

FRANCHISE DISCLOSURE DOCUMENT



TKK FRANCHISING LLC
a New York Limited Liability Company
589 8th Ave., 17th Floor
New York, NY 10018
1-855-538-9888
info@tkkusa.com
www.tkkusa.com

We offer you a franchise to operate a TKK Fried Chicken business, which is a quick-service restaurant specializing in Asian style crispy fried chicken and sweet potato fries. We also offer a multi-unit franchise under which you agree to open and operate a specified number of TKK Fried Chicken restaurants over an agreed period of time within an agreed geographic area.

The total investment necessary to begin operation of a franchised TKK Fried Chicken business is \$375,000 to \$698,000 for a standard TKK Fried Chicken restaurant, \$272,500 to \$356,500 for a non-traditional unit, and \$192,000 to \$238,500 for a TKK Express franchise. This includes \$60,000 to \$65,000 that you must pay to us or our affiliate for a standard unit, \$42,500 for a non-traditional unit, and \$30,000 to \$32,500 for a TKK Express unit.

The multi-unit agreement must cover at least three single unit franchises. If you sign a multi-unit agreement covering three units, your total initial investment will be \$425,000 to \$748,000 if your first franchise under the agreement is a standard unit, \$322,500 to \$406,500 if your first franchise is a non-traditional unit, and \$242,000 to \$288,500 if your first unit is a TKK Express unit. This includes \$110,000 to \$115,000 that you must pay to us or our affiliate if your first franchise under the multi-unit agreement is a standard unit, \$92,500 if your first franchise is a non-traditional unit, and \$80,000 to \$82,500 if your first franchise is a TKK Express unit. If you sign an agreement for more than three units, you will pay us or our affiliate an additional \$12,500 for each unit you agree to develop after your third unit, and this amount will be added to your total initial investment.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Darren Chen at TKK Franchising LLC, 589 8th Ave., 17th Floor, New York, NY 10018, telephone 1-855-538-9888

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

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

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

Issuance date: April 25, 2024

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit agreement require you to resolve disputes with the franchisor by litigation only in New York. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in New York than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Supplier Control: You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.**

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

No other affiliates offer franchises in any line of business or provide products or services to our franchisees. Neither we nor any predecessor or affiliate other than KF Tea Franchising LLC offers or has offered franchises in other lines of business.

The Franchise

The first TTK Fried Chicken restaurant opened in Taipei City, Taiwan, in 1974. Today, there are approximately 70 TTK Fried Chicken restaurants in Taiwan and 6 in China.

We offer the right to own and operate a TTK Fried Chicken restaurant at a location that you choose and we approve. Each TTK Fried Chicken restaurant offers Asian style super crispy fried chicken, our signature sweet potato fries, and soft drinks. All of the chicken and other items sold at TTK Fried Chicken restaurants are prepared in accordance with our recipes using our ingredients and other specified or authorized ingredients, and using equipment we supply or specify. You may also offer take-out and delivery service from the restaurant.

We offer two types of TTK Fried Chicken franchises in addition to our standard unit offering. We call one the “non-traditional” unit. A non-traditional unit is one located in an airport, hotel or resort, military installation, school or university campus, train station, subway station, casino, theme park, sports stadium, enclosed shopping mall or similar location that we designate as a non-traditional unit.

In addition, we offer the “TKK Express” unit, which has a more limited menu and requires less equipment than a standard unit and less of an initial investment.

The terms of the franchise are contained in our franchise agreement, a form of which is attached to this disclosure document as Exhibit F2. The franchise agreement gives you the right to operate a single TTK Fried Chicken restaurant. The agreement includes your grant to us of a security interest in the assets of the franchised business to secure payment of your obligations to us.

In addition to single-concept TTK Fried Chicken locations, we offer dual branding with Kung Fu Tea shops. Dual-branded franchised businesses must sign franchise agreements and dual concept addenda with us and with our affiliate, KF Tea Franchising LLC, which offers Kung Fu Tea franchises using a separate franchise disclosure document.

We also offer a multi-unit franchise granting you a defined geographic area within which you agree to open and operate a specified number of TTK Fried Chicken restaurants within a specified period of time. If you participate in this program, you will sign a multi-unit agreement in the form attached in Exhibit F7, which will describe your development area and your development schedule and other obligations. The minimum number of restaurant franchises you must open and operate under a multi-unit agreement is three. For each TTK Fried Chicken restaurant you open under the multi-unit agreement, you will sign a separate franchise agreement promptly after we approve the site for the restaurant. Each franchise agreement after your first agreement will be the then-current version, which may be different from the form of franchise agreement in this offering.

