

FRANCHISE DISCLOSURE DOCUMENT

SUPER MAGNIFICENT COFFEE COMPANY IRELAND LIMITED

a corporation organized under Irish law

550 S. Hope St, Suite 2100

Los Angeles, CA 90071

(310) 237-2326

www.coffeebean.com



This franchise is for “Traditional” or “Special Distribution” *The Coffee Bean & Tea Leaf*® Stores or Kiosks featuring premium coffee beverages, espresso drinks, premium teas, roasted coffee beans and blends, prepackaged coffees, prepackaged teas, baked goods, snacks and other food items and products, which may include but are not limited to coffee making equipment, cups, hats, t-shirts, miscellaneous branded items and other novelty items. Traditional Stores and Kiosk are *The Coffee Bean & Tea Leaf*® Store operated at venues other than “Special Distribution Sites. Special Distribution Stores or Kiosks are Stores located at “Special Distribution Sites” or institutional settings, such as hotels, airports, colleges, universities, schools, grocery stores, supermarkets, hospitals, military or other governmental facilities, office or in-plant food service facilities, department stores, duty free shops, shopping mall food courts operated by a master concessionaire, or any other venue in which food service is or may be provided by a master concessionaire or contract food service provider.

The total investment necessary to begin operation of a single Traditional “The Coffee Bean & Tea Leaf” store ~~is~~ ranges from \$940,665 to \$1,430,177 (including \$92,500 to \$142,000 which must be paid to the franchisor or its affiliates) for a full-service store and ~~\$551,000~~ 551,500 to \$916,059 (including ~~\$90,000~~ 82,500 to ~~\$95,000~~ 90,000 which must be paid to the franchisor or its affiliates) for a Traditional Kiosk.

The total investment necessary to begin operation of a single “The Coffee Bean & Tea Leaf” Special Distribution Store ranges from \$619,500 to \$1,000,000 (including \$98,000 to \$127,000 which must be paid to the franchisor or its affiliate) for a full-service Special Distribution Store and \$531,550 to \$946,000 ~~for a Kiosk (including \$98,000~~ 82,500 to ~~\$127,000 for a full-service Special Distribution Store and \$80,000 to \$95,000 for a Kiosk~~ 90,000 which must be paid to the franchisor or its affiliate) for a Special Distribution Kiosk.

The total investment for an Area Development Agreement (for a minimum of 5 stores) is \$142,500 to \$212,500 (including \$62,500 which must be paid to the franchisor or its affiliates), in addition to the costs stated above for constructing an individual store or kiosk.

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.**

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 an attorney 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

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

To simplify the language of this Disclosure Document the words “*SMCC Ireland*,” “*we*,” “*our*,” and “*us*” refer to Super Magnificent Coffee Company Ireland Limited, the franchisor. “*You*,” “*your*” and “*Developer*” means the person or entity who buys the franchise.

As required by law, this Disclosure Document has been prepared in “plain English.” To fully understand all of your and our rights and obligations to each other, you must still carefully review the actual agreements that you will sign. The actual agreements will control if there is any dispute between us.

The Franchisor, its Affiliates and Predecessors

We were organized in Ireland on August 22, 2019. We do business under our corporate name, and the name *The Coffee Bean & Tea Leaf*®. Our principal business address in the United States is 550 S. Hope St, Suite 2100 Los Angeles, CA 90071 and our registered address is Gray Office Park, Headford Road, Galway, Ireland. We have offered “The Coffee Bean & Tea Leaf” franchises in certain jurisdictions within the United States of America and internationally since ~~our formation~~ August 22, 2019, but do not offer franchises in any other line of business. Our agent for service of process is HMP Secretarial Limited. Our and HMP Secretarial Limited’s principal business address is Riverside One, Sir John Rogerson's Quay, Dublin 2, Ireland, D02 X576. We do not operate any “The Coffee Bean & Tea Leaf” businesses.

