000 to \$2,000	As incurred	Before and During Opening	Advertising Providers and/or Us
Additional funds-Three Months ¹⁰	\$5,000 to \$10,000	As incurred	After opening	Various
TOTAL	\$98,350 to \$181,000			

Notes:

1) The initial franchise fee is the same for all similarly situated franchisees. The Franchise Fee is not refundable under any circumstances.

2) This estimate for a stationary kiosk café is for a location that will accommodate a small "truck" kiosk in malls, office complexes, etc. These locations can have a short-term or long-term lease. This estimate for the mobile café and catering unit is for a storage space that will accommodate the vehicle and equipment.

3) Leasehold Improvements. The cost of leasehold improvements will vary depending on numerous factors, including: (i) the size and configuration of the premises; and (ii) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out. These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions, and the condition of the space before you take possession of the premises. Our estimate does not include a tenant improvement allowance that you may negotiate. This estimate is for the cost of upgrading electrical and connecting the plumbing for a stationary kiosk café. You will not incur costs for leasehold improvements for a mobile café and catering unit.

4) Signage. These amounts represent your cost for menu boards, exterior signage, and hallway signage (for a stationary kiosk café). Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.

5) Hardware: Cameras, Square Register and Terminal Setup
Software: QuickBooks, Square, BevSpot

6) Initial Inventory. These amounts represent your initial inventory of food and beverage supplies, paper goods, to-go packaging, menus and uniforms for the first few months of operation.

7) Estimate is for attorney, accountant, and/or other business advisor.

8) Cost of travel, food, lodging, and salary for you and employees attending training.

9) Initial launch marketing plans are outlined in the Operating Manual.

10) These figures represent additional operating capital that you may need to operate your Franchised Business during the first three months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate also includes such items as initial payroll and payroll taxes, Royalties (as described in this disclosure document), Brand Fund Contributions (if any), additional advertising, marketing and/or promotional activities, repairs and maintenance, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, state tax and license fees, rent, deposits and prepaid expenses (if applicable) and other miscellaneous items as offset by the revenue you take into the Franchised Business. It does not include owner compensation. These items are by no means all-inclusive of the extent of the expense categorization. The expenses you incur during the initial start-up period will depend on factors such as the time of the year that you open, both local economic and market conditions, as well as your business experience.

These estimates are based upon the historical experience of our affiliate. Your costs may vary based on a number of factors including but not limited to the geographic area in which you open, local market conditions, the location selected, the time it takes to build sales and your skills at operating a business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, inventory, and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase any equipment or materials bearing the Marks in accordance with our specifications.

We maintain written lists of approved items of equipment, inventory and supplies (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items in the Operations Manual. We will update these lists periodically

and issue the updated lists to all franchisees. These suppliers and equipment specifications can change with notice. We estimate that required purchases make up approximately 52% - 84% of the purchases and leases to be made by the franchisee in establishing the business, and approximately 85% of the purchases and leases required for ongoing operations.

We approve suppliers after careful review of the quality of the products they provide to us and you. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. In addition, you must pay a fee to Franchisor that covers Franchisor's costs and expenses. If the item and/or supplier meet our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. If we do not approve a request within 30 days, it is deemed unapproved. We reserve the right to revoke approval of a item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge for our costs and expenses of product testing and evaluation.

We are not an approved supplier of any items that you must purchase or lease, but our affiliate is. Our affiliate, Aronne Franchise Supply LLC is the designated supplier for the custom designed and branded Piaggio Ape and the coffee beans that you are required to purchase for the operation of your Franchised Business. Our affiliate reserves the right to earn a profit from the sale of these items to our franchisees. During the fiscal year ended December 31, 2023, we did not earn any revenue from the sales of these items because we did not have any franchisees.

Our CEO, Aaron Dahan has an ownership interest in Aronne Franchise Supply LLC. None of our officers has an ownership interest in any other approved supplier.

We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion. We also reserve the right to include a reasonable markup in the price of the products and service that we require you to purchase from or through us or an affiliate.

From time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees. As of the date of this Disclosure Document, we have not created any purchasing arrangements with suppliers.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The minimum insurance required is: Commercial General Liability insurance, including contractual liability, public liability, personal injury, advertising injury, products liability and complete operation coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate. The following minimum sub-limits must be met: \$1,000,000 personal & advertising injury, \$2,000,000 products/completed operations, \$100,000 damage to rented premises and \$10,000 medical

expenses; Statutory Workers' Compensation insurance in the limits required by state law and Employer's Liability Insurance in the amount of \$500,000, \$500,000 for bodily injury by disease per accident, and \$500,000 per employee; Comprehensive Automobile Liability insurance with a \$1,000,000 combined single limit, covering uninsured/underinsured motorists, owned (when applicable) hired, and non-owned autos; Property and Casualty insurance in the amount equal to full replacement value of the kiosk, leasehold improvements, equipment, furniture, fixtures and inventory; Business Interruption insurance - income and extra expense must be included on an actual loss sustained basis for a minimum of 12 months; and Umbrella Liability with \$1,000,000 per occurrence, \$1,000,000 general aggregate to extend over general liability, owned/hired/non-owned liability automobile, and employer's liability.

Each policy must be written by a responsible carrier or carriers acceptable to us, with an A.M. Best rating of not less than A-VII, and must name us and our respective officers, directors, partners, agents, and employees as additional insured parties. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is a default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition	8.1	11
b. Pre-Opening Purchase/Leases	8.3, 12.1.1, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.2, 8.3, 12.1.1, 12.1.3	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2.3, 8.3	11

f. Fees	5.1, 5.2.7, Article 6, 12.3.7, 12.6, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 12.1, 12.1.7, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.4, Article 14, 19.2, 19.3, 19.4	13, 14, 16
i. Restrictions on Products/Services Offered	12.1.1, 12.1.4, 12.6	8
j. Warranty and Customer Service Requirements	12.1.5	6
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	12.1.4, 12.3.5	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.5, 12.1.9	11, 17
n. Insurance	Article 15	7
o. Advertising	Article 13	6, 11
p. Indemnification	15.4, 15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.6	11, 15
r. Records /Reports	12.2	6
s. Inspections and Audits	9.2, 12.1.7, 12.2.5	6, 11
t. Transfer	Article 16	17

u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty	Attachment 8	15

ITEM 10: FINANCING

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

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

- a. approve the location and/or Territory for your Franchised Business (Franchise Agreement. Sections 8.1.2, 10.1).
- b. loan to you the Caffé Aronne Operations Manual, other manuals and training aids we designate, and give you access to online learning modules for use in the operation of your Caffé Aronne Franchise. (Franchise Agreement, Section 10.5).
- c. provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business. We and our affiliates are not obligated to install any of these items. (Franchise Agreement, Section 10.7).
- d. provide you with initial training at our location. We reserve the right to designate an alternative location for the initial training or provide virtual training. We will determine, in our sole discretion, whether you satisfactorily complete the initial training. (Franchise Agreement, Sections 7.1, 7.2).
- e. provide a trainer at your premises for on-site training, supervision and assistance for up to two days upon the opening of your Franchised Business. (Franchise Agreement, Section 7.3).
- f. assist and advise on construction and build out.. (Franchise Agreement, Section 8.1)
- g. provide sample location layout and specifications. (Franchise Agreement, Section 8.2)

- h. approve your location within 10 business days. If we cannot agree on a location within the Time to Open below, it will be considered a default of the Franchise Agreement. (Franchise Agreement, Section 8.1.5)

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Caffé Aronne franchised business is 180 days. Factors that may affect this time period include your ability to acquire financing or permits, build out of your location, have signs and equipment installed in your location, and completion of required training. You should have a suitable location and signed lease within 120 days of signing the Franchise Agreement. If you have not opened your Franchised Business within 180 days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.1, 8.3)

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training offered by us, and/or attend an annual business meeting or franchisee conference for up to five days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. The current fee for the annual meeting or conference is \$1,500. You must also pay your transportation, lodging, meals and other expenses to attend a mandatory training program. If you fail to attend a mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).
- b. upon your request, or as we determine to be appropriate, provide remedial on-site training and assistance at your premises. For any on-site remedial training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging. The current fee is \$350 per trainer per day of on-site training (Franchise Agreement, Section 7.5).
- c. upon your request, provide individualized assistance to you within reasonable limits by telephone, electronic mail or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.6).
- e. from time to time, as may become available, provide you with samples or camera-ready advertising, TV and radio commercials, and other promotional materials (Franchise Agreement, Section 10.8).

- f. conduct inspections of your Franchised Business, at the frequency and duration that we deem advisable. Such inspections include evaluating your service to ensure that they meet our standards (Franchise Agreement, Section 10.6).
- g. provide you with a written specifications for required equipment, products and services and provide you with updated lists of approved suppliers of these items (Franchise Agreement, Section 10.7).
- h. advise on the advertised selling price for products and services for your Caffé Aronne business. We reserve the right to set the maximum price you may charge for products and services you offer in your franchised business (as permitted by applicable law) (Franchise Agreement, Section 12.5).
- i. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within 10 business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within 10 business days, the proposed material and/or campaign is deemed “disapproved” (Franchise Agreement, Section 13.6).

4. Advertising

Local Advertising (Franchise Agreement, Sections 13.2 and 13.6)

We require you to spend a minimum of \$1,000 on opening advertising and promotional activities, at the time and in the manner we specify, in the Territory. Thereafter, we require you to spend a minimum of 2% of gross revenue or \$500 each month, whichever is greater, on local marketing and advertising activities. We may increase the minimum expenditure up to a maximum of 3% of monthly gross revenue. We must approve all advertising materials. We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf.

You will be required to follow our marketing plan, unless otherwise approved in writing. This will include a combination of social media, digital and local advertising initiatives. You may use marketing materials that we may offer to you from time to time. You may not use a advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within 10 business days; however, if we do not respond within 10 business days, the proposed advertising or marketing material is deemed “disapproved”.

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. If feasible, you may do cooperative advertising with other Caffé Aronne franchisees in your area, with our prior written approval. You may not maintain a business profile on Facebook, Twitter, LinkedIn, YouTube or any other social media and/or networking site without our prior written approval.

System-wide Brand Development Fund (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Fund 2% of monthly gross revenue generated by your Franchised Business or \$500, whichever is greater. We may increase this

contribution up to a maximum of 3% of monthly gross revenue generated by your Franchised Business. Your Brand Fund contribution is collected at the same time and in the same manner as your Royalty.

Our accounting and marketing personnel administer the Brand Fund. We may use Brand Fund contributions to pay a and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Fund contributions to pay a and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Fund contributions to pay our costs (including personnel, salary and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Fund.

The Brand Fund will not be used to defray a of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Fund contributions.

The Brand Fund collects and expends the Brand Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through a channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in a particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that a resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund

Company and affiliate owned Caffé Aronne outlets are not obligated to contribute to the Brand Fund on the same basis as franchisees.

An annual unaudited financial statement of the Brand Fund is available to a franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Fund in a fiscal year, we may carry-forward a surplus or deficit to the next fiscal year.

Although the Brand Fund is intended to be of perpetual duration, we may terminate it at a time and for a reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may

be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised Caffé Aronne outlets in a designated geographic area. Our affiliate and franchisor owned outlets are not required to contribute to a regional cooperative. Each Caffé Aronne outlet will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. Membership will be defined on a geographic basis. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents. We will administer the cooperative.

If we establish a regional advertising fund or cooperative, you must contribute an amount equal to Franchisee's share of the total cost of cooperative advertising. This may be increased by majority vote of your regional cooperative. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund. There are not currently any governing documents available for your review.