~~———— If you are a Kung Fu Tea franchisee in the U.S., you qualify for a special offer. Each Kung Fu Tea franchisee that signs a TTK Fried Chicken franchise agreement will pay a reduced initial fee of \$25,000 for a standard unit instead of \$37,500. (See Item 5.)~~

The Market and the Competition

The quick-service restaurant (QSR) market is well-established and highly competitive. Consumers want taste, price and quality. ~~Other competitive factors include name identification, site location, quality and~~

~~speed of service, consistency and attractiveness of the facilities.~~ You will compete with other quick-service restaurants located near your franchised TTK Fried Chicken restaurant. They include local companies and regional, national and international chains. TTK Fried Chicken restaurants are open for business all year round. They serve people of all ages.

Laws and Regulations

You must comply with all federal, state and local laws and regulations applicable to the operation of your franchised business. These include laws affecting businesses generally, such as:

- business licensing requirements, zoning, permitting and other requirements for the location, construction of the premises of your business, including access by persons with disabilities;
- tax laws, employment and workers' compensation laws;
- laws protecting the health, safety and welfare of your employees and customers, such as laws governing food preparation, handling and service, and sanitary conditions; laws requiring the public posting of nutritional information; restrictions on smoking; and regulations dealing with fire safety and design, maintenance and operation; and
- laws that regulate advertising.

There may be other laws applicable to your business. ~~You should consult with your attorney about applicable laws in your area before you sign any binding document or make any investment in the franchise.~~ These laws vary from one location to another and can change over time. The procedures and the difficulty and cost of obtaining the required licenses and of complying with the applicable laws vary greatly from area to area.

Item 2

BUSINESS EXPERIENCE

Manager and CFO – Hung-Jen (Allen) Wang

Allen Wang has been Manager and the Chief Financial Officer of TTK Franchising LLC since it was formed September 20, 2018, and of TTK USA Inc. since it was formed July 7, 2017. Mr. Wang has also been Manager and the Chief Financial Officer of KF Tea Franchising LLC since April 30, 2013. He has been the President of KF Tea USA Inc. since August 31, 2010. He is also the Controller of Arms Global Inc., a position he has held since August 31, 2010; and he is the President of Recolte LLC, a position he has held since January 8, 2016. He works in New York, NY.

Manager and Chief Marketing Officer – Jui (Ray) Chiu

Ray Chiu has been Manager and the Chief Marketing Officer of TTK Franchising LLC since it was formed September 20, 2018, and of TTK USA Inc. since it was formed July 7, 2017. Mr. Chiu has also been Manager and the Chief Marketing Officer of KF Tea Franchising LLC since April 30, 2013. He has also been Vice President of KF Tea USA Inc. since May 1, 2010, and of Arms Global Inc. since October 30, 2009. He works in New York, NY.

Manager and Chief Sales Officer – Wen-Chi (Sean) Lee

Sean Lee has been Manager and Chief Sales Officer at TTK Franchising LLC, KF Tea Franchising LLC and Yasubee Franchising LLC since April 2024. From September 2018, when TTK Franchising LLC was formed, until March 2024, he was Manager in charge of research, product development and quality

Item 9

FRANCHISEE'S OBLIGATIONS

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

<i>Obligation</i>	<i>Sections in the Franchise Agreement (“FA”) and the Multi-Unit Agreement (“MUA”)</i>	<i>Disclosure Document Item</i>
a. Site selection and acquisition/lease	<u>FA: Sections 1.2.1 through 1.2.4</u> <u>MUA: Not applicable</u>	Items 11 and 12
b. Pre-opening purchases/leases	<u>FA: Sections 1.2.5, 1.2.6, 1.3 and 1.7.1</u> <u>MUA: Not applicable</u>	Items 7, 8 and 11
c. Site development and other pre-opening requirements	<u>FA: Sections 1.2 and 1.3</u> <u>MUA: Not applicable</u>	Item 11
d. Initial and ongoing training	<u>FA: Section 1.5</u> <u>MUA: Not applicable</u>	Item 11
e. Opening	<u>FA: Sections 1.2.9 and 1.2.10 and 1.5.4</u> <u>MUA: Section 1.2 and Schedule B</u>	Item 11
f. Fees	<u>FA: Section 2.1</u> <u>MUA: Article II</u>	Items 5 and 6
g. Compliance with standards and policies/operating manual	<u>FA: Sections 1.2 through 1.7</u> <u>MUA: Not applicable</u>	Items 8, 11 and 16
h. Trademarks and proprietary information	<u>FA: Sections 3.1 and 3.2</u> <u>MUA: Sections 1.6, 1.8.4 and 3.1</u>	Items 13 and 14
i. Restrictions on products/services offered	<u>FA: Sections 1.1.4, 1.3 and 1.6.1</u> <u>MUA: Not applicable</u>	Item 16
j. Warranty and customer service requirements	<u>FA: Section 1.6.2</u> <u>MUA: Not applicable</u>	Item 11
k. Territorial development and sales quotas	<u>FA: Not applicable</u> <u>MUA: Section 1.2 and Schedule B</u>	Item 12