Prior to our formation, our affiliate, International Coffee & Tea, LLC (“*ICT*”), a Delaware limited liability company which was organized in Delaware on December 10, 1998, offered “The Coffee Bean & Tea Leaf” franchises in the United States of America from February 17, 2000 to March 2001, and outside of the United States of America from August 1999 to March 2001. ICT again began offering “The Coffee Bean & Tea Leaf” franchises in the United States on March 31, 2012, when our affiliate, CBTL Franchising, LLC (“*CBTL*”) transferred all of its domestic franchises and area development agreements to ICT, until October 1, 2019, when ICT transferred all of its franchises and area development agreements to us, as explained below. ICT has owned and operated “The Coffee Bean & Tea Leaf” stores since 1998 and continues to provide franchise operational support and services to “The Coffee Bean & Tea Leaf” franchises system-wide. ICT has not offered franchises for any other line of business.

In September 2019, all of ICT’s ownership interests were purchased pursuant to a Unit Purchase Agreement that resulted in Super Magnificent Coffee Company Pte Ltd., a Singapore private limited company (“*SMCC SG*”), being the parent of ICT (the “*2019 Transaction*”). SMCC SG is owned 80% by Jollibee Worldwide Pte Ltd. (“*Jollibee*”) and 20% by Brewheal Pte Ltd. (“*Brewheal*”). SMCC SG’s principal business address is 103 Penang Road #11-01 Visioncrest Singapore (238467). SMCC SG has not and does not offer franchises in any line of business.

Jollibee is a Singapore private limited company and its principal business address is 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619). Jollibee is wholly owned by Jollibee Foods Corporation (“*JFC*”), a publicly traded Filipino corporation. Jollibee offers franchises for “Jollibee” fast food restaurants in the Philippines and has been offering franchises since 1979. As of December 31, 2023, Jollibee has 904 franchised stores. Jollibee does not operate any “The Coffee Bean & Tea Leaf” store or kiosks. Brewheal Pte Ltd. is a Singapore private limited company and its principal business address is 140 Paya Lebar Road #1-09 AZ @ Paya Lebar Singapore (409015). Brewheal has not and does not offer franchises in any line of business.

each Franchise Agreement you sign will be set forth in your Area Development Agreement, even if in the future we charge a higher initial fee to new franchisees.

In this Disclosure Document, we describe the typical terms and conditions relating to agreements for Stores and Kiosks, subject, if applicable, to changes that we may negotiate.

We believe that the market for specialty coffees, espresso coffees, roasted coffee beans and blends, premium teas, and baked goods is growing and highly competitive. You must compete with other coffee shops, coffeehouses, coffee bars, carts and stores, fast food and non-fast food restaurants, cafes, nationwide chains (including “store-in-store” cafes in supermarkets, donut shops and department stores) and other food vendors. Stores will be operated year round, although sales may fluctuate during the year. Authorized Coffee Bean Products are offered for sale to the general public. As with all retail food service businesses, your choice of location is critical to your success, no matter how good the concept.

Special Industry Regulation

The Federal government, California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Store, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Store; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, and preparation of food; special health, food service and frozen dessert machine licensing requirements; restrictions on smoking and exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness, (e) govern the use of vending machines, (f) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials, (g) establish 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,” (h) establish requirements for the disclosure of caloric, nutritional, and other information about the contents of food and beverage items you will offer and sell; (i) establish requirements concerning withholdings and employee reporting of taxes on tips; and (j) establish requirements concerning consumer privacy and data protection, including without limitation the European Union’s General Data Protection Regulation.

Agent for Service of Process

Our agents for service of process are listed on Exhibit “G.”

ITEM 2. BUSINESS EXPERIENCE

Jose Miñana, Jr. – Interim President, CBTL Americas

Jose Miñana, Jr. has been the Interim President, CBTL Americas since May 2024. Mr. Miñana has also served as JFC’s Chief Sustainability and Public Affairs Officer since January 2020. He served as Group President and Country Head of North America for JFC from 2016 to 2019, and was President of Smashburger in late 2018 and from ~~January~~June 2023 to ~~January~~March 2024.

John in de Braekt – Chief Executive Officer

Mr. in de Braekt has been our Chief Executive Officer since August 2022. Prior to that, he served as President of Mars Veterinary Health Group Business in Portland, Oregon from June 2017 until April 2021.