Advertising Council (Franchise Agreement, Section 9.6)

We do not have an advertising council composed of franchisees that advises us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and location profitability. We reserve the right to change or dissolve the council at a time.

5. Computer Systems (Franchise Agreement, Section 12.3)

You are required to use the hardware, software, system tools and processes as stated in the Operations Manual. Currently, you are required to have the following hardware and software.

Hardware: Square Register and Terminal Setup, High Speed Internet, Camera System

Software: Quick Books Accounting Software, Square, BevSpot

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. We may in the future modify or establish other sales reporting systems as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing a such modifications at your expense. The current approximate cost of the required hardware and software is \$600 to \$1,000. The monthly access fees are approximately \$30/month for QuickBooks and \$180/month for BevSpot. There is no monthly access fee for Square POS, but you are subject to payment processing fees.

We have no obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. We cannot estimate the cost of maintaining, updating and upgrading your smart device or computer hardware and software because it will depend on the make and model of your device and computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We reserve the right to have independent access to your sales information and customer data generated by and stored in your system. We also have the right to have access to your camera system. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at a time. Upon our request, you must sign a documents we require to allow us to independently and electronically access and retrieve the information stored on the system. We own all customer data stored in your computer system.

6. Table of Contents of Operations Manual

The Table of Contents of our Caffé Aronne Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit D. The Operations Manual has a total of 140 pages.

7. Training (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or your principals (if the franchisee is a business entity) must also complete our Initial Training Program, to our satisfaction, prior to opening your Franchised Business. We will train you at our location in New York, or another location we specify:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Welcome: Introduction to Training, History of the Brand, Our Culture, Mission and Vision	1 hours	0 hours	New York
Personnel: Staffing, Positions, Hiring, Creating Your Policies and Scheduling	2 hours	2 hours	New York
Marketing: Creating Brand Awareness, Strategies to Advertise the Espresso Bar, Building Customer Loyalty and Managing Local Marketing Programs	2 hours	2 hours	New York
Operational Procedures: Opening and Closing Process, Customer Service, Maintaining	2 hours	14 hours	New York

Equipment and Vehicle, Cleaning and Sanitation, POS Systems			
Product Preparation: Our Menu, Beverage Builds, Safe Food Handling, Receiving and Managing Inventory	2 hours	8 hours	New York
Financial Management: Banking Procedures, KPIs and Reporting, Royalties and Franchise Obligations	2 hours	2 hours	New York
Review: Training Assessment, Start Up Needs, Market Launch and Grand Opening Plan	1 hours	0 hours	New York
Totals	12 hours	28 hours	

Our training program is conducted by and under the supervision of Aaron Dahan who has worked in the original business for the franchised concept since 2018. Aaron has worked in the industry for over 8 years. Training will include standards for operations, management and marketing. Training will include standards for operations, management and marketing.

Prior to opening your franchised Caffé Aronne business, you need to successfully complete our training program, which is conducted at our location in New York, or at another location we designate based on our discretion. The Caffé Aronne training program initial course component lasts for approximately 5 days. This is followed by another 2 days during your opening. We will train you (or your operating Principal) on day-to-day management and operations and up to two other individuals as part of your initial fee.

The Operations Manual is the basis of our pre-opening training program in addition to hands on training in “classroom” and field settings.

We provide our training on an “as-needed” basis. We may change our training program at a time at our discretion.

If you do not complete our Pre-Opening Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs that we offer and/or an annual conference or national business meeting for up to a total of five (5) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting is a default under

the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend a mandatory training program. If you fail to attend a mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. There is no charge for the Pre-Opening Training Program, however you are responsible for the travel and living expenses of you and your attendees.

ITEM 12: TERRITORY

Under the Franchise Agreement, you have the right to establish and operate one (1) Caffé Aronne outlet within a territory (the "Territory"). The Territory for a mobile café and catering unit is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes or other designations we identify. The Territory is determined on an individual basis taking into account various demographic data, which may include minimum numbers of businesses, population density and household incomes. The stationary kiosk café will generally be located in a transportation facility, including airports, train stations, subway, rail or bus stations; sports facility, including stadium or arena; amusement park, zoo, or convention center; rest stop or travel center; educational facility; recreational theme park; hospital; business or industrial foodservice venue; venue in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; casino; or any similar captive market location ("Non-Traditional Site"), and your Territory will be limited to the facility, venue, or building where the Franchised Business is located.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

We reserve all rights to sell our products and services under the Marks in the Territory through alternative distribution channels, as discussed below. There is no minimum sales requirement, market penetration or other contingency that will affect your right to operate your location during the term of your Franchise Agreement, unless you are in default of your obligations to us.

You may not change the location of your Franchised Business without our written consent, which we may withhold in our sole discretion. If you wish to relocate, you must identify a new location for the Franchised Business that meets our approval, in accordance with our then-current site selection procedures, within 90 days following your request to relocate. If you do not identify a site within this time period, we may terminate the Franchise Agreement.

We may, but have no obligation to, consider granting to you the right to establish additional Caffé Aronne outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Caffé Aronne outlet in an area and at a location we approve. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate, or authorize others to own or operate Caffé Aronne outlets outside of the Territory and may operate other kinds of businesses within the Territory. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, a form of business at a location selling

a type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert a acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

In addition, we and our affiliates may sell products and services under the Marks within or outside the Territory through a method of distribution other than a dedicated Caffé Aronne outlet location, including, licensing our designs for use in other formats, and sales through such channels of distribution as the Internet and other non-traditional retail locations. These non-traditional locations include sports arenas, train stations, airports, seasonal or “pop-up” stores and mall kiosks (“Alternative Distribution Channels”). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory.

The Franchise Agreement does not grant you a right to participate in franchises, licensing programs or other business proposals for the sale and distribution of Caffé Aronne products or services through Alternate Distribution Channels.

ITEM 13: TRADEMARKS

Dahan Intellectual Properties LLC is the owner of the Marks and has granted us the right to use the Marks and license to others the right to use the Marks in the operation of any Caffé Aronne outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Caffé Aronne service mark, as described below (“Principal Mark”) Licensor has filed an application for registration of the following Mark(s) on the Principal Register of the United States Patent and Trademark Office.

Mark	Serial Number	Filing Date	Register
CAFFÉ ARONNE	97724141	December 22, 2022	Principal

Licensor has filed all required affidavits. Our trademark application is pending and we do not have a federal trademark for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Mark or other Marks. Licensor and we will take a action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from a claim challenging your authorized use of the Principal Mark or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Mark or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using a Mark, including the Principal Mark, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Principal Mark or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of a state, or a court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Mark or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Mark or other Marks in a manner material to the franchise.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We claim copyrights in all artwork and designs used by the System.

We also claim copyrights and proprietary rights on our designs, advertisements, promotional materials and other written materials and the contents of our Manual and website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or a court regarding a of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use a of our copyrights. As of the date of this Disclosure Document, we are unaware of a infringing uses of or superior previous rights to a of our copyrights that could materially affect your use of them.

Our mutual obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, a other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights

(collectively called the “Confidential Information”). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never (during the Initial Term, a Renewal Term, or after the Franchise Agreement expires or is terminated) reveal a of our confidential information to another person or use it for a other person or business. You may not copy a of our Confidential Information or give it to a third party except as we authorize in writing to you prior to a dissemination. A and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 9).

You must promptly tell us when you learn about unauthorized use of a Confidential Information. We are not obligated to take a action, but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement does not require that you personally supervise your Franchised Business. However, you must appoint a Manager that is actively involved in overseeing the business. Your Manager must successfully complete our Initial Training Program and all other training courses we require. Your Manager is not required to have an equity interest in the franchisee entity. If you replace your Manager, the new Manager must complete our Initial Training Program to our satisfaction.

Your Manager and a other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 9. All owners, partners and spouses of the Franchisee must sign the Guaranty and Non-Disclosure/Non-Competition Agreement.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and sell all services and products that are part of the System, and all services and products that we incorporate into the System in the future. You may only offer services and products that we have previously approved. You must purchase your coffee beans and our Kiosks from our affiliate owned supplier, Aronne Franchise Supply LLC.

You may not use our Marks for a other business, and you may not conduct any other business from your Franchised Business location. You cannot engage in any other business that competes with your Franchised Business, with our affiliates, or us or with Caffé Aronne outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. See Item 12 for restrictions on sales within and outside the Territory.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**THE FRANCHISE RELATIONSHIP
(UNDER THE FRANCHISE AGREEMENT)**

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	Art. 4	Term is ten years
b.	Renewal or extension of the Term	Sections 5.1 and 5.4	If you are in good standing as defined below, you can sign a successor agreement for up to 2 additional terms of 5 years, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.
c.	Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Be in full compliance, have no more than three (3) events of default during current term; provide written notice to us at least six months before the end of the term; execute a new franchise agreement; pay us a Successor Agreement Fee of 25% of the then-current initial franchise fee or \$7,500, whichever is greater; continue to maintain your location, current trade dress and other standards; execute a general release; comply with then-current qualifications and training requirements; including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	None	You may seek termination upon a grounds available by state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	"Cause" defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not open the Franchised Business within required time frames; falsify a report to us; cease operations for 5 days or more; fail to restore and re-open the Franchised Business within 120 days after a casualty; fail to comply with a section of the Operations Manual; fail to comply with applicable laws; default under a lease for the premises; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in a proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive three (3) or more default notices in a 12-month period; default under a other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within a twelve (12)-month period; or terminate the Franchise Agreement without cause.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Caffé Aronne franchisee; cease to use the Marks; cancel a assumed name registration that contains a Mark; pay us and our affiliates all sums owing; pay us a damages, costs or expenses we incur in obtaining a remedy for a violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, a furnishings, fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media and software accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of a interest in the Franchise Agreement, the Franchised Business, a assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee		No transfer is allowed without our consent, which we will not unreasonably withhold.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully complete our Initial Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 3 to the Franchise Agreement; you shall subordinate a claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; For Transfers to: (i) an entity or individual that is new to the System, you will pay 50% of the then current Franchise Fee or \$22,500, whichever is greater; (ii) an entity or individual that is already an existing owner in the System, no transfer fee is due; (iii) an entity owned and controlled by the franchisee for convenience purposes without changing the majority ownership in the franchisee entity, no transfer fee is due; and (iv) upon Franchisee's death or disability to a spouse, parent or child, no charge.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of a written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for a other consideration (b)we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, furniture, fixtures, signs, advertising materials, supplies, and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six months to a replacement franchisee that we approve.

	Provision	Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers of a Caffé Aronne outlet (including yours) to a competitor, participate in a capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in a competing business; do an act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of a Caffé Aronne outlet (including yours) to a competitor, participate in a capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in a competing business within 10 miles of your former Caffé Aronne outlet location or another Caffé Aronne outlet location (franchised or company owned; do an act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 22.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at a time upon written notice to you.
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) A representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation only at our headquarters located in Florida, .
v.	Choice of forum	Section 20.3	Litigation takes place in Florida. (subject to applicable state law)
w.	Choice of law	Section 20.3	Florida law applies. (subject to applicable state law)

ITEM 18: PUBLIC FIGURES

We do not currently use a public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 performance at a particular location or under particular circumstances.