Obligation	Sections in the Franchise Agreement (“FA”) and the Multi-Unit Agreement (“MUA”)	Disclosure Document Item
l. Ongoing product/service purchases	<u>FA: Section 1.3</u> <u>MUA: Not applicable</u>	Item 8
m. Maintenance, appearance and remodeling requirements	<u>FA: Sections 1.2.5, 1.6.6, 1.6.7 and 1.6.8</u> <u>MUA: Not applicable</u>	Item 11
n. Insurance	<u>FA: Section 6.3</u> <u>MUA: Not applicable</u>	Items 7 and 8
o. Advertising	<u>FA: Section 1.7</u> <u>MUA: Not applicable</u>	Items 7 and 11
p. Indemnification	<u>FA: Sections 4.2.9 and 6.2</u> <u>MUA: Sections 4.2.7 and 6.2</u>	Item 13
q. Owner's participation / management / staffing	<u>FA: Sections 1.5 and 5.2.2.6</u> <u>MUA: 6.1.5 and Schedule C</u>	Items 11 and 15
r. Records and reports	<u>FA: Sections 2.1.9 and 2.2</u> <u>MUA: Not applicable</u>	Item 11
s. Inspections and audits	<u>FA: Sections 1.6.15 and 2.2</u> <u>MUA: Not applicable</u>	Item 11
t. Transfer	<u>FA: Article IV</u> <u>MUA: Article IV</u>	Item 17
u. Renewal	<u>FA: Section 5.1.2</u> <u>MUA: Section 5.1</u>	Item 17
v. Post-termination obligations	<u>FA: Sections 3.2, 3.3.3, 5.3 and 5.4</u> <u>MUA: Sections 3.1.2 and 3.2.3</u>	Item 17
w. Non-competition covenants	<u>FA: Section 3.3</u> <u>MUA: Section 3.2</u>	Items 16 and 17
x. Dispute resolution	<u>FA: Article VII</u> <u>MUA: Article VII</u>	Item 17

Obligation	Sections in the Franchise Agreement (“FA”) and the Multi-Unit Agreement (“MUA”)	Disclosure Document Item
y. Other: Personal Guaranty	<u>FA: Section 1.1.7</u> <u>MUA: Not applicable</u>	Item 15

Item 10

FINANCING

We do not offer direct or indirect financing. We do not guaranty your lease or any other obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before Opening

Before you open your franchised business, we will provide the following assistance:

1. We review site proposals you submit to us and approve, reject or provide comments to you regarding each proposal. We do not own locations and lease them to franchisees. But we may assign our own lease of a location to you or sublease the space to you. We review the proposed lease to be sure that it allows us certain rights in the event of your default. (Franchise Agreement, Sections 1.2.1 and 1.2.2.)
2. We provide you with a design package, including a sample layout for the interior of a typical TKK Fried Chicken restaurant with a set of typical preliminary plans and equipment and décor specifications. (Franchise Agreement, Section 1.2.7.) We may require you to use specific suppliers for the floor plan and three-dimensional rendering of your franchised restaurant. We review, comment on and approve your final plans and specifications when they are satisfactory to us, and we consult with you on the construction and equipping of the franchised restaurant. You are responsible for construction and conforming the premises to local ordinances and building codes, and for obtaining required permits. We make a final inspection of the franchised restaurant after you complete its construction. We may require any corrections and modifications we deem necessary to bring the franchised restaurant into compliance with accepted plans, equipment, designs and specifications.
3. We give you access to our confidential operations manual and supplementary materials, which we revise periodically. (Franchise Agreement, Section 1.4.1.) The manual remains our property. As of the date of this disclosure document, the manual contains approximately 40 pages. We may modify the manual from time to time, but the modifications will not alter your status and rights under the franchise agreement. The table of contents of the manual is attached to this disclosure document as Exhibit E.
4. Our affiliate, Arms Global, Inc., provides you with your initial supply of breading, seasoning, frying powders and marinating sauce for the fried chicken, as well as our special wrap mix, cups, and other items we specify. You will purchase these items at a cost of \$10,000 to \$15,000 for a standard

unit and \$5,000 for a non-traditional or TKK Express unit. We provide to you a list of our mandatory and suggested specifications for equipment, signs, fixtures, furnishings, opening inventory and approved products, equipment and suppliers of a range of other items, as described in Item 8. (Franchise Agreement, Sections 1.2 and 1.3.) These items will be supplied either by us or by Arms Global, Inc. or by other suppliers we specify or approve.