Peter Vavra – Director of Franchise Operations

Mr. Vavra has been the Director of Franchise Operations of ICT since June 2016. ~~Prior to that, he served as a Franchise Business Consultant for ICT from August 2014 until June 2016.~~

Jay Isais – Vice President of Roasting & Distribution

Mr. Isais has been Vice President of Roasting & Distribution of ICT since October 5, 2015. ~~Prior to his promotion to Vice President, Mr. Isais was ICT's Senior Director of Coffee & Manufacturing for over 15 years.~~

Prabashinee Moodley (Prabs) – Head/VP of Business Development, Americas

Ms. Moodley joined as Head/VP of Business Development, Americas in January 2023. From September 2019 until January 2023, Prabs was Director and later VP of Development Planning for Inspire Brands, parent company of Arby's, Buffalo Wild Wings (BWW), BWW GO, Dunkin', Jimmy John's, Baskin-Robbins, Sonic and Rusty Taco. Prior to that, she served as Chief Executive Officer of Grand Parade Investments Limited in Cape Town, South Africa from August 2018 until March 2019.

Michelle Reap – Senior Manager Non-Traditional Franchise Sales and Portfolio Management, Americas

Ms. Reap joined as Senior Manager Non-Traditional Franchise Sales and Portfolio Management, Americas in June 2023. From January 2022 until June 2023, Michelle was Senior Franchise Development Manager for A&W Restaurants in Lexington, Kentucky. From December 2015 until January 2022, she was Senior Manager, Franchise and Non-Traditional Development for Le Duff America in Dallas, Texas.

Brian Bahreman – Senior Director, Head of One System Field Operations & Café Technology

Mr. Bahreman has been our Senior Director, Head of One System Field Operations & Café Technology since November 2022. Prior to that, from January 2018 until November 2022, he was ICT's Director of Operations, Strategic Initiatives.

As of the date of this disclosure document, the following are SMCC Ireland's directors:

1. Tony Tan Caktiong – Mr. Caktiong has been a director since August 2019 and has been a member of the Board of Managers of SJBF, LLC since October 2015. Mr. Caktiong has also been the Chairman of the Board of Jollibee Foods Corporation in Pasig City, Philippines since 1978.

2. Richard Chong Woo Shin – Mr. Shin has been a director since May 2022 and has also been the Chief Financial Officer of Jollibee Foods Corporation (JFC) since May 2022. Previously, Mr. Shin was Group CFO for Grobest Group from June 2020 to March 2022. He was also Asia Pacific CFO for William Grant & Sons; ~~Ralph Lauren; Bacardi Martini and held various senior roles for Altria/Philip Morris International~~ from June 2017 to June 2020.

3. Mary Ann Say – Ms. Say has been a director since August 2019 and has been the Global Chief Financial Officer for *The Coffee Bean & Tea Leaf*® brand since November 2019. Prior to her current role, Ms. Say was the Director, Revenue Management & Analytics at Hong Kong Disneyland from November 2017 to November 2019. ~~From November 2014 to October 2017, Ms. Say was the Controller and Head of Business Development for Philip Morris Fortune Tobacco Corporation.~~

4. Frank Sheng – Mr. Sheng has been a director since August 2019 and has been Head of Global Internal Audit of Jollibee Foods Corporation in Pasig City, Philippines since June 2018. ~~Prior to joining JFC, he was head of internal audit and internal control of Yum! China.~~

5. Julie Larochelle – Ms. Larochelle has been a director since August 2019 and has been a director of Thai Kieu Co Ltd in Vietnam since June 2010. She has also been an executive at Viet Thai International Joint Stock Company, a privately held company based in Vietnam, since 1997.

6. Neil Squires – Mr. Squires has been a director since January 2022 and has been Head of the Corporate Division of Vistra Ireland since January 2022. Prior to that, he was Managing Director of Vistra Assurance (Ireland) Limited since February 2018.

7. David John France – Mr. France has been the Alternate Director to Julie Larochelle since August 2019. Mr. France has been the Managing Director and Supply Chain Director of Viet Thai International Joint Stock Company since 2008.

8. Joliza Janelle D. Salgado – Ms. Salgado has been the Alternate Director to Tony Tan Caktiong since August 2019. Ms. Salgado has worked in the legal department of Jollibee Foods Corporation since May 2018 and serves as the General Counsel for the brand. ~~Prior to joining Jollibee Foods Corporation, Ms. Salgado was an associate at Picazo, Buyco, Tan, Fider & Santos Law Firm in Manila, Philippines since January 2015.~~

9. Julie Fe Del Rosario – Ms. Del Rosario has been the Alternate Director to Richard Chong Woo Shin since August 2019. Ms. Del Rosario has worked in the Global Comptrollership and Tax Department of Jollibee Foods Corporation since 2016.