The tables below represent Gross Sales by our affiliate-owned outlets. The below historical financial performance representations include the Royalty Fees and Brand Fund Contributions that a franchisee-operated outlet would be expected to pay. The affiliate-owned outlets in Table 1 are similar to the franchise being offered under this Disclosure Document in terms of operations and product offerings. There are no material financial or operational characteristics of the affiliate-owned outlets in Table 1 that are reasonably anticipated to differ from future franchise outlet operations. The affiliate-owned outlets in Table 1 are different from the franchise being offered in that the outlets do not pay any Royalty Fees or Brand Fund Contributions to us or expend any minimum amount on local advertising. They are not subject to territorial advertising or service restrictions.

The outlets in Table 2 are brick-and-mortar locations. We do not currently offer a brick-and-mortar model. While the brick-and-mortar locations operate using the same systems and have the same product offerings as the outlets in Table1, the operational characteristics will necessarily differ.

Table 1
Mobile Café and Catering Unit and Stationary Kiosk Cafés
2019 - 2023

Location	2019	2020	2021	2022	2023
Mobile Café and Catering Unit 02/2019 – present	\$79,339.25	\$7,562.50	\$66,885	\$202,968.92	\$254,543.19
Royalty Fee (6%)	- \$4,760.36	- \$453.75	- \$4,013.10	- \$12,178.14	- \$15,272.59
Brand Fund (2%)	- \$1,586.79	- \$151.25	- \$1,337.70	- \$4,059.38	- \$5,090.86
Total for Franchised Outlet	\$72,992.10	\$6,957.50	\$61,534.20	\$186,731.40	\$239,270.60
Aventura Mall (Stationary)	-	-	\$102,564.99	\$3,117.65	-

02/2021 – 01/2022					
Royalty Fee (6%)	-	-	- \$6,153.90	- \$187.06	-
Brand Fund (2%)	-	-	- \$2,051.30	- \$62.35	-
Total for Franchised Outlet	-	-	\$94,359.79	\$2,868.24	-
Tampa Mall (Stationary) 11/2021 – 10/2022	-	-	\$42,440.00	\$232,097.42	-
Royalty Fee (6%)	-	-	- \$2,546.40	- \$13,925.85	-
Brand Fund (2%)	-	-	- \$848.80	- \$4,641.95	-
Total for Franchised Outlet	-	-	\$39,044.80	\$213,529.62	-
Sarasota Mall (Stationary) 04/2022 – 11/2022	-	-	-	\$32,014.32	-
Royalty Fee (6%)	-	-	-	- \$1,920.86	-
Brand Fund (2%)	-	-	-	- \$640.29	-
Total for Franchised Outlet	-	-	-	\$29,453.17	-
Highline (Stationary) 05/2023 – present	-	-	-	-	\$114,675.15
Royalty Fee (6%)	-	-	-	-	- \$6,880.51
Brand Fund (2%)	-	-	-	-	- \$2,293.50
Total for Franchised Outlet	-	-	-	-	\$105,501.14

Table 2
Brick and Mortar Cafés
2019 – 2023

Location	2019	2020	2021	2022	2023
----------	------	------	------	------	------

112 Greenwich Avenue 03/2020 – present	-	\$101,958.17	\$203,255.91	\$169,771.30	\$225,605.94
Royalty Fee (6%)	-				
Brand Fund (2%)	-				
Total for Franchised Outlet	-				
976A Lexington Avenue 12/2022 – present	-	-	-	\$14,659.20	\$444,864.78
Royalty Fee (6%)	-	-	-	- \$879.55	- \$26,691.89
Brand Fund (2%)	-	-	-	- \$293.18	- \$8,897.30
Total for Franchised Outlet	-	-	-	\$13,486.47	\$409,275.59

Notes:

1. Gross Sales are all sales excluding sales taxes, gratuities, and any government grants or loans.

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Other than the information below, 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 a such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive a other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Aaron Dahan at 7901 4th Street N # 19171, St. Petersburg, Florida 33702, or 646-583-1400, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2021 to 2023

Column 1	Column 2	Column 3	Column 4	Column 5
----------	----------	----------	----------	----------

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company – Owned*	2021	2	4	+2
	2022	4	3	-1
	2023	3	4	+1
Total Outlets	2021	2	4	+2
	2022	4	3	-1
	2023	3	4	+1

* Company-owned stores are operated by affiliated entities.

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3

Status of Franchised Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4

Status of Company Owned* Outlets
For Years 2021 to 2023

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opene d	Col. 5 Outlets Reacquire d from Franchise es	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchise es	Col. 8 Outlets at End of the Year
New York**	2021	2	0	0	0	0	2
	2022	2	1	0	0	0	3
	2023	3	1	0	0	0	4
Florida	2021	0	2	0	0	0	2
	2022	2	1	0	3	0	0
	2023	0	0	0	0	0	0
Total	2021	2	2	0	0	0	4
	2022	4	1	0	3	0	3
	2023	3	1	0	0	0	4

* Company-owned stores are operated by affiliated entities.

** The mobile kiosk is operated primarily in the State of NY

Table No. 5
Projected Openings as of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
FL	0	2	4
AZ	0	1	0
Total	0	3	4

No franchisee has signed confidentiality clauses during the last three years.

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

* Company-owned stores are operated by affiliated entities.

Exhibit E lists the location of each Caffé Aronne outlet in our System.

No franchisees have ceased to do business under the franchise agreement, or had an outlet terminated, canceled or not renewed within the last fiscal year, or ceased to communicate with us within 10 weeks of the issuance date.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

Dahan Hospitality Group LLC was formed on January 26, 2022, but did not begin offering franchises until April 1, 2024. Because we have not been in business for three (3) years, we are not able to include the three (3) prior years of audited financial statements normally required by this Item 21. Our audited financial statements as of December 31, 2023, are included in Exhibit C.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Franchise Agreement	Exhibit B
Franchisee Acknowledgment	Exhibit G

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Aaron Dahan, 7901 4th Street N # 19171, St. Petersburg, Florida 33702.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
FLORIDA	S Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor Florida, 10005 (212) 416-8222 Phone	Attention: Florida Secretary of State Florida Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Alba, 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

DAHAN HOSPITALITY GROUP LLC FRANCHISE AGREEMENT

TABLE OF CONTENTS

1.	RECITATIONS.....	3
2.	GRANT OF FRANCHISE.....	3
3.	TERRITORY	3
4.	TERM.....	4
5.	SUCCESSOR OPTIONS	4
6.	FEES.....	6
7.	TRAINING	8
8.	FRANCHISED LOCATION REQUIREMENTS	10
9.	MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED LOCATION AND SYSTEM.....	12
10.	FRANCHISOR’S OBLIGATIONS.....	13
11.	FRANCHISEE’S REPRESENTATIONS, WARRANTIES AND COVENANTS	15
12.	FRANCHISEE’S OPERATIONS.....	18
13.	ADVERTISING, PROMOTIONS AND RELATED FEES	23
14.	INTELLECTUAL PROPERTY	26
15.	INSURANCE AND INDEMNIFICATION.....	29
16.	TRANSFERS	31
17.	DEFAULTS.....	35
18.	POST-TERMINATION	40
19.	NON-DISCLOSURE AND NON-COMPETITION COVENANTS	42
20.	DISPUTE RESOLUTION	46
21.	GENERAL.....	49

ATTACHMENTS:

ATTACHMENT 1: MARKS

ATTACHMENT 2: TERRITORY

ATTACHMENT 3: GENERAL RELEASE

ATTACHMENT 4: AUTHORIZATION AGREEMENT (ACH WITHDRAWALS)

ATTACHMENT 5: CONDITIONAL ASSIGNMENT OF LEASE

ATTACHMENT 6: STATEMENT OF OWNERSHIP INTEREST IN FRANCHISEE/ENTITY

ATTACHMENT 7: INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT

ATTACHMENT 8: GUARANTY

ATTACHMENT 9: CONFIDENTIALITY AND NON-COMPETE AGREEMENT

DAHAN HOSPITALITY GROUP LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is being entered into this day of _____, (the “Effective Date”) by and between Dahan Hospitality Group LLC, a Florida limited liability company with its principal place of business at 7901 4th Street N # 19171, St. Petersburg, Florida 33702 (herein “Franchisor”) and _____, a(n) _____, with its principal place of business located at _____ and _____’s principals _____, an individual residing at _____ and _____, an individual residing at _____ (“Principal(s)”). _____ and Principal(s) shall be collectively referred to in this Agreement as the “Franchisee”.

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a unique and distinctive business with an option to operate a mobile café and catering unit or a stationary kiosk café, both of which offer coffee and fresh pre-made snacks, sandwiches, wraps, and salads under the Caffé Aronne trademarks and using Franchisor’s confidential operations manual (the “Manual”) of business practices and policies, and Franchisor’s distinctive products, décor, fixtures, operations methods, sales techniques, inventory, procedures for management control and training assistance, advertising, and promotional programs, all of which may be changed, improved, or further developed by Franchisor at any time (taken together herein, the “System”).

The System is identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the Caffé Aronne service marks, as set forth in **Attachment 1** and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the “Marks”).

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System’s high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. **RECITATIONS.** The Recitations set out above form part of this Agreement.
2. **GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Caff  Aronne franchise (the “Franchise” or “Franchised Business”) of the following type:

_____ Caff  Aronne mobile caf  and catering unit

_____ Caff  Aronne stationary kiosk caf 

Under this license, Franchisee may only use the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved, and further developed by Franchisor from time to time. This grant applies only to the specific location or locations approved by Franchisor within a territory that is designated in **Attachment 2** attached hereto and incorporated herein (the “Territory”).

3. **TERRITORY.**

- 3.1. Territory. This Agreement grants Franchisee the right to operate the Franchised Business at a specific location or locations within the Territory. Franchisor agrees that it will not, and Franchisor will not permit any other of Franchisor’s franchisees, to operate a Caff  Aronne outlet in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement, or this Agreement has not expired or been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate, or franchise Caff  Aronne franchises around, bordering, and adjacent to the Territory. Franchisee will be selling its products and services from a specific location or locations that will be determined by Franchisee with Franchisor’s prior written approval, which may be withheld or denied in Franchisor’s sole discretion. Franchisee understands and acknowledges that if its Franchised Business is located in a transportation facility, including airports, train stations, subway, rail or bus stations; sports facility, including stadium or arena; amusement park, zoo, or convention center; rest stop or travel center; educational facility; recreational theme park; hospital; business or industrial foodservice venue; venue in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; casino; or any similar captive market location (“Non-Traditional Site”), the Territory will be limited to the facility, venue, or building where the Franchised Business is located. Franchisee is prohibited from selling and soliciting customers through alternative distribution channels as more fully specified herein.
- 3.2. Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to (i) offer other products or services not offered under the Marks, (ii) offer other food or beverage concepts under the Marks or other trademarks, (iii) offer products or services through any channel of distribution in the Territory other than a dedicated Caff  Aronne mobile caf  and catering unit or stationary kiosk caf , such as distribution through any

alternate distribution channels (including the Internet, catalog sales, telemarketing or other direct marketing, and retail outlets) within the Territory, and elsewhere; and (iv) engaging in all other activities not expressly prohibited by this Agreement. Franchisee will receive no compensation for Franchisor's sales pursuant to any of the foregoing reserved rights, whether within or outside the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.2 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

4. **TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above, and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 herein.
5. **SUCCESSOR OPTIONS.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for up to two (2) additional terms equal to five (5) years each, upon payment of a Successor Agreement fee equal to twenty-five percent (25%) of the then-current initial franchise fee, or Seven Thousand Five Hundred Dollars (\$7,500), whichever is greater ("Successor Agreement Fee").