5. We provide an initial two-week training program for your managing owner and a second person, as explained below in this Item 11. We charge a \$10,000 fee for this training for two people. If you are required or wish to have additional personnel trained at a later time, we may charge our fees, currently \$180 per day per person, plus reimbursement for our expenses. (Franchise Agreement, Section 1.5.3)
6. We provide approximately two weeks (80 hours) of on-site pre-opening and opening training, supervision and assistance at your franchised TKK Fried Chicken restaurant. (Franchise Agreement, Section 1.5.4.)
7. We approve or provide you with advertising and promotional guidelines and materials for your public relations and advertising. (Franchise Agreement, Sections 1.7.2 and 1.7.3.)
8. We provide such other assistance and support as we may deem necessary or desirable to assist you with the launch of your TKK Fried Chicken franchised business.

During Operation

During the operation of the franchised business, we will provide the following assistance:

1. We amend and revise the manual periodically. (Franchise Agreement, Section 1.4.2.)
2. We provide refresher courses from time to time. We do not charge for refresher courses that we require your personnel to attend, but you must pay the travel and living expenses and the salaries of your personnel. We also provide training for additional and replacement managers and other employees who have not completed the initial training program, at your expense. (Franchise Agreement, Section 1.5.5.)
3. We conduct operational reviews and other quality control measures to ensure compliance with our standards and to recommend improvements. (Franchise Agreement, Sections 1.6.15 and 1.6.16.)
4. We provide standards and lists of approved suppliers and distributors for your use in the acquisition of equipment, inventory, materials, supplies and furnishings for your franchised restaurant. (Franchise Agreement, Section 1.3.)
5. We create, develop, and place advertising and promotional programs designed to promote and enhance all TKK Fried Chicken restaurant businesses and, if we deem necessary, test marketing and market research activities, for the benefit of the TKK Fried Chicken franchise system. We will administer the marketing fund, and cooperatives if they are formed, as described below. We coordinate a customer loyalty program using the LevelUp app described below. We will review all advertising materials you submit to us for your use in local advertising. (Franchise Agreement, Section 1.7.)
6. We maintain a website to advertise and promote TKK Fried Chicken restaurant businesses. Your location will be included in a list of TKK Fried Chicken restaurant locations on the TKK Fried Chicken website. (Franchise Agreement, Section 1.8.)

7. Our representatives will be available at all reasonable times to you for consultation by telephone concerning all aspects of operating the franchised business, upon reasonable notice, including the institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a franchised business. We may charge you a reasonable fee for providing on-site assistance at your request. (Franchise Agreement, Section 1.5.8.)
8. We may require you to comply with reasonable and lawful restrictions on prices of specific menu items or goods or services offered and sold by the franchised business as required in the operating manual or as we otherwise reasonably direct in writing from time to time. (Franchise Agreement, Section 1.6.16.)
98. We provide such other assistance and support as we may deem necessary or desirable to assist you in connection with the operation of the franchised business. Operations assistance may consist of advice and guidance in the form of a franchisee newsletter or internet postings on our franchisee website and other updates and written materials.

Advertising

National and Regional Advertising

We require you to pay us a marketing fee in an amount equal to 2% of the gross sales of the franchised business each month during the term of the franchise agreement as a contribution to the marketing fund. (Franchise Agreement, Section 2.1.5.)

We maintain and direct regional advertising and any national advertising we may do in the future, all of which will be financed by the marketing fund. We may establish an entity to operate the marketing fund, but we do not now have such an entity. We will account for any such fund separately from our other funds and we will not use it to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the marketing fund and its programs. (Franchise Agreement, Sections 1.7.4 through 1.7.10.)

The marketing fund may be used to pay the costs of producing video, audio and written advertising materials, administering national and regional advertising and engaging advertising, promotion and advertising agencies to assist us, website development and maintenance, toll-free telephone costs, and supporting public relations, market research and other advertising, promotion and marketing activities. Such advertising may use any form of media, including direct mail, print ads, radio and television. The source of the advertising may be our in-house advertising department or an outside advertising agency. If we or our affiliates provide in-house advertising department services, we or our affiliates may be reasonably compensated from the marketing fund. (Franchise Agreement, Section 1.7.6.)