10. Celina Leonardo – Ms. Leonardo been an Alternate ~~director~~ Director since January 2022 and has been the Director for Financial Planning and Reporting for The Coffee Bean & Tea Leaf® brand since April 2020. Prior to her current role, Ms. Leonardo was the Manager, Revenue Management & Analytics for F&B and Merchandise at Hong Kong Disneyland from August 2018 to April 2020. ~~From June 2013 to July 2018, Ms. Leonardo held various positions under the Finance team of Phillip Morris Fortunate Tobacco Corporation.~~

ITEM 3. LITIGATION

Fisher v. International Coffee & Tea, LLC, Case No. 37-2023-00037152-CU-BT-CTL (first amended complaint filed March 18, 2024). Plaintiff filed a class action lawsuit International Coffee & Tea, LLC (“ICT”) alleging deceptive trade practices regarding sustainability claims in CBTL’s advertising. Plaintiffs allege the sustainability claims are untrue and/or misleading. Plaintiff asserts claims for fraudulent business act or practice, untrue and misleading, false and/or misleading representations, unfair and/or unlawful business act or practice, fraud, and breach of warranty. ICT denies the allegations and will vigorously defend the action.

Concluded Litigation

New Amsterdam Coffee & Tea Co., LLC, et al. v. International Coffee & Tea, LLC, et al. (American Arbitration Association, Case No. 72-20-1400- 0138)

Between January 12, 2011 and May 25, 2012, CBTL entered into four area development agreements with New Amsterdam Coffee & Tea, LLC, NACT Southern Connecticut, LLC; NACT Northern New Jersey, LLC; and NACT Boroughs, LLC (referred to collectively as the “NACT Developers”) for the development of 200 Stores over 20-years in New York City, Southern Connecticut and Northern New Jersey. The agreements were later assigned by CBTL to ICT.

On January 30, 2014, the NACT Developers and their principal owners, Ira Smedra (“Smedra”) and Jeffrey Srulowitz (“Srulowitz”) (collectively, “NACT” or “Claimants”), filed a demand for

California Franchise Relations Act and Franchise Investment Law, intentional interference with prospective business advantage, and violation of the California Business and Professions Code § 17200 *et seq.*; all arising from CBTL not providing its consent to Viet Café transferring its existing franchise agreements to a proposed third party. On November 2, 2020 and prior to the formal appointment of the arbitration panel, Viet Café voluntarily and unilaterally withdrew all of its claims. The arbitration was formally dismissed on November 11, 2020.

Affiliate Litigation

In re Smashburger IP Holder, LLC, et al., Case No. LA CV19-00993-JAK (filed May 16, 2019). Plaintiffs filed class action lawsuits that were consolidated against Smashburger Franchising LLC, IP Holder, and Jollibee. Plaintiffs allege that we engaged in deceptive trade practices advertising the Triple Double Burger. In the amended consolidated complaint, the Plaintiffs removed Jollibee as a party and made no further claims against Jollibee. Plaintiffs allege the phrases “Triple Double Burger” and “Double the Beef” were misleading. Plaintiffs asserted claims for false advertising, unfair competition, violations of the California consumer protection statute, fraud, breach of express warranty and unjust enrichment. On September 29, 2023, the court approved a class settlement wherein we paid \$2,500,000 for attorneys’ fees, costs, and class member monetary claims. In the alternative to a cash consideration, a class member may obtain up to 10 of 1.5 million vouchers valued between \$2.00 and \$2.49 per voucher.

Except for the above items, no other litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

There are no bankruptcies required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Area Development Agreement

Initial Development Fee. You must pay us an “Initial Development Fee” equal to \$12,500 multiplied by the number of Stores you must open during the initial term of the Area Development Agreement, payable on execution of the Area Development Agreement. The Initial Development Fee is fully earned when paid and is not refundable under any circumstances. You must open a minimum of 5 Stores under the Area Development Agreement.

Initial Franchise Fee. Each time you sign a Franchise Agreement for a Store pursuant to the Area Development Agreement, you must pay an Initial Franchise Fee (see below).