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

- 5.1.1 Not less than six (6) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).
- 5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.
- 5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.
- 5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

- 5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.
- 5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:
- 5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.
- 5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.
- 5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.
- 5.2.4 Franchisee shall have obtained the right to continue to occupy the Franchised Business location following the expiration of the Term hereof for the full term of the Successor Franchise Agreement and/or have received Franchisor's approval regarding locating the Franchised Business at a new location.
- 5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against Franchisor, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as **Attachment 3**. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.
- 5.2.6 Franchisee performs such remodeling, repairs, replacements, and redecoration as Franchisor may require in order to cause the Franchised Business, the kiosk, its equipment, fixtures, the vehicle, and/or other items to conform to the plans and specifications being used for new or remodeled franchised businesses on the renewal date.
- 5.2.7 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.
- 5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Caff  Aronne franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to

Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then-current form of Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

- 5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

6. FEES

- 6.1 Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

- 6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee of Twenty-Five Thousand Dollars (\$25,000.00) (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchise shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.
- 6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, throughout the Term, a royalty fee ("Royalty Fee") equal to six percent (6%) of Gross Revenue, as hereinafter defined, realized from the Franchised Business.

The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue shall include the full amount payable by Franchisee's customers, without deduction for Franchisee's delivery costs or for other write-offs; however, Gross Revenue shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (iii) properly documented promotional discounts (i.e., coupons). Gross Revenue does not include gift card purchases, at the time of purchase, but Gross Revenue does include the redemption amount of purchases made by gift card.

- 6.1.3 Gross Revenue Reports. Franchisee shall, on or before the 5th day of each month for the prior month, furnish Franchisor with a report showing Franchisee's Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during such period (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. Franchisor reserves the right to establish a point-of-sale system ("POS System") that Franchisor may require Franchisee to use in the operation of the Franchised Business. At Franchisor's option, Franchisee shall submit, or grant Franchisor access to, the Gross Revenue Report by an electronic transfer of data via the POS System at the times and interims then specified by Franchisor.
- 6.1.4 Method of Payment. Franchisee shall, together with the submission of the Gross Revenue Report, pay Franchisor the Royalty Fee and the Brand Fund Contribution, as defined, and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization attached as Attachment 4, that allow Franchisor to automatically take the Royalty Fee and Brand Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.5 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported. Franchisor reserves the right to modify the method and frequency of collection of the Royalty Fee and Brand Fund Contribution upon forty-five (45) days' prior notice to Franchisee. Collection of the Royalty and Brand Fund Contribution may be changed to weekly with thirty (30) days' notice.
- 6.2 Late Fee. If the Royalty Fee, Brand Fund Contribution, or any Gross Revenue Reports is not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of One Hundred Dollars (\$100.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Fund Contribution, and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.
- 6.3 Credit Card Fee. If payment of the Royalty Fee or Brand Fund Contribution is remitted to Franchisor by credit card, Franchisor may charge a service fee of up to three percent (3%) of the total amount due
- 6.4 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or at the highest rate permitted by law,

whichever is lower.

- 6.5 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars (\$100.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.
- 6.6 Internal Systems Fee. Franchisee agrees to pay an Internal Systems Fee of up to Five Hundred Dollars (\$500) per month ("Internal Systems Fee") for technology adopted, developed or otherwise required by Franchisor in the operation of the Franchised Business, including, but not limited to, software and applications for a scheduling system, payment processor, sales and financial reporting, assigned phone numbers and email addresses required for use in the Franchised Business, franchise portal, benchmarking platform or other operations systems. In franchisor's sole discretion, Franchisor may (i) increase the amount of the Internal Systems Fee or (ii) replace the software and applications with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Payment of the Internal Systems Fee will be made in the same manner and time as required by Franchisor.
- 6.7 Taxes. If any sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution, or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

7. TRAINING.

- 7.1 Initial Management Training Program. Franchisee (specifically including all of Franchisee's principals) and Franchisee's general manager ("Initial Trainees") shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial management training program ("Initial Management Training Program") prior to the opening of the Franchised Business. The Initial Management Training Program is conducted at Franchisor's headquarters and/or an affiliate-owned or franchised outlet. Franchisor may, in its discretion, provide all or some of the Initial Training Program virtually. The fee for Initial Trainees to take the Initial Management Training Program is included in the Initial Franchise Fee. Notwithstanding the foregoing, Franchisee shall be required to pay all other expenses of the initial trainees, including, without limitation, costs of travel, lodging, meals, and wages.

Franchisee must at all times during the term of this Agreement have principals who have successfully completed the Initial Management Training Program to Franchisor's sole and complete satisfaction.

- 7.2. Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Management Training Program. If the Initial Management Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisee requests additional initial training upon completion of the Initial Management Training Program, Franchisor may permit any Initial Trainee to repeat the Initial Management Training Program for a fee of Five Hundred Dollars (\$500.00) per person. If Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Management Training Program cannot be satisfactorily completed by Franchisee and Franchisee's Principal(s), Franchisor may terminate this Agreement.
- 7.3. Opening Assistance. Franchisor shall provide Franchisee with opening assistance, for up to two (2) days upon the opening of the Franchised Business. Franchisor shall provide a trained representative of Franchisor to provide on-site training, supervision, and assistance, at no charge to Franchisee.
- 7.4. Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in on-going training and/or a national business meeting or annual convention for up to three (3) days per year at a location designated by Franchisor. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals, and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal, and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.
- 7.5. On-Site Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel at the Franchised Business location. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.
- 7.6. Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless

such assistance is provided at the Franchised Business pursuant to Section 7.5, furnish consultation and assistance to Franchisee, either in person or by telephone, video conference, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding marketing, operation issues, purchasing and inventory control, bookkeeping and System improvements.

8. FRANCHISED LOCATION REQUIREMENTS

8.1 Site Selection.

8.1.1 Franchisee assumes all cost, liability, expense, and responsibility for obtaining and developing a site for the Franchised Business within the Territory and for constructing and equipping the Franchised Business at such site. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Franchised Business unless the site location is approved by Franchisor. While Franchisor may render assistance to Franchisee in the selection of a site, as set forth in Section 8.1.2 below, Franchisee has sole responsibility for procuring and developing a site for the Franchised Business and Franchisee may and is encouraged to consult with professionals of Franchisee's choosing in discharging such responsibility. Franchisee acknowledges that Franchisor's approval of a prospective site location is permission only, does not constitute a representation, promise, warranty, or guarantee, express or implied, by Franchisor that the Franchised Business operated at that site will be profitable or otherwise successful, and cannot, and does not, create a liability for Franchisor. Franchisee releases Franchisor from any claims over the site location selection and evaluation by Franchisor, and Franchisee shall hold Franchisor harmless with respect to Franchisee's selection of the site for the Franchisee's Franchised Business. In this case of a mobile café and catering unit, Franchisee shall locate a site to store its vehicle and equipment (the "Storage Site"). Franchisee assumes all cost, liability, expense and responsibility for obtaining and maintaining the Storage Site and the vehicle(s) and equipment and other property stored thereon.

8.1.2 Franchisee shall locate a site that satisfies the site selection guidelines provided to Franchisee by Franchisor and shall submit to Franchisor, in writing, a description of the site, together with written certification the site complies with Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require no later than ninety (90) days after the execution of this Agreement. Franchisor shall have ten (10) business days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site as the location for the Franchised Business. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such proposed site shall be deemed "disapproved". No site may be used for the location of the Franchised Business unless it is consented to in writing by Franchisor.

8.1.3 After Franchisor has consented to the site for the Franchised Business, Franchisee

shall submit the lease therefor for Franchisor's approval. Franchisee shall not execute a lease or other agreement to obtain a site for the Franchised Business without Franchisor's prior approval of the terms and conditions of such lease or other agreement. Franchisee acknowledges that Franchisor's lease review is for Franchisor's sole benefit and the benefit and protection of the System and the Marks only. Franchisee is not a third-party beneficiary of the Franchisor's lease review. Franchisee acknowledges and agrees that Franchisor does not represent or warrant that the lease provisions, including rent, will be the most favorable terms available in that market. Any lease must include Franchisor's Conditional Assignment of Lease Agreement, a copy of which is attached hereto as Attachment 5.

8.1.5 Upon consent by Franchisor to the location for the Franchised Business, Franchisor shall set forth the location and Territory on Attachment 2 of this Agreement and shall provide a copy thereof to Franchisee. Attachment 2, as completed by Franchisor, shall be incorporated herein and made a part hereof. Franchisee shall notify Franchisor within fifteen (15) days of any error or rejection of Attachment 2; otherwise, Attachment 2 provided to Franchisee shall be deemed final.

8.3 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Franchisee shall diligently obtain a location, complete installation, and commence operation. The date the Franchised Business opens for business to the public shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) complete all preparations for the Franchised Business, including installation and cleaning of equipment, fixtures, décor and signs, in accordance with System requirements and the plans and specifications consented to by Franchisor, (ii) satisfactorily complete Franchisor's Initial Management Training Program, as further set forth in Article 7, (iii) hire and train staff, (iv) obtain all required licenses to operate the Franchised Business, (v) purchase and stock initial inventory, (v) enter into contracts, as required, with approved vendors and suppliers, and (vi) otherwise complete all aspects of developing the Franchised Business location. If Franchisee fails to comply with any of such obligations, or if Franchisee is otherwise in default of Franchisee's obligations under this Agreement, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within one hundred eighty (180) days following the date of this Agreement, as may be extended by Franchisor in Franchisor's sole discretion, shall be deemed a material event of default under this Agreement.

8.4 Relocation. Franchisee's rights to operate the Franchised Business are limited to the location set forth in Attachment 2. Franchisee may relocate the Franchised Business with Franchisor's prior written approval, which approval shall be granted in Franchisor's discretion. Franchisee agrees to pay to Franchisor its costs and travel time to inspect and approve any new location and any approved relocation shall be at Franchisee's sole expense, and subject to the following:

8.4.1 Franchisee shall develop the new site to conform to Franchisor's then-current specifications for design and appearance for the new Franchised Business;

- 8.4.2 Franchisee shall remove the stationary kiosk café, signs or other property from the original Franchised Business location which identified the original Franchise Business location as part of the System;
- 8.4.3 Franchisor shall issue a revised Attachment 2, in accordance with Section 8.1.5, to reflect the address of the new Franchised Business location.
- 8.4.4 If a relocation site acceptable to Franchisor is not identified within ninety (90) days following Franchisee's request to relocate, Franchisor may terminate this Agreement.
- 8.4.5 Franchisee shall be required to reimburse Franchisor's costs, if any, including travel, lodging, and meals, in connection with Franchisor's approval of the relocation site.

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED LOCATION AND SYSTEM

- 9.1 Maintenance of Franchised Business Location. Franchisee shall equip and maintain the Franchised Business location to the standards of décor, sanitation, repair, and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards, and specifications. Franchisee, at Franchisee's expense, shall make such additions, alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repainting and repairs or replacement of worn or impaired décor, materials, fixtures, equipment, and signage as Franchisor may direct.
- 9.2 Inspections. Franchisee shall operate and maintain the Franchised Business and Franchised Business location in conformance with best practices for food and beverage storage, handling, preparation, service, and disposal and in a manner that will ensure the highest rating possible for businesses of like kind from the governmental authorities that may inspect such businesses in the Territory. Franchisee shall submit to Franchisor a copy of any inspection reports. It shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs, and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.
- 9.3 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, design, display, POS Systems, and computer hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.
- 9.4 Trade Dress Modifications.