Any amount of marketing fees that we do not spend in the year they accrue will be carried forward and included in the following year's marketing budget. Contributions to the marketing fund will not be used to sell additional franchises, although we may use materials resulting from such contributions on the system website (discussed below), which may advertise the TKK Fried Chicken franchise opportunity.

Although we will endeavor to use the marketing fund to develop advertising programs and to place advertising that will benefit all franchisees, we cannot ensure that expenditures from the marketing fund in any geographic area are proportionate or equivalent to contributions to the fund by franchisees operating in the geographic area or that your franchised business will benefit directly or in proportion to your

We may also maintain an extranet or portal for TKK Fried Chicken franchisees where we post best practices, resource materials, training materials, financial benchmarking information and other information of value to franchisees. We may also use this portal to give you access to a customized software system for reporting and related operational functions, which we may revise and develop from time to time. (Franchise Agreement, Section 1.8.3.)

We must approve all Internet advertising you do. We will endeavor to approve or disapprove such advertising within 15 days after we receive it from you. (Franchise Agreement, Sections 1.7.3 and 1.7.12.)

Site Selection

You are responsible for selecting the site for your franchised business. You must independently evaluate and investigate the proposed site. (Franchise Agreement, Section 1.2.1 and 1.2.2.) We must approve the site before you enter into lease negotiations. We do not have a time limit for our approval or disapproval of the site. We may take as long as 60 days to approve the site. Our failure to agree with you on a site or to reach agreement in a timely manner can result in your inability to open the restaurant for business within nine months after the date of your franchise agreement, which can result in the termination of your agreement.

The site will be indicated in Schedule A of the franchise agreement. (Franchise Agreement, Section 1.1.3.) In evaluating the site, we may inspect the site and we may consider a variety of factors, including lease obligations, demographic characteristics, traffic patterns, parking, character and attractiveness of the neighborhood, competing outlets and the proximity to other TKK Fried Chicken restaurants.

You will be solely responsible for negotiating and complying with the terms of the lease. We must review the lease before you sign it to ensure that our minimum lease requirements have been met. (Franchise Agreement, Section 1.2.5.) We may condition our approval of the lease upon inclusion in the lease of the lease addendum in the form of Exhibit F4 to this disclosure document. We are not responsible for review of the lease for any terms other than those contained in the lease addendum. ~~You should consult with an attorney who is experienced in reviewing retail leases.~~

We recommend that you sign the lease (or site purchase agreement) shortly after we sign the franchise agreement. You must submit a copy of the signed lease or site purchase agreement to us after both parties sign.

If you sign a multi-unit agreement, we must also approve the site for each future unit you will develop and we will assign the territory for each franchise agreement. We will do so using our then-current standards for sites and territories.

~~You may not relocate your franchised TKK Fried Chicken restaurant without first obtaining our written consent. (Franchise Agreement, Section 1.2.11.) We will consider both the reasons for your requested relocation and the attributes of the proposed new site. Relocation will require a new build-out, renovation to the current standards and design, lease modification, franchise agreement changes and a fee to cover our costs and expenses.~~

Time of Opening

We estimate that the time from the signing of the franchise agreement or the first payment of any amount to us and the opening your franchised business will be approximately six to nine months. This time may be shorter or longer depending on the time necessary to negotiate the lease and obtain financing and the permits and licenses for the construction and operation of the restaurant. This time may also depend on the time required to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules, and other similar factors.

TRAINING PROGRAM

<i>Subject</i>	<i>Hours of Classroom Training</i>	<i>Hours of On-the-Job Training</i>	<i>Location</i>
Industry & products introduction		2	New York City
Customer service		8	New York City
Food preparation		54	New York City
Equipment		3	New York City
Daily operation management		8	New York City
Inventory management		2	New York City
Human resource management		1	New York City
Financial management		2	New York City
Total		80	

We may require that any or all of your managers attend refresher courses, seminars, and other training programs periodically.

Item 12

TERRITORY

Franchise Agreement

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

We do grant you a territory within which we will not establish another TKK Fried Chicken restaurant, whether franchised or company-owned. The size of the territory for standard TKK Fried Chicken unit will be equal to the lesser of: (1) a one-mile radius around the restaurant and (2) a smaller specified radius surrounding the restaurant encompassing a population (residential and workplace combined) of approximately 50,000 people. We may reduce the boundaries of the territory upon notice to you at any time if the population of the territory exceeds 50,000 people.