Professional Fees. You must also reimburse us for our legal, accounting and other professional fees to the extent they exceed \$10,000 to negotiate and sign the Area Development Agreement (including any exhibits, addenda or attachments), provided that the reimbursement will not exceed \$25,000.

Franchise Agreement

Initial Franchise Fee. Each time you sign a Franchise Agreement for a Store, whether a Traditional or Special Distribution Store, you must pay an Initial Franchise Fee of \$25,000. If you sign an Area Development Agreement, the Initial Franchise Fee for each Store required by your Minimum Development Obligation under your Area Development Agreement is \$12,500. The Initial Franchise Fee for each Store in excess of the number of Stores required by your Minimum Development Obligation, or if you do not have an Area Development Agreement, is either \$25,000, or \$15,000 if the Store is a Kiosk.

COLUMN 1 TYPE OF EXPENDITURE	COLUMN 2 AMOUNT		COLUMN 3 METHOD OF PAYMENT	COLUMN 4 WHEN DUE	COLUMN 5 TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
				Agreement	
Lease for Store ¹	\$2,500	\$12,000	Lump Sum	Before Opening	Landlord
Design & Plans ²	\$35,000	\$40,000	As Arranged	As Incurred	SMCC, Affiliate, Architect, Interior Designer
Leasehold Improvements ³	\$200,000	\$418,000	As Arranged	As Incurred	Contractor
Signage	\$20,000	\$28,000	As Arranged	Before Opening	Vendor
Furniture, Fixtures and Equipment	\$235,000	\$305,000	Lump Sum	Before Opening	Vendors
Point of Sale (“POS”) System ⁹	\$30,000	\$30,000	Lump Sum	Before Opening	SMCC, Affiliates and/or Vendor
Initial Inventory ⁴	\$8,000	\$32,000	As Arranged	As Incurred	SMCC, Affiliates and/or Vendors
Grand Opening Promotion	\$0	\$10,000	As Arranged	As Incurred	Vendors
Permits and Security Deposits ⁵	\$5,000	\$5,000	As Arranged	As Incurred	Government Agencies, Landlord and Utility Companies
Insurance ⁶	\$2,000	\$10,000	As Arranged	As Incurred (Annual)	Insurance Company
Training Expenses ⁸	\$12,000	\$25,000	Lump Sum	Before Opening	Hotels, Restaurants, and Airlines
Additional Funds – three month period ¹⁰	\$45,000	\$60,000	As Incurred	As Incurred	Suppliers, Utilities, and Employees’ Salaries
TOTAL	\$623,50061	\$1,024,0001			

COLUMN 1 TYPE OF EXPENDITURE	COLUMN 2 AMOUNT		COLUMN 3 METHOD OF PAYMENT	COLUMN 4 WHEN DUE	COLUMN 5 TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
	<u>9,500</u>	<u>,000,000</u>			

FOR A SPECIAL DISTRIBUTION KIOSK

COLUMN 1 TYPE OF EXPENDITURE	COLUMN 2 AMOUNT		COLUMN 3 METHOD OF PAYMENT	COLUMN 4 WHEN DUE	COLUMN 5 TO WHOM PAYMENT IS TO BE MADE
	LOW	HIGH			
Initial Franchise Fee*	\$15,000	\$15,000	Lump Sum	When you sign your Franchise Agreement	SMCC or its designee
Lease for Store ¹	\$2,000	\$4,000	Lump Sum	Before Opening	Landlord
Design & Plans ²	\$35,000	\$40,000	As Arranged	As Incurred	SMCC, Affiliates, Architect, Interior Designer
Leasehold Improvements ³	\$150,000	\$400,000	As Arranged	As Incurred	Contractor
Signage	\$20,000	\$28,000	As Arranged	Before Opening	Vendor
Furniture, Fixtures and Equipment	\$235,000	\$305,000	Lump Sum	Before Opening	Vendors
Point of Sale (“POS”) System ⁹	\$30,000	\$30,000	Lump Sum	Before Opening	SMCC, Affiliates and/or Vendors
Grand Opening Promotion	\$0	\$10,000	As Arranged	As Incurred	Vendors
Initial Inventory ⁴	\$2,500	\$5,000	As Arranged	As Incurred	SMCC, Affiliates, and/or Vendors
Permits and Security Deposits ⁵	\$5,050	\$5,000	As Arranged	As Incurred	Government Agencies,

signed the Franchise Agreement, we may terminate the Franchise Agreement and, if you and we cannot agree on a site and you therefore do not meet your development obligation under your Area Development Agreement, if applicable, we may terminate the Area Development Agreement.