- 9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new designs, color schemes, new or modified marks, and new logos (collectively, “Trade Dress Modifications”).
- 9.4.2 Franchisee shall, at Franchisee’s sole expense, modify identifying elements of the Franchised Business, as required by Franchisor, but not more frequently than once in any two (2) year period following the Opening Date, to conform to Trade Dress Modifications. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications, Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.
- 9.4.3 Franchisee will accept, use, and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.
- 9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.
- 9.6 Franchisee Advisory Council. Franchisor reserves the right to create (and, if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee’s level of success, superior performance, and profitability.

10. FRANCHISOR’S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

- 10.1. Site Selection Approval. Franchisor will approve the site location for a stationary kiosk café to confirm that the proposed location meets Franchisor’s specifications. Franchisee acknowledges and warrants that Franchisor’s approval of Franchisee’s proposed Franchised Business location does not constitute a guarantee, recommendation, or endorsement of Franchisee’s successful operation of the Franchised Business location and

that the success of the Franchised Business depends upon Franchisee's abilities as an independent businessperson. Once Franchisor has approved Franchisee's operation of the Franchised Business, Franchisor will be deemed to have complied with its obligations under this Agreement to assist Franchisee by providing criteria for Franchisee's operation of the Franchised Business and determining fulfillment of the requisite criteria for the Franchisee's operation of the Franchised Business, such determination based on information provided by Franchisee.

- 10.2. Lease Review. Review and approve Franchisee's proposed lease for inclusion of System requirements.
- 10.3. Kiosk. Designate one or more approved vendors or approve your proposed vendor for the purchase and installation services for the Franchised Business, which may be Franchisor or its affiliate. Franchisee shall independently, and at Franchisee's expense, retain the services of such vendor(s) for purchase and installation of the Franchised Business in accordance with Article 8.
- 10.4 Site Improvement Specifications. Provide to Franchisee criteria and specifications for site improvements. Such criteria and specifications include, but are not necessarily limited to, criteria with respect to availability of potable water, and shall be incorporated at Franchisee's expense, into the installation of the Franchised Business in accordance with Article 8.
- 10.5 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.
- 10.6 Inspection. Inspection of the Franchised Business and evaluations of the products sold and services rendered therein whenever reasonably determined by Franchisor.
- 10.7 Pre-Opening Requirements. Provide a written list of equipment, fixtures, furnishings, signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.
- 10.8 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.
- 10.9 List of Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of approved and/or recommended suppliers of products and services for System franchisees.
- 10.10 Training. The training programs specified in Article 7 herein.

10.11 Brand Fund. Administer a Brand Fund in accordance with Section 13.3.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Best Efforts. Franchisee, including each of Franchisee's Principals covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant, and covenant that:

11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business location and the Territory;

11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete, and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments, or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent, or otherwise, that are not reflected as liabilities; and

11.2.6 If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 8 hereof.

11.3 Appointment of Manager.

- 11.3.1 Franchisee shall designate and retain at all times a general manager (“General Manager”) to direct the operation and management of the Franchised Business location. Franchisee shall designate its General Manager prior to attending the Initial Management Training Program. The General Manager shall be responsible for the daily operation of the Franchised Business location. Unless otherwise permitted by Franchisor, the General Manager shall be, Franchisee, if Franchisee is an individual, or a Principal, who has at least twenty-five percent (25%) ownership in the Franchise.
- 11.3.2 The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:
- 11.3.2.1 The General Manager shall meet Franchisor’s standards and criteria for such individual, as set forth in the Manual or otherwise in writing by Franchisor, and shall be an individual otherwise acceptable to Franchisor in its sole discretion.
- 11.3.2.2 The General Manager shall devote his or her full time and best efforts to the supervision and management of the Franchised Business, and may not engage in any other competitive business activity without the Franchisor’s consent, which may be withheld in Franchisor’s sole discretion.
- 11.3.2.3 The General Manager shall satisfy the training requirements set forth in Article 7.
- 11.3.3 If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager ceases to serve, such replacement being subject to the same qualifications required by this Agreement. Franchisee’s replacement General Manager shall attend and satisfactorily complete the Initial Management Training Program, at Franchisee’s sole cost and expense, including the payment of the then-current tuition. Until such replacement is designated and trained, Franchisee shall provide for interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor’s sole discretion, may provide interim management support and charge Franchisee Four Hundred Fifty Dollars (\$450) per day during Franchisor’s operation thereof until such General Manager is properly trained or certified in accordance with Franchisor’s requirements, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, and shall be withdrawn from Franchisee’s designated bank account in accordance with Section 6.1.4.

11.4 Legal Compliance. Franchisee shall comply with all federal, state, and local laws, rules and regulations and shall timely obtain any and all permits, certificates, or licenses

necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, health and sanitation inspections, if required, fictitious name registrations, sales and other tax permits, fire and police department clearances, Americans With Disability Act compliance, certificates of occupancy, any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation and any other requirement, rule, law or regulation of any federal, state or local jurisdiction. Franchisee shall further comply with all industry best practices with respect to the handling, storage, preparation, service and disposal of food and beverage products.

- 11.5 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of, any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Franchised Business location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.
- 11.6 Assignment of Numbers and Listings. At Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email, software, social media, or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.
- 11.7 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all tax returns and reports related to the Franchised Business filed by Franchisee with any state or federal taxing authority.
- 11.8 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties, and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with

Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties, and covenants.

12. FRANCHISEE'S OPERATIONS

12.1 Operation of Franchised Business Location. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Use only those kiosks, vehicles, fixtures, décor, equipment, ingredients, recipes, supplies and signage that conform with Franchisor's specifications and/or which shall be purchased from only those vendors designated and approved by Franchisor;

12.1.2 Maintain and operate the Franchised Business location and vehicle in attractive condition and good repair, using Franchisee's best efforts to maintain a clean, enjoyable and inviting atmosphere therein in accordance with System standards, the Manual and all other directives and requirements of Franchisor, and do such redecoration, repairing, refurbishing and restoration as from time to time may be reasonably required to meet System standards and Franchisor's requirements as they may be modified from time to time;

12.1.3 Procure the necessary licenses or permits to allow food and beverage preparation and service and otherwise comply with all applicable governmental laws, ordinances, rules, and regulations including those related to health and sanitation;

12.1.4 Maintain sufficient inventories of ingredients and supplies, as prescribed by Franchisor;

12.1.5 Conduct sales in accordance with Franchisor's standards and specifications, as set forth in the Manual and other directives of Franchisor. Franchisee acknowledges and accepts that Franchisee may only engage in providing food, beverage, and other designated services, except as provided below. Franchisee is expressly prohibited from selling products outside of the Territory, on the internet, to dealers and/or to distributors for subsequent re-sale.

12.1.6 Employ only qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation of the System. Franchisee shall use its best efforts to insure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to patrons of the

Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.7 Permit Franchisor or its agents, to inspect the Franchised Business location and any services, products, or equipment, to determine whether they meet Franchisor's then-current standards, specifications, and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs of any item that does not conform to the System standards and specifications;

12.1.8 Prominently display signs in and upon the Franchised Business location using the Marks and/or other advertising and/or signs of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to not display in or upon the Franchised Business location or elsewhere any sign or advertising media or interior décor of any kind to which Franchisor reasonably objects, including signs, advertising media or interior décor which are outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business location or elsewhere and remove any objectionable or non-approved signs, advertising media or interior décor and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specification, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks.

12.2 Bookkeeping and Reports.

12.2.1 Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures specified by Franchisor. Franchisee agrees to purchase the computer systems, software, and online services specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial performance of Franchisee's Franchised Business may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof.

12.2.2 Franchisee shall provide Franchisor with monthly income statement for the prior calendar month and fiscal year to date, prepared in accordance with generally accepted accounting principles and practice ("GAAP") and in the format required by Franchisor. Franchisee shall further provide all other data, information, and supporting records reasonably requested by Franchisor from time to time (including, without limitation, daily and monthly reports of product sales by

category).

- 12.2.3 Within fifteen (15) days after the close of each calendar quarter and within forty-five (45) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with GAAP. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.
- 12.2.4 The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.
- 12.2.5 Franchisor reserves the right to require Franchisee, at Franchisee's expense, to engage the services of a third-party accounting services firm for bookkeeping, payroll, and accounting services, designated and approved by Franchisor, in the event that Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.
- 12.2.6 Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds that any Gross Revenue Report was understated by two percent (2%) or more, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at a rate equal to the lesser of (i) eighteen percent (18%) per annum, or (ii) the maximum commercial contract interest allowed by law. Such understatement may be considered a material default hereunder. Two (2) such understatements during the term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3 Computer Systems.

- 12.3.1 Franchisee, at Franchisee's sole expense, shall install and maintain the POS System and computer hardware and software Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.
- 12.3.2 Franchisee, at Franchisee's sole expense, shall install and maintain systems and web-based payment processing accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's POS System, other computer systems and web-based payment processing accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor may deem necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's POS System, other computer systems and web-based payment processing accounts.

- 12.3.3 Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's POS System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.
- 12.3.4 Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.
- 12.3.5 Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.
- 12.3.6 Franchisor has established a website that provides information about the System and the products and services offered by the Caff  Aronne System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website with Franchisee's Franchised Business location. Franchisee has no ownership or other proprietary rights to Franchisor's website and Franchisee will lose all rights to such listing of Franchisee's location upon expiration or termination of this Agreement for any reason.
- 12.3.7 In addition to the requirements of Section 6, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software and audio equipment, music subscription services, installation costs and regularly recurring fees for software and digital displays, Internet access, license fees, and help desk fees.
- 12.3.8 Franchisee is solely responsible for maintaining the security and integrity of computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software, and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and

the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

- 12.4 Safety and Security of Premises. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, clients, agents and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.
- 12.5 Prices. Subject to applicable law, Franchisor may recommend or set maximum prices for services and products offer by Franchisee, which may vary depending on geographic and other market conditions. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.
- 12.6 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease, or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service, or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee a fee equal to the actual cost and expense to Franchisor for inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service, or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.
- 12.7 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, mystery shop programs and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.
- 12.8 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities

and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

- 12.9 Employee Background Check. Franchisee shall conduct a background review of every prospective employee's criminal history and any other histories (such as motor vehicle and/or credit histories) that are required by state and local laws, regulations, and ordinances and/or that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee for any position involving entrance on or into private property if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligent, reckless, or careless behavior, or a conviction for any crime reasonably related to the prospective employee's employment. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers and their clients are within Franchisee's discretion and control. Franchisor shall not be liable to franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

13. ADVERTISING, PROMOTIONS AND RELATED FEES

- 13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Local Advertising.

- 13.2.1. In addition to the ongoing advertising contributions set forth herein, and following the expenditures set forth in Section 13.2.3 below, Franchisee shall spend monthly, throughout the term of this Agreement, not less than the greater of (i) two percent (2%) of the Gross Revenue generated by the Franchised Business or (ii) Five Hundred Dollars (\$500.00) on advertising for the Franchised Business in the

Territory (“Local Advertising”). Franchisor reserves the right, in Franchisor’s sole discretion and at any time and from time to time, to increase the Local Advertising expenditure to any amount not to exceed five percent (5%) of Gross Revenue. Franchisor reserves the right to collect some or all of Franchisee’s Local Advertising expenditure and implement Local Advertising on Franchisee’s behalf.

13.2.2 Within ten (10) business days of Franchisor’s request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee’s Local Advertising expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee shall **not** be included in Franchisee’s expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee’s personnel to attend advertising meetings, workshops or other marketing activities; (iv) charitable, political or other contributions or donations.