The territory for a non-traditional unit will be the specific airport, hotel, resort, military installation, school or university campus, train station, subway station, casino, theme park, sports stadium enclosed shopping mall or similar location in which the restaurant is located; or a part of such location, such as a particular airport terminal.

If you purchase a franchise for a standard unit, we also retain the right to establish TKK Fried Chicken restaurants in non-traditional venues within your territory. (Franchise Agreement, Section 1.1.6.2.)

You may not relocate your franchised TKK Fried Chicken restaurant~~the business~~ without first obtaining our written consent. (Franchise Agreement, Section 1.2.11.) We will consider both the reasons for your requested relocation and the attributes of the proposed new site. Relocation will require a new build-out, renovation to the current standards and design, lease modification, franchise agreement changes and a fee to cover our costs and expenses.

You may operate delivery service within your territory or arrange for such service with a third-party service provider such as Uber Eats, Grubhub, Door Dash, Postmates or another delivery service company prescribed or approved by us. You may also offer take-out and catering service to customers in your

territory. Such sales will be included in gross sales for all purposes, including your reports, royalties and advertising fund calculations. You may not market or sell outside of your territory in any manner or do any Internet advertising without our prior written approval, which we may withhold in our discretion. You may promote the business through social media or direct marketing or ~~and~~ similar means, within or outside of your territory, as long as such promotion is consistent with guidelines we issue from time to time.

We retain the right, without payment to you, to sell products under the TTK FRIED CHICKEN trademark to grocery stores, supermarkets and other channels of distribution within your territory at any time, and to customers anywhere, including in your territory, through our website. We do not pay any compensation to you when we solicit or accept orders from within your territory.

In the event that we merge with, acquire or are acquired by another company that competes with us, we and our affiliates reserve the right to offer and sell and authorize others to offer and sell competing products and services under any other names and marks while your franchise agreement is in effect.

You do not receive the right to acquire additional franchises or to establish or operate another TTK Fried Chicken restaurant business unless you enter into a separate franchise agreement or multi-unit agreement with us.

There is no minimum sales quota.

Multi-Unit Franchise

You will also not receive an exclusive territory under the multi-unit agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Under the multi-unit offering, we assign a defined geographic area within which you must develop and operate a specified number of TTK Fried Chicken restaurants (at least three units) within a specified period of time. The development area may be one city, one or more counties, one or more states, or some other defined area. It will be described in Schedule A of your multi-unit agreement. The territory will be large enough to accommodate the number of TTK Fried Chicken restaurants in your development schedule, based on our market studies.

You will sign your first franchise agreement under the multi-unit agreement at the time you sign the multi-unit agreement. For each subsequent TTK Fried Chicken restaurant you will open under the multi-unit agreement you will sign a separate Franchise Agreement in the then-current form. We must approve the site for each future unit you will develop, and we will assign the territory that each franchise agreement will cover. We will evaluate and determine the site and territory for each future unit you develop using our then-current standards for sites and territories.

Under the multi-unit agreement, we will not open or operate a TTK Fried Chicken restaurant in your territory and we will not grant to any other person or entity the right to open or operate a TTK Fried Chicken restaurant in your territory, except that we retain the right to establish TTK Fried Chicken restaurants in non-traditional venues such as airports, hotels and resorts, military installations, school and university campuses, train stations and subway stations, casinos, theme parks, sports stadiums, shopping malls and similar locations that we designate as non-traditional venues, within or outside your territory. (Multi-Unit Agreement, Section 1.8.2.)

We retain certain other rights in your territory as well. We may sell any products under the Marks and any other trademarks to grocery stores, supermarkets and other channels of distribution at any time, and directly to customers anywhere through our website. We also retain the right to acquire and operate any business under a different trademark at any location and to continue to operate that business under

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

<i>Provision</i>	<i>Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")</i>	<i>Summary</i>
a. Length of the franchise term	FA: Section 5.1.1 MUA: Section 5.1	FA: Ten years, or the end date of your lease if it is for a shorter period of time. MUA: Ten years.
b. Renewal or extension of the term	FA: Section 5.1.2 MUA: Section 5.1	FA: Upon expiration of the initial term, you may renew for a term equal to the term of your renewal lease, but not more than ten years. At the expiration of the second ten-year term, you may renew provided we are still offering franchises. MUA: None
c. Requirements for you to renew or extend	FA: Sections 2.1.7.9 and 5.1.2 MUA: Not applicable	FA: Notify us of your desire to renew 12-18 months before the end of the term; repair and update equipment and premises; and sign a new franchise agreement which may contain materially different terms and conditions than your original contract. We may require you to sign a release. You must also pay a renewal fee, which will not exceed the greater of \$10,000 or 25% of the then-current initial franchise fee.
d. Termination by you	FA: Sections 5.2.1 and 5.3.5. MUA: Not applicable	FA: You may terminate upon 90 days' prior notice to us provided that you pay us all amounts you owe to us including liquidated damages. See Provision "i" below. You may also terminate if we materially breach the franchise agreement and fail to cure after notice from you <u>(subject to applicable state law)</u> .
e. Termination by us without cause	FA: Not applicable MUA: Not applicable	