If your Store has not yet been constructed or does not meet the current standards for new Stores you must cause the Store to be constructed, equipped and improved in compliance with the specifications set forth in the Manuals. You must use design professionals (including architects, and interior designer) and construction contractors designated by, or acceptable to us.

~~You may not relocate your Store without our prior written consent. The conditions under which we may allow you to relocate your Store include the following, if: (i) your lease expires before the expiration of your Franchise Agreement, (ii) the premises for your Store are destroyed, condemned or otherwise rendered unusable as a Coffee Bean Store in accordance with your Franchise Agreement, (iii) there is a change in the character of the location such that it warrants its relocation, or (iv) the continued operation of your Store is not commercially or economically viable.~~

~~We will use our good faith efforts to notify you of our decision within 7 days after we receive your request to relocate your Store and all requested back up information.~~

~~If you already lease the Location as of the effective date of your franchise agreement, you must obtain the landlord's written consent to the construction and operation of your Store at the Location. If you do not own the Location and have not signed a lease as of the effective date of your franchise agreement, you must submit your proposed lease to us for acceptance before you sign it and provide a fully signed copy within 15 days following signing. At our request, any lease: (1) must provide or be amended to provide that the landlord shall give us notice and opportunity to cure any default of the lease by you; (2) must provide or be amended to provide that you may assign the lease to us without the landlord's consent, and must provide or be amended to provide that the lease may be further assigned or sublet to a "The Coffee Bean & Tea Leaf" franchisee approved by us; (3) require or be amended to require, upon our request, that the landlord to provide us with copies of sales and other information that you provide to the landlord; (4) provides that we or one of our affiliates (or in limited circumstances our designee) may assume the lease upon (i) termination of the Franchise Agreement; (ii) your failure to exercise any options to renew or extend the lease; (iii) the commission of a default under the lease that gives the landlord the right to terminate the lease after curing such default; or (iv) the purchase of the Store pursuant to the Franchise Agreement; (5) subject to our right to assume the lease, must provide or be amended to provide that the lease shall automatically terminate upon the termination of the Franchise Agreement; and (6) must provide or be amended to provide that upon expiration or termination of the lease for any reason, you shall, upon our demand, remove all of the Marks from the Location and modify the decor of the Location so that it no longer resembles, in whole or in part, a "The Coffee Bean & Tea Leaf" Store, and if you fails to do so, we will be given written notice and the right to enter the Location to make such alterations.~~

~~If you are signing a franchise agreement for a Traditional Store or Kiosk, you must you must sign a lease addendum in the form exhibit to your franchise agreement that includes the above lease provisions.~~

~~Among other reasons, we may reject any site if the lessor refuses to agree to the terms above.~~

We will provide you with a copy of the current master template plans and specifications for a Store, unless we have already provided you with a copy pursuant to an Area Development Agreement. You may modify the template plans for your Store(s), subject to our approval. You must retain our designated (or accepted by us if not designated) design professionals (including architects), interior designer, architect and construction contractor to modify the template plans for your Store. When construction is completed, you must provide us with a set of "as built" plans, photos, and specifications.

Marketing Program revenue will be spent on national, regional or local advertising, public relations and promotional campaigns, typically in media such as direct mail advertising, newspapers, radio, and cable and local television. This sum may also be spent for other items including conducting marketing studies; and the production and purchase of advertising art, commercials, musical jingles, print advertisements, point of sale materials, media advertising, outdoor advertising art, and direct mail pamphlets and literature, and may also be allocated to reimburse us or our affiliates for internal expenses of operating an advertising department and administration of our Marketing Program. We and our affiliates determine, in our discretion, exercised in good faith, all matters relating to advertising, public relations and promotional campaigns and we are not required to allocate or expend Marketing Program contributions for the benefit of any particular franchisee or group of franchisees on a pro rata or proportional basis. (Exhibit “A”, Section 7.1) Not all franchisees may be obligated to contribute to the Marketing Program, and some may contribute a different amount or at a different rate, as we determine appropriate.