13.2.3 Franchisee shall conduct an initial marketing and advertising and public relations campaign, at the time and in the manner specified by Franchisor, to promote the opening of the Franchisee’s Franchised Business (“Grand Opening Advertising”). The Grand Opening Advertising shall include the media and advertising materials that Franchisor has either developed or approved. Franchisee shall spend a minimum of One Thousand Dollars (\$1,000) on Grand Opening Advertising as prescribed by Franchisor. Franchisor reserves the right to collect some or all of Franchisee’s grand opening funds and implement grand opening campaign activities on Franchisee’s behalf.

13.3 Brand Fund.

13.3.1 Franchisor has established a national fund on behalf of the System for national advertising, marketing, and brand development (the “Brand Fund”). Franchisee is required to contribute an amount equal to two percent (2%) of the Gross Revenue generated monthly by Franchisee’s Franchised Business to the Brand Fund, or Five Hundred Dollars (\$500.00), whichever is greater (“Brand Fund Contribution”). Franchisor reserves the right, in Franchisor’s sole discretion and at any time and from time to time, to increase the amount of the Brand Fund Contribution to any amount not to exceed three percent (3%) of the Gross Revenue. Payments will be made in the same manner and time as the Royalty Fees. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Section 6 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand Fund Contribution payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

13.3.2 Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of

the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3 Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to Caff  Aronne outlets operated by Franchisor or Franchisor's affiliates.

13.3.4 Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares). Franchisor will not use the Brand Fund to pay for advertising that is administered or prepared by Franchisor for use in providing placement of local advertising on Franchisee's behalf.

13.3.5 The Brand Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. The Brand Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6 In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7 Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts equal to Franchisee's share of the total cost of cooperative advertising, in addition to required Brand Fund Contributions.

- 13.5 Directory Listings. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines and various listing portals. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Google, Facebook, Twitter, LinkedIn, Instagram, YouTube, or any other social media and/or networking site without Franchisor's prior written approval and use of any social media accounts shall be in strict accordance with Franchisor's requirements.
- 13.6 Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic, or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Caff  Aronne brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY

14.1 Ownership.

- 14.1.1 Franchisee expressly understands and acknowledges that Dahan Intellectual Properties LLC or its successor, ("Licensor") is the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Licensor claims copyrights on certain material used in the System, including but not limited to its website, documents, advertisements, promotional materials, and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

- 14.1.2 As between Franchisor and Franchisee, Licensor and Franchisor are the owner of all right, title, and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.
- 14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's or Licensor's rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's or Licensor's service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business location or in approved advertising related to the Franchised Business.
- 14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and Licensor, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.
- 14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's or Licensor's interest in, the Intellectual Property.
- 14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's or Licensor's rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor or Licensor with all assignments, affidavits, documents, information and assistance Franchisor or Licensor reasonably requests to fully vest in Franchisor or Licensor all such rights, title, and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor or Licensor to register, maintain, and enforce such rights in the Intellectual Property.
- 14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions, or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses, or damages.
- 14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

- 14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks “Caffé Aronne” and design. Franchisee shall not use the Marks, or any portions, variations, or derivatives thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation “a franchisee of Dhan Hospitality, LLC.”
- 14.7.2 Franchisee shall identify itself as the owner of the Franchised Business and as an independent Caffé Aronne franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.
- 14.7.3 Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.
- 14.7.4 Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor’s sole and absolute discretion.
- 14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee’s use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee’s counsel in connection with any such infringement, challenge, or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge, or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee’s use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.
- 14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as

Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity, or corporation.

15. INSURANCE AND INDEMNIFICATION

15.1 Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1 Liability. Commercial general liability insurance, including public liability, personal injury, advertising injury, and products liability/completed operation coverage in the amount of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate. The following minimum sub-limits must be met: One Million Dollars (\$1,000,000) Personal & Advertising Injury, Two Million Dollars (\$2,000,000) Products/Completed Operations, One Hundred Thousand Dollars (\$100,000) Damage to Rented Premises, and Ten Thousand Dollars (\$10,000) Medical Expense;

15.1.2 Employment. Worker's compensation coverage in the limits required by state law and employer's liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000), Five Hundred Thousand Dollars (\$500,000) for bodily injury by disease per accident; and Five Hundred Thousand Dollars (\$500,000) per employee, as well as such other insurance as may be required by statute or rule of the state in which the franchised Business is located and operated;

15.1.3 Automobile. One Million Dollars (\$1,000,000) combined single limit, covering uninsured/underinsured motorists, owned (when applicable) hired, and non-owned autos;

15.1.4 Property. An amount appropriate to cover full replacement value of the kiosk, leasehold improvements, equipment, furniture, fixtures and inventory, including Employee Theft coverage with minimum coverage of Twenty-Five Thousand Dollars (\$25,000);

15.1.5 Business Interruption. Business Income and Extra Expense must be included on an actual loss sustained basis for a minimum of twelve (12) months; and

15.1.6 Umbrella. Umbrella Liability with One Million Dollars (\$1,000,000) per occurrence,

One Million Dollars (\$1,000,000) general aggregate to extend over general liability, owned/hired/non-owned liability automobile, and employer's liability.

- 15.2 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. Franchisee shall deliver the initial Certificate of Insurance no later than ten (10) days before Franchisee opens the Franchised Business. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.
- 15.3 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with a reasonable fee for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.
- 15.4 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.
- 15.5 Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents, and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents, or employees.
- 15.6 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS DAHAN HOSPITALITY GROUP LLC, DAHAN INTELLECUTAL PROPERTIES LLC, DAHAN HOSPITALITY INC. AND ANY OF THEIR COMPANIES' PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "CAFFÉ ARONNE INDEMNITEES") FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S CAFFÉ ARONNE FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR

ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE CAFFÉ ARONNE INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE CAFFÉ ARONNE INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE CAFFÉ ARONNE INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE CAFFÉ ARONNE INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE CAFFÉ ARONNE INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE CAFFÉ ARONNE INDEMNITEES.

Initial

16. TRANSFERS

16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation, or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses

and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired facilities that are operating within the Territory to a Caff  Aronne franchise during the Term of this Agreement.

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the food and beverage business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principals of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business, or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude, and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Management Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;

- 16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;
- 16.3.6 The transferee agrees to renovate, refurbish, remodel, or replace, at the transferee's own cost, the real and personal property and equipment used in operating the Franchised Business within the timeframe specified by Franchisor in order to comply with Franchisor's then current specifications;
- 16.3.7 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of one (1) year following the transfer;
- 16.3.8 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;
- 16.3.9 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor; and
- 16.3.10 If consent is required, the lessor of the Franchised Business's premises consents to the assignment or further sublet of the premises to the transferee.
- 16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee ("Transfer Fee") equal to fifty percent (50%) of the then-current initial franchise fee, or Twenty-Two Thousand Five Hundred Dollars (\$22,500), whichever is greater. Notwithstanding the foregoing, (i) for transfers of ownership interest among existing shareholders or members of the Franchisee entity or to add a new shareholder or member where such transfer does not change management control of the Franchisee entity, and (ii) for a transfer to a spouse, parent, or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, no Transfer Fee shall be payable.

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Franchisee's Principal, as the case may be, will transfer Franchisee's or Franchisee's Principal's interest in this Agreement within four (4) months from the date

of death or permanent disability, to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise, or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management at Franchisor's then-current interim management support fee, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee obtains A loan (an "SBA Loan") from a lender (the "Lender") in which funding is provided with the assistance of the United States Small Business Administration ("SBA"), Franchisee shall be permitted to grant Lender and/or SBA a senior lien on any Uniform Commercial Code collateral Franchisee uses to secure the SBA Loan, and Franchisor agrees to subordinate its interest in any lien on Franchisee's Uniform Commercial Code collateral to that of the Lender and/or SBA as the case may be.

17. DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United

States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults With No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to acquire a site for the Franchised Business, fails to equip and make operational its Franchised Business or vehicle, obtain all licenses and permits, or open the Franchised Business within the time and in the manner specified in Article 8;

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more; provided, however, that this provision shall not apply if through no fault of Franchisee, the premises are damaged or destroyed by a casualty and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such reconstruction or relocation;

17.2.4 loses for any cause whatsoever the right of possession of the real property on which the Franchised Business is located; provided, however, that this provision shall not apply if through no fault of Franchisee, Franchisee loses right of possession and Franchisee applies within thirty (30) days after such event, for Franchisor's approval to relocate the Franchised Business (which approval shall not be unreasonably withheld) and Franchisee diligently pursues such relocation in accordance with Section 8.4, as the case may be;

17.2.5 fails to restore the Franchised Business location to full operation within a reasonable period time but not more than one hundred twenty (120) days from the date the Franchised Business location or the vehicle or equipment is rendered inoperable by any casualty, as may be extended by Franchisor in Franchisor's reasonable discretion;

- 17.2.6 fails to comply with any federal, state, or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;
- 17.2.7 defaults under any lease or sublease of the real property on which the Franchised Business is located;
- 17.2.8 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;
- 17.2.9 fails to comply with the covenants in Article 15;
- 17.2.10 permits a Transfer in violation of the provisions of Article 16 of this Agreement;
- 17.2.11 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.
- 17.2.12 has misrepresented or omitted material facts in applying for the Franchise;
- 17.2.13 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;
- 17.2.14 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;
- 17.2.15 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;
- 17.2.16 creates a threat or danger to public health or safety from the construction, maintenance, or operation of the Franchised Business;
- 17.2.17 refuses to permit Franchisor to inspect or audit Franchisee's books or records;
- 17.2.18 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);
- 17.2.19 fails to comply with the non-competition covenants in Section 19.5;

17.2.20 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)-month period, whether or not the defaults have been corrected;

17.2.2 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.22 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or with Franchisee's suppliers or landlord and does not cure such default within the time period provided in such other agreement; or

17.2.23 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)-month period, and the third such late payment in any twelve (12)-month period shall be a non-curable default under Sections 17.2.20 and/or 17.2.21;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)-month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.20.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 enter upon the Franchised Business location and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control, and operate the Franchised Business. In addition to all other fees paid under this Agreement, Franchisee shall pay Franchisor five percent (5%) of the Gross Revenue generated by the Franchised Business during Franchisor's operation thereof as compensation therefor. Further, Franchisee shall reimburse Franchisor for the full compensation paid to such representative including the cost of all fringe benefits plus all travel expenses, lodging, meals, and other expenses reasonably incurred by such representative until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Security Interest. Franchisee grants to Franchisee a first priority lien and continuing security interest upon all Collateral (as hereinafter defined), now owned or hereafter acquired or arising in connection with the Franchisee's Caff  Aronne Franchised Business, or otherwise, in accordance with the provisions of the Uniform Commercial Code as enacted in the state in which the Collateral will be located (the "UCC"). Such security interest is granted as security for the payment of all amounts due by Franchisee to Franchisor under this Agreement and Franchisee's performance of all of its obligations under this Agreement. Franchisee covenants and agrees to do any and all further acts, matters and things, and to make, execute, acknowledge and deliver any and all further documents, instruments, financing statements and agreements, as Franchisor shall reasonably require to perfect and protect Franchisor's security interest in the Collateral and to effectuate the delivery to Franchisor of all such certificates and assignments in form satisfactory to Franchisor. For purposes of this Section 17.6, "Collateral" is defined to include the Caf  Kiosk that Franchisee owns and operates at the Franchised Business Location pursuant to this Agreement or the vehicle, together with all related additions, devices, and accessories incorporated therein and/or affixed thereto, all assets of Franchisee related to said Kiosk, now owned or possessed or hereafter acquired, wherever located, whether new or used, including, but not limited to, all accounts; accounts receivable; contract rights; leases; furnishings; equipment; fixtures; tools; accessories; movable trade fixtures; goods held for sale, including all supplies, finished goods and all other items customarily classified as

inventory; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions; and including the proceeds and products therefrom and any and all substitutions, replacements, additions and accessions thereto and any rebate/award program (or similar incentive programs) to which Franchisee may be entitled pursuant to this Agreement, as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto).