Provision	Sections in the Franchise Agreement (“FA”) and the Multi-Unit Agreement (“MUA”)	Summary
o. Our option to purchase your business	FA: Section 5.4 MUA: Not applicable	FA: On termination or nonrenewal, we may purchase the assets of your business at their fair market value.
p. Your death or disability	FA: Section 4.2.6 MUA: Section 4.2.6	FA: The estate or personal representative must assign the franchise to an approved buyer within 12 months in the event of death, and 6 months in the event of disability. MUA: Same as franchise agreement.
q. Non-competition covenants during the term of the franchise	FA: Section 3.3.2 MUA: Section 3.2.2	FA: No involvement in competing business anywhere in the U.S. or in any other country in which a TKK Fried Chicken restaurant operates <u>(subject to applicable state law)</u> . MUA: Same as franchise agreement.
r. Non-competition covenants after the franchise is terminated or expires	FA : Section 3.3.3 MUA : Section 3.2.3	FA: No competing business for two years (including after assignment) within 5 miles of any TKK Fried Chicken restaurant business at the time the franchise is terminated or expires <u>(subject to applicable state law)</u> . MUA: Same as franchise agreement.
s. Modification of the franchise agreement	FA: Sections 1.4 and 7.14 MUA: Section 7.10	FA: No modifications generally unless signed by the parties, but the manual is subject to change. MUA: No modifications unless signed by the parties.
t. Integration/merger clause	FA: Section 7.14 MUA: Section 7.10	FA: Only the terms of the signed agreements are binding (subject to applicable law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document. MUA: Same as franchise agreement.
u. Dispute resolution by	FA: Not applicable MUA: Not applicable	FA: Neither we nor you are required to endeavor to resolve a dispute by arbitration or mediation <u>(subject to applicable state law)</u> .

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

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit D are the audited balance sheets of TKK Franchising LLC as of December 31, 2023, and 2022, and the related statements of income, members' equity and cash flows for the years ended December 31, 2023, 2022 and 2021. Exhibit D also contains an unaudited balance sheet of TKK Franchising LLC as of March 31, 2024, and an unaudited income statement for the period from January through March 2024. Our fiscal year ends December 31.

Item 22

CONTRACTS

Exhibit F contains copies of the following contracts:

1. Franchise Deposit Agreement
2. Franchise Agreement and Schedules
3. Guaranty
4. Lease Addendum
5. Supply Agreement
6. Dual Concept Addendum
7. TKK Express Addendum
8. Multi-Unit Agreement
9. Consent to Transfer Agreement
10. Renewal Addendum
11. ACH Debit Application

Item 23

RECEIPTS

A detachable form for your use to acknowledge your receipt of this disclosure document, including all exhibits, is attached as Exhibit H at the very end of this disclosure document. You must date and sign this receipt and deliver it to us.

CALIFORNIA ADDENDUM

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.GOV.

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.

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

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

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

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

Item 1 – THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

You must comply with all federal, state and local laws and regulations protecting the health, safety and welfare of the employees and customers of a food service business, such as laws and regulations governing food preparation, handling and service, and sanitary conditions; and laws and regulations governing the public posting of nutritional information; restrictions on smoking; and fire safety. These laws also include California AB 1228 which set a minimum hourly wage rate for certain fast food employees and established a Fast Food Council within the California Department of Industrial Relations to set minimum wages and develop standards, rules and regulations for the fast food industry.

Item 5 – INITIAL FEES

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and the franchise is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

Item 6 – OTHER FEES

The maximum interest rate allowed by law in California is 10% annually.

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement

CALIFORNIA ADDENDUM TO THE TKK FRIED CHICKEN FRANCHISE AGREEMENT

between

TKK FRANCHISING LLC

and

This Addendum modifies and amends the TKK Fried Chicken Franchise Agreement dated as of _____, between TKK FRANCHISING LLC and _____ (the "Franchise Agreement").

1. Based upon the franchisor's financial condition, the California Department of Financial Protection and Innovation requires a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchise is approved to open for business.