The Marketing Program has been, and is expected to continue to be, primarily developed by outside advertising agencies. In the most recent fiscal year ended December 31, 2023, we disbursed Marketing Program funds as follows: 73% on digital media, 2% on brand management, 16% on print media and production; 1% on gift card marketing, 3% on loyalty support; and 5% on general public relations. Marketing Program funds will not be used to principally solicit new franchise sales.

Local Advertising

You must conduct a grand opening promotional campaign for your “The Coffee Bean & Tea Leaf” Store using marketing and public relations programs and media and advertising materials that we approve, and conducted in accordance with our specifications and standards and in accordance with a grand opening plan that you will prepare and submit to us for approval at least 45 days before opening. The estimated cost may be up to \$10,000, depending on the agreed upon plan, which in turn will vary depending on the nature of your location. (Exhibit “A”, Section 3.6)

If you sign an Area Development Agreement, before opening your first Store, you must spend on local advertising and promotion the lesser of (a) \$10,000 multiplied by the number of Stores you must open during the first year of your Area Development Agreement; or (b) \$50,000. Any amounts you spend on this promotional campaign will count in satisfaction of the 2% of Gross Sales which you must spend on local advertising under Section 7.2 of your Franchise Agreement. (Exhibit “B”, Section 5.5)

You must spend at least 1% of your Gross Revenues on local advertising, which we may increase to 2% of Gross Revenues, except that we will not increase the combined Central Marketing Fee rate plus this required monthly local advertising spend to more than 4% of Gross Revenues. (Exhibit “A”, Section 7.2)

The format, content and media of all of your advertising must meet brand specifications, and before use, samples of all local advertising materials, and descriptions of all local advertising programs, not prepared or previously approved by us, must be submitted to us for our approval. You may not use any advertising material or program that we disapprove.

If you do not receive written disapproval of any submission to us within 30 days, the submission will be considered approved, subject to later withdrawal of approval at any time during the term of your agreement. (Exhibit “A”, Section 7.2)

You must maintain, at your own expense, one or more telephone numbers which must be listed in the white pages of one or more telephone directories which we designate servicing your designated territory and any adjacent or nearby areas. You must conduct all telephone directory advertising under

and permit you to customize certain information on your Developer Page, in which event you must sign our then-current form of participation agreement, which may require you to pay us a reasonable fee for the privilege of having a Developer Page. (Exhibit “A,” Section 7.3)

Intranet

You must establish and maintain an electronic connection with the Intranet that allows us to send messages to and receive messages from you. We may disseminate the Manuals, updates thereto and other confidential information to you through the Intranet. We and our affiliates will have exclusive discretion and control over all aspects of the Intranet, including the content and functionality thereof. You will have the mere privilege, and not the right, to use the Intranet, subject to your compliance with our standards.

Length of Time to Open Franchised Business

You may open a Store only by signing a Franchise Agreement for that Store. If you are signing an Area Development Agreement, you must open your first Store within 270 days after signing the Area Development Agreement. If you are signing a Franchise Agreement for a single Store, you must open the Store within 270 days of signing the Franchise Agreement. We estimate that the length of time between signing a Franchise Agreement and the opening of your Store is 6 months. The factors that affect this time period are development of the premises, local ordinances, compliance questions, licensing requirements, and delivery and installation of equipment and signs.

ITEM 12. TERRITORY

Franchise Agreement

You may operate your Store at a specific location which we accept, as described in the Franchise Agreement. Our acceptance will be based upon a variety of factors which may include the viability of the then-current location and demographics including, number of households, household income, vehicular traffic, number of Stores near the proposed new location. You may not relocate the Store to any other location without our prior written consent.

You may not relocate your Store without our prior written consent. The conditions under which we may allow you to relocate your Store include the following, if: (i) your lease expires before the expiration of your Franchise Agreement, (ii) the premises for your Store are destroyed, condemned or otherwise rendered unusable as a Coffee Bean Store in accordance with your Franchise Agreement, (iii) there is a change in the character of the location such that it warrants its relocation, or (iv) the continued operation of your Store is not commercially or economically viable.

We will use our good faith efforts to notify you of our decision within 7 days after we receive your request to relocate your Store and all requested back-up information.