18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:

- 18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current Caff  Aronne owner, franchisee or licensee;
- 18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's designs, copyrighted material, or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests an association with Franchisor, Licensor, or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms, and any other articles, which display the Marks;
- 18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;
- 18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by Franchisee and located at the Franchised Business location at the time of default;
- 18.1.5 pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;
- 18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, designs, completed project signs, all confidential, proprietary and copyrighted material and

all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19; and

18.1.8 in the event this Agreement is terminated due to Franchisee's default, pay Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to the average monthly Royalty Fee and Brand Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months) multiplied by the lesser of twenty-four (24) months or the number of months remaining in the term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2 Right to Purchase.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee the café kiosk and any or all of the equipment (including any point-of-sale system), signs, fixtures, advertising materials, supplies, vehicle, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the options described in Sections 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1 Operations Manual.

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic, or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principals, if any, shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms, and conditions under which it is permitted to use Franchisor's intellectual, proprietary, and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principals, and any person working

with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces, or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee. The replacement fee as of the date of this Agreement is One Hundred Dollars (\$100.00).

19.2 Confidential Information. Franchisee along with its Principals acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, formulas, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential

Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

- 19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.
- 19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, design, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, design or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.
- 19.5 Noncompetition Covenants. Franchisee and each Principal, if any, specifically acknowledge that, pursuant to this Agreement, Franchisee, and each Principal, will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's managers and employees. Franchisee and each Principal, if any, acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal, if any, are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal, if any, covenant that, except as otherwise approved in writing by Franchisor:

- 19.5.1 During the term of this Agreement, Franchisee and each Principal, if any, shall not, either directly or indirectly, for themselves or through, on behalf of, or in

conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any restaurant or eatery business that derives the majority of its revenue from coffee and coffee-based beverages (“Competitive Business”); (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Caff  Aronne franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals, if any, shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any Competitive Business within ten (10) miles of the Territory or any Caff  Aronne location; (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Caff  Aronne franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal, if any, acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principals, if any, since Franchisee or Principals, as the case may be, have other considerable skills, experience and education which afford Franchisee or Principals, as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee’s consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunctive Relief. Franchisee and each Principal, if any, acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal, if any, hereby consents to the

entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9 No Defense. Franchisee and each Principal, if any, expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 9 as revised and updated from time to time and contained in the Manual.

20. DISPUTE RESOLUTION

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 Mediation. At Franchisor's option, any claim, controversy, or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy, or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy, or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3. Arbitration.

20.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 20.4, any dispute between Franchisor and Franchisee and/or any Principal arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal

or otherwise voidable or void, which has not been resolved in accordance with Sections 20.1 or 20.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

20.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 20 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) and the federal common law of arbitration. All hearings and other proceedings will take place in Miami-Dade County, Florida, or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Franchisee is then located.

20.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly-noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Franchisee, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

20.3.4 The provisions of this Section 20.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

20.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

20.3.6 Except as expressly required by law, Franchisor, Franchisee and any Principal shall keep all aspects of any mediation and/or arbitration proceeding in confidence, and shall not disclose any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

20.4 Exceptions. Notwithstanding the requirements of Sections 20.2 or 20.3, the following claims shall not be subject to mediation or arbitration:

20.4.1 Franchisor's claims for injunctive or other extraordinary relief;

20.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

20.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks;

20.4.4 disputes and controversies relating to actions to obtain possession of the premises of the Franchised Business; and

20.4.5 enforcement of Franchisee's post-termination obligations, including but not limited to, Franchisee's non-competition covenants.

FRANCHISEE IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, SUBMITTED TO COURT PURSUANT TO THIS SECTION 20.4 OR OTHERWISE, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

20.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of Florida. Any claims, controversies, disputes, or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Florida. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Florida. Franchisee and its Principals, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.6 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principals, if any, and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.7 Waiver of Certain Damages. Franchisee and each Principal, if any, hereby waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principals, if any, agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

- 20.8 Limitations of Claims. Any and all claims by Franchisee arising out of or relating to this Agreement or the relationship among the parties will be barred unless Franchisee institutes a proceeding for relief within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.
- 20.9 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL

21.1 Relationship of the Parties.

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

- 21.1.3 Franchisee's Employees. Franchisee acknowledges and agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a Caff  Aronne outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.
- 21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals, if any, in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.
- 21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.
- 21.4 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.
- 21.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed, and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Franchisee, if more than one person is so named.

- 21.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.
- 21.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.
- 21.8 Effect of Waivers. No waiver, delay, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than at the Franchised Business location shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Franchised Business location.
- 21.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights pursuant to Article 17 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement.
- 21.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.
- 21.11 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

Signature Page to Follow

The parties hereto have executed this Franchise Agreement on the day and year first above written.

FRANCHISOR:

Dahan Hospitality Group LLC

By:_____

(Print Name, Title)

FRANCHISEE:

By:_____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ATTACHMENT 1
MARKS

CAFFÉ ARONNE

ATTACHMENT 2

**TERRITORY DESCRIPTION AND
FRANCHISED BUSINESS LOCATION**

Territory:

Franchised Business Address:

ATTACHMENT 3
GENERAL RELEASE

_____ (“Franchisee”) and its principal(s):

(a) Franchisee and Franchisee’s Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the “Released Franchisor Party”), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee’s Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee’s Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee’s Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys’ fees and costs.

(b) Franchisee and Franchisee’s Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee’s Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee’s Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys’ fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

(c) THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.

(d) Franchisee and Franchisee’s Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this General Release is executed without reliance on any statements or any representations not contained herein. Franchisee and Franchisee’s Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee's Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.

Executed as of _____, 20__.

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ATTACHMENT 4
AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **Dahan Hospitality Group LLC**

I (We) hereby authorize Dahan Hospitality, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name: _____ Branch: _____

City: _____ State: _____ Zip: _____ Phone: _____

ACH/Routing Number: _____ Account Number: _____
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

Print Franchisee / Account Holder Name

Print Franchisee/Co-Account Holder Name

Franchisee/ Account Holder Signature-Date

Franchisee/Co-Account Holder Signature-Date

Daytime Phone Number

Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to:
DAHAN HOSPITALITY GROUP LLC
7901 4th Street N # 19171
St. Petersburg, Florida 33702

ATTACHMENT 5
CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _____ ("Assignor") hereby assigns and transfers to Dahan Hospitality, LLC, a Florida limited liability company with a notice address of 7901 4th Street N # 19171, St. Petersburg, Florida 33702 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as _____. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and Assignor's interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of Assignor's interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Caff  Aronne outlet between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place, and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

DATED: _____

DATED: _____

CONSENT AND AGREEMENT OF LANDLORD

to that Conditional Assignment of Lease from _____ (Assignor) to
Dahan Hospitality Group LLC (Assignee) dated _____ for the property known as ____
_____.

The undersigned Landlord under the aforescribed Lease further hereby:

- (A) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
- (B) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;
- (C) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;
- (D) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.
- (E) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to re-identify the Premises as a Caffè Aronne outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: _____

LANDLORD:

ATTACHMENT 6
STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name

Percentage of Ownership

ATTACHMENT 7
INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE
LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT (the “Agreement”) is made and entered into this day of _____ (the “Effective Date”) by and between Dahan Hospitality Group LLC, a Florida limited liability company (the “Franchisor”), and _____, a(n) _____, with its principal place of business located at _____ and _____’s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ (“Principal(s)”). _____ and Principal(s) shall be collectively referred to in this Agreement as the “Franchisee”.

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a Caff  Aronne business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the Caff  Aronne brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

1. Definitions

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. Internet Advertising and Telephone Accounts

2.1 Interest in Web Sites, Social Media Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, and the right to hyperlink to certain web sites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Internet Web Sites, Social Media Accounts, and other Listings: (i) to transfer all of Franchisee’s Interest in such Internet Web Sites, Social Media Accounts and other Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites, Social Media Accounts and other Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites, Social Media Accounts and other Listings or will take such other actions with respect to the Internet Web Sites, Social Media Accounts and other Listings as Franchisor directs; and

direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee’s Interest in and to the Internet Web Sites, Social Media Accounts and/or other Listings to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Internet Web Sites, Social Media Accounts and/or other Listings;

2.4.2 Direct the Telephone Companies to transfer all Franchisee’s Interest in and to the Telephone Numbers and Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee’s Interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's Interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. Miscellaneous

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs, and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and exhibits, attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Florida, without regard to the application of Florida conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE

FRANCHISOR:

Dahan Hospitality Group LLC

By:_____

Name:_____

Title:_____

By:_____

Name:_____

Title:_____

ATTACHMENT 8 GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on _____, (the “Effective Date”) to Dahan Hospitality Group LLC, a Florida limited liability company (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchise Agreement”) with _____, a(n) _____, _____ and _____ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers, and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

Print Name: _____

ATTACHMENT 9
CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this _____ day of _____, by _____, a(n) _____ (“Franchisee”), a franchisee of Dahan Hospitality Group LLC, a Florida limited liability company (“Franchisor”), and _____, an individual (“Covenantor”) in connection with an Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____, 20____ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark “Caffé Aronne” and design mark, and certain proprietary products, services, promotions and methods (the “System”) for the establishment and operation of Franchised Business outlets;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Caffé Aronne operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as “Confidential Information”);

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

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

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor’s express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Caff  Aronne outlet or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise, and/or

(ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any restaurant or eatery business that derives the majority of its revenue from coffee and coffee-based beverages ("Competitive Business").

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the Caff  Aronne System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational, or supervisory capacity in any Competitive Business within ten (10) miles of Franchisee's Territory or any Caff  Aronne location.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REFERENCE TO FLORIDA CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF FLORIDA. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY FLORIDA OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN FLORIDA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

If directed to Covenantor:

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor’s obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors, and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

By: _____

Name: _____

Title: _____

COVENANTOR:

Name: _____

EXHIBIT C

Financial Statements

Dahan Hospitality Group, LLC

(A Florida Limited Liability Company)

**Financial Statements with Report of Independent Auditors
December 31, 2023**

Table of Contents

Report of Independent Auditors.....	Page 1
Financial Statements.....	Page 3
Notes to the Financial Statements.....	Page 7

Report of Independent Auditors

To the Member(s) of
Dahan Hospitality Group, LLC;

Opinion

We have audited the accompanying financial statements of Dahan Hospitality Group, LLC, (the Company), a Florida limited liability company, which comprise the balance sheet as of December 31, 2023, and the related statements of operations, equity, and cashflows for period from January 1, 2023, through December 31, 2023, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 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 (GAAS). 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 the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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.

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 the Company's ability to continue as a going concern for one year after March 13, 2024.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

DA Advisory Group PLLC

Troy, MI
March 13, 2024

Dahan Hospitality Group, LLC
(A Florida Limited Liability Company)
BALANCE SHEET
As of December 31, 2023

12/31/2023

ASSETS

Current assets

Cash and cash equivalents	\$ 30,000
Total current assets	<u>30,000</u>

LIABILITIES AND MEMBERS' EQUITY

Contributed capital	<u>30,000</u>
Members' equity	<u>30,000</u>
Total liabilities and members' equity	<u>\$ 30,000</u>

The accompanying notes are an integral part of the financial statements.