2. For franchisees operating outlets located in California, the California Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

3. In all other respects, the Franchise Agreement is unchanged.

TKK FRANCHISING LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

CALIFORNIA ADDENDUM TO THE TTK FRIED CHICKEN MULTI-UNIT AGREEMENT

between

TKK FRANCHISING LLC

and

This Addendum modifies and amends the TTK Fried Chicken Multi-Unit Agreement dated as of _____, between TTK FRANCHISING LLC and _____ (the “Multi-Unit Agreement”).

1. Based upon the franchisor’s financial condition, the California Department of Financial Protection and Innovation requires a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial fees by area developers attributable to a specific unit will be deferred until that unit is open.

2. For franchisees operating outlets located in California, the California Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

32. In all other respects, the Multi-Unit Agreement is unchanged.

TKK FRANCHISING LLC

[Developer]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

MARYLAND ADDENDUM TO THE TTK FRIED CHICKEN FRANCHISE AGREEMENT

between

TKK FRANCHISING LLC

and

This Addendum modifies and amends the TTK Fried Chicken Franchise Agreement dated as of _____, between TTK FRANCHISING LLC and _____ (the "Franchise Agreement").

1. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Notwithstanding anything to the contrary contained in the Franchise Agreement, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three years after the grant of the franchise.

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

4. No provision in the Franchise Agreement or the Franchisee Certification is intended nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

6. In all other respects, the Franchise Agreement is unchanged.

TKK FRANCHISING LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

MARYLAND ADDENDUM TO THE TTK FRIED CHICKEN MULTI-UNIT AGREEMENT

between

TKK FRANCHISING LLC

and

This Addendum modifies and amends the TTK Fried Chicken Multi-Unit Agreement dated as of _____, between TTK FRANCHISING LLC and _____ (the “Multi-Unit Agreement”).

1. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers will be deferred until the first franchise under the development agreement opens.

2. No provision in the Multi-Unit Agreement is intended nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. Notwithstanding anything to the contrary contained in the Multi-Unit Agreement, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three years after the grant of the franchise.

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

5. In all other respects, the Multi-Unit Agreement is unchanged.

TKK FRANCHISING LLC

[Developer]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

WASHINGTON ADDENDUM

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

Item 5 – INITIAL FRANCHISE FEE

~~In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or franchise disclosure document and (b) is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business. Based upon the franchisor's financial condition, the Securities Division of the Washington Department of Financial Services has required a financial assurance pursuant to RCW 19.100.050. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement as described in WAC 460-80-460. The initial fee for each multi-unit agreement will be pro-rated such that the franchisee will pay the franchisor the fees proportionally upon the opening of each unit franchise.~~

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

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

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

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

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an

WASHINGTON ADDENDUM TO THE TKK FRIED CHICKEN FRANCHISE AGREEMENT

between

TKK FRANCHISING LLC

and

This Addendum modifies and amends the TKK Fried Chicken Franchise Agreement dated as of _____, between TKK FRANCHISING LLC and _____ (the "Franchise Agreement").

1. ~~In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or franchise disclosure document, and (b) is open for business. Based upon the franchisor's financial condition, the Securities Division of the Washington Department of Financial Services has required a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.~~

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

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

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

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

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

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

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

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

109. In all other respects, the Franchise Agreement is unchanged.

The parties have signed this Addendum on the dates set forth below with effect as of the date of the Franchise Agreement.

TKK FRANCHISING LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

WASHINGTON ADDENDUM TO THE TTK FRIED CHICKEN MULTI-UNIT AGREEMENT

between

TKK FRANCHISING LLC

and

This Addendum modifies and amends the TTK Fried Chicken Multi-Unit Agreement dated as of _____, between TTK FRANCHISING LLC and _____ (the “Multi-Unit Agreement”).

~~1. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Multi-Unit Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business. Based upon the franchisor's financial condition, the Securities Division of the Washington Department of Financial Services has required a financial assurance. Therefore, all initial fees and payments owed by franchisees will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. The initial fee for the Multi-Unit Agreement will be pro-rated such that the franchisee will pay the franchisor the fees proportionally upon the opening of each unit franchise.~~

~~24.~~ In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

~~32.~~ RCW 19.100.180 which may supersede the Multi-Unit Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Multi-Unit Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

~~43.~~ In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

~~54.~~ A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

~~65.~~ Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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

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

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

109. In all other respects, the Multi-Unit Agreement is unchanged.

The parties have signed this Addendum on the dates set forth below with effect as of the date of the Multi-Unit Agreement.

TKK FRANCHISING LLC

[Developer]

By _____

By _____

Title _____

Title _____

Date _____

Date _____