Dahan Hospitality Group, LLC
(A Florida Limited Liability Company)
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2023

	12/31/2023
INCOME	
Franchise income	\$ -
Total income	-
OPERATING EXPENSES	
Operating expenses	-
Total operating expenses	-
Net income (loss)	\$ -

The accompanying notes are an integral part of the financial statements.

Dahan Hospitality Group, LLC
(A Florida Limited Liability Company)
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2023

	12/31/2023
BALANCE, January 1, 2023	\$ -
Contributions	30,000
Distributions	-
Net income (loss)	<u>-</u>
BALANCE, December 31, 2023	<u><u>\$ 30,000</u></u>

The accompanying notes are an integral part of the financial statements.

Dahan Hospitality Group, LLC
(A Florida Limited Liability Company)
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	12/31/2023
CASH FLOWS FROM FINANCING ACTIVITIES	
Contributed capital	<u>\$ 30,000</u>
Net cash (used in) provided by financing activities	30,000
 Net change in cash and cash equivalents	 30,000
 Cash and cash equivalents at beginning of year	 <u>\$ -</u>
 Cash and cash equivalents at end of year	 <u><u>\$ 30,000</u></u>

The accompanying notes are an integral part of the financial statements.

Dahan Hospitality Group, LLC
(A Florida Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
December 31, 2023

1. Organization

Dahan Hospitality Group, LLC ("The Company") was organized on January 26, 2022, in the State of Florida. As a franchisor, the Company is subject to all the laws, rules, and regulations of each state of where there is operational activity.

The principal purpose of the Company is to offer and sell franchisees opportunities in the coffee-shop space.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. As of December 31, 2023, the cash balance was \$30,000 and did not exceed the insured limit.

Fair value of financial instruments

The Company's financial instruments consist of cash, contracts receivable, accounts payable, accrued expenses, and other short-term assets and liabilities. These financial instruments approximate their fair values principally because of the short-term maturities of these instruments.

Revenue recognition policy

The Company derives its revenues primarily from awarding new franchisees and supporting those franchisees. Revenues are recognized when control of these products or services is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products and services.

Performance obligations

For performance obligations related to the sale of franchise services, control transfers to the customer at a point in time. The Company's principal terms of sale are upon delivery of the services, as incurred.

Dahan Hospitality Group, LLC
(A Florida Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
December 31, 2023

2. Summary of significant accounting policies and nature of operations (continued)

Franchise agreements

The Company began offering franchises in 2023 and has 0 franchisees as of December 31, 2023. The Company enters into long-term agreements with its franchisees. The Company's franchise agreements require the Company to provide various items to the franchisees, including, but not limited to marketing and operational support.

Federal income taxes

For tax purposes, the Company is treated as a flow-through entity for all its taxable years. These types of taxable entities are not subject to corporate income tax. Therefore, no provision or liability for income taxes has been included in these financial statements.

3. Subsequent events

Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Dahan Hospitality Group, LLC through March 13, 2024 (the date the financial statements were available to be issued) and concluded no events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

EXHIBIT D

Table of Contents Caffé Aronne Operations Manual



OPERATIONS MANUAL

TABLE OF CONTENTS

Operations Manual - Table of Contents

Introduction to the Caffè Aronne Franchise Operations Manual	1
Confidentiality of the Operations Manual	2
Nondisclosure Agreement	3

SECTION 1: INTRODUCTION

4-17

- 1.1 Welcome Letter
- 1.2 The History of Caffè Aronne
- 1.3 The Culture, Mission and Vision of Caffè Aronne
- 1.4 Franchisee/Franchisor Relationship
- 1.5 Training
 - 1.5.1 Scheduling Initial Training
 - 1.5.2 Training Outline
- 1.6 Pre-Opening Checklist

SECTION 2: ESTABLISHING THE BUSINESS

18-33

- 2.1 Business Overview
 - 2.1.1 Business Structure
 - 2.1.2 Overview of Entity Choices
 - 2.1.3 Naming Your Entity
 - 2.1.4 Employer Identification Number
 - 2.1.5 Setting up Banking Relationships
- 2.2 Site Selection Process
 - 2.2.1 Site Selection Criteria
 - 2.2.2 Seeking Approval for Proposed Site(s)
 - 2.2.3 Letter of Intent
 - 2.2.4 Lease Considerations
 - 2.2.5 Hiring a Real Estate Attorney
 - 2.2.6 Lease Negotiation and Approval
- 2.3 Licenses, Permits and Taxes
 - 2.3.1 Introduction
 - 2.3.2 Business Licenses and Permits
 - 2.3.3 Tax Registrations and Payments
 - 2.3.4 State Information Web Sites
- 2.4 Setting Up Your Caffè Aronne Espresso Bar
 - 2.4.1 Building Out the Espresso Bar
 - 2.4.2 Ordering the Vehicle



OPERATIONS MANUAL

TABLE OF CONTENTS

- 2.4.3 Construction Specifications
- 2.4.4 Required Furnishings, Fixtures and Equipment
- 2.4.5 Utilities/Services
- 2.5 Initial Inventory and Supplies
 - 2.5.1 Required Items
 - 2.5.2 List of Approved Suppliers
- 2.6 Insurance Coverage
 - 2.6.1 General Insurance Requirements
 - 2.6.2 Minimum Coverage Amounts

SECTION 3: PERSONNEL

56

34-

- 3.1 Introduction
- 3.2 Employment Law Basics
 - 3.2.1 Employee Rights / Employer Responsibilities
 - 3.2.2 Federal Regulations on Employment Relationships
 - 3.2.3 State Employment Laws
 - 3.2.4 OSHA
- 3.3 Job Descriptions
 - 3.3.1 Job Responsibilities
- 3.4 Recruiting Employees
 - 3.4.1 Sources of Employee Candidates
 - 3.4.2 Job Advertisements
- 3.5 Job Applications
 - 3.5.1 Application Form
 - 3.5.2 Confidentiality of Applications
- 3.6 Interviewing Job Applicants
 - 3.6.1 Preparing for Interviews
 - 3.6.2 Conducting Successful Interviews
 - 3.6.3 Questions to Avoid
- 3.7 New Employee Paperwork
- 3.8 New Employee Orientation
- 3.9 New Employee Training Guides
- 3.10 Personnel Policies
- 3.11 Employee Scheduling
- 3.12 Performance Evaluations
- 3.13 Terminating Employees

SECTION 4: MARKETING THE BUSINESS

57-78



OPERATIONS MANUAL

TABLE OF CONTENTS

- 4.1 Promoting the Business in Your Area
 - 4.1.1 Your General Obligations
 - 4.1.2 Educating the Public
 - 4.1.3 Guidelines for Using Logos and Marks
 - 4.1.4 Marketing Standards
 - 4.1.5 Website and Web Design
- 4.2 Logo Specifications
 - 4.2.1 Logo Design
 - 4.2.2 Brand Standards
 - 4.2.3 Menus
 - 4.2.4 Electronic Media Communications
- 4.3 Obtaining Marketing Approval
- 4.4 Required Marketing Expenditures
 - 4.4.1 System Marketing
 - 4.4.2 Local Marketing Requirements
- 4.5 Local Marketing
 - 4.5.1 Planning and Budgeting
 - 4.5.2 Internet Advertising
 - 4.5.3 Social Media
 - 4.5.4 Guerilla Marketing
 - 4.5.5 POP Signs
 - 4.5.6 E-mail and Text Marketing
 - 4.5.7 Billboards, Posters and Outdoor Media
 - 4.5.8 Direct Mail
 - 4.5.9 Print
- 4.6 Public Relations and Community Involvement
 - 4.6.1 Press Releases
 - 4.6.2 Community Building
 - 4.6.3 Associations and Business Networking
 - 4.6.4 Grand Opening

SECTION 5: OPERATING PROCEDURES

112

79-

- 5.1 Introduction
- 5.2 Hours of Operations
- 5.3 The Importance of Customer Satisfaction
 - 5.3.1 The Customer Experience
 - 5.3.2 Handling Customer Complaints
- 5.4 Daily Procedures



OPERATIONS MANUAL

TABLE OF CONTENTS

5.4.1 Opening Procedures	
5.4.2 Side Work	
5.4.3 Closing Procedures	
5.5 POS System	
5.5.1 Introduction	
5.5.2 Accepting Payment	
5.5.3 Loyalty Programs, Coupons and Discounts	
5.5.4 Gift Cards	
5.6 Product Presentation and Packaging Procedures	
5.6.1 Approved Menu Items	
5.6.2 Beverage and Food Preparation	
5.6.3 Takeout/Delivery	
5.6.4 Catering	
5.6.5 Job Aid Postings	
5.7 Cleaning, Sanitation and Maintenance Guidelines	
5.7.1 Back of House	
5.7.2 Counter Area	
5.7.3 Vehicle	
5.7.4 Prep and Storage Areas	
5.7.5 Restrooms	
5.7.6 General Facility	
5.8 Financial Management	
5.8.1 Revenue Reports	
5.8.2 Banking Procedures	
5.8.3 Bookkeeping and Accounting	
5.9 Safety and Security Procedures	
5.10 Franchise Fees and Reporting Requirements	
5.10.1 Royalty Fee	
5.10.2 Brand Development Fee	
5.10.3 Other Fees	
5.10.4 Required Reporting	
5.10.5 Financial Statements	
5.10.6 Sample Chart of Accounts	

EXHIBITS

126-140

EXHIBIT E

OUTLETS AS OF December 31, 2023

Franchised Outlets: NONE

Franchise Agreements Signed but Outlets Not Yet Opened: NONE

EXHIBIT F

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. 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 DISCLOSURE DOCUMENT.
2. 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.

3. Item 3 is amended to add:

Neither Franchisor nor any person described in Item 2 of the 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 17 is amended to state:
 - (a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).
 - (b) 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.
 - (c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.
 - (d) The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, Florida, 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 states below:

State	Effective Date
California	

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.

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF DAHAN HOSPITALITY GROUP LLC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Dahan Hospitality Group LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Florida requires you to receive this Franchise 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 a consideration that relates to the franchise relationship.

If Dahan Hospitality Group 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Aaron Dahan 7901 4th Street N # 19171 St. Petersburg, Florida 33702 646-583-1400		
---	--	--

Issuance Date: April 1, 2024, amended May 20, 2024

I received a Disclosure Document dated April 1, 2024, amended May 20, 2024, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with Attachments 1-9
EXHIBIT C: Financial Statements of Dahan Hospitality Group LLC
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Outlets as of the date of this Disclosure Document
EXHIBIT F: State Addenda
Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

Please return signed receipt to Dahan Hospitality Group LLC,
7901 4th Street N # 19171, St. Petersburg, Florida 33702

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF DAHAN HOSPITALITY GROUP LLC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Dahan Hospitality Group LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Florida requires you to receive this Franchise 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 a consideration that relates to the franchise relationship.

If Dahan Hospitality Group 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Aaron Dahan 7901 4th Street N # 19171, St. Petersburg, Florida 33702 646-583-1400		
--	--	--

Issuance Date: April 1, 2024, amended May 20, 2024

I received a Disclosure Document dated April 1, 2024, amended May 20, 2024, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with Attachments 1-9
EXHIBIT C: Financial Statements of Dahan Hospitality Group LLC
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Outlets as of the date of this Disclosure Document
EXHIBIT F: State Addenda
Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

KEEP FOR YOUR RECORDS