If you already lease the Location as of the effective date of your franchise agreement, you must obtain the landlord’s written consent to the construction and operation of your Store at the Location. If you do not own the Location and have not signed a lease as of the effective date of your franchise agreement, you must submit your proposed lease to us for acceptance before you sign it and provide a fully signed copy within 15 days following signing. At our request, any lease: (1) must provide or be amended to provide that the landlord shall give us notice and opportunity to cure any default of the lease by you; (2) must provide or be amended to provide that you may assign the lease to us without the landlord’s consent, and must provide or be amended to provide that the lease may be further assigned or sublet to a “The Coffee Bean & Tea Leaf” franchisee approved by us; (3) require or be amended to require, upon our request, that the landlord to provide us with copies of sales and other information that

you provide to the landlord; (4) provides that we or one of our affiliates (or in limited circumstances our designee) may assume the lease upon (i) termination of the Franchise Agreement; (ii) your failure to exercise any options to renew or extend the lease; (iii) the commission of a default under the lease that gives the landlord the right to terminate the lease after curing such default; or (iv) the purchase of the Store pursuant to the Franchise Agreement; (5) subject to our right to assume the lease, must provide or be amended to provide that the lease shall automatically terminate upon the termination of the Franchise Agreement; and (6) must provide or be amended to provide that upon expiration or termination of the lease for any reason, you shall, upon our demand, remove all of the Marks from the Location and modify the decor of the Location so that it no longer resembles, in whole or in part, a “The Coffee Bean & Tea Leaf” Store, and if you fails to do so, we will be given written notice and the right to enter the Location to make such alterations.

If you are signing a franchise agreement for a Traditional Store or Kiosk, you must sign a lease addendum in the form exhibit to your franchise agreement that includes the above lease provisions.

Among other reasons, we may reject any site if the lessor refuses to agree to the terms above.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we or our affiliates control. However, during the term of your Franchise Agreement, we and our affiliates will not open or operate, or license others to own or operate, a “The Coffee Bean & Tea Leaf” Store at any venue within the “**Designated Territory**”, as defined in you Franchise Agreement. For Traditional Stores, the Designated Territory is a 0.25 mile radius of the Store, except that we and our affiliates may open or operate, or license others to ~~to~~ own or operate Stores at Special Distribution Sites within the Designated Territory. For Special Distribution Stores, the Designated Territory generally includes the premises of the location of your Store; for example, an airport terminal, casino, or food court. We also have additional “Reserved Rights” described below.

During the term of the Franchise Agreement, you may serve customers only from your Store. You may not operate any other permanent or temporary mobile vending vehicle, cart, Kiosk or any other form of distribution without our prior written consent. You may not sell to anyone any materials, supplies or inventory used in the preparation of any Coffee Bean Products, except as permitted in the Manuals. You may sell only finished Coffee Bean Products that have been approved for sale and only to retail customers. You may not sell any Coffee Bean Products to any person or entity purchasing the Coffee Bean Products for resale. You are not restricted from soliciting or accepting orders from customers that reside outside of your Designated Territory. You do not have the right to use Alternate Channels of Commerce or distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside of your Designated Territory.

You must use your best efforts to ensure that your Gross Revenues in each Accounting Period from the sale of coffee, espresso drinks and premium teas is not less than 80% of your total Gross Revenues from the sale of all food and drinks during the Accounting Period. You will have at least 30 days after written notice that your sales mix is not in compliance to bring your sales mix into compliance. If you fail to bring your sales mix into compliance, we may terminate your Franchise Agreement.

Under the Franchise Agreement, continuation of your location rights does not depend upon the volume of sales generated nor on your penetration of the market potential. You do not have the right to acquire additional franchises, although you may apply for the right to operate additional Stores pursuant to separate Franchise Agreements.

You are granted no exclusivity regarding customers, and nothing in the Franchise Agreement prevents us or any franchisee from serving or soliciting customers in your area.

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
		<p>of the Franchise Agreement; or, if your Store is a Traditional Store, your Certified Training Manager fails to complete all phases of the initial training program to our satisfaction.</p> <p><u>We can terminate if you or any of your affiliates materially default under the Franchise Agreement, any applicable Area Development Agreement, or any other agreement with us or any of our affiliates.</u></p>
g. “Cause” defined - defaults which can be cured	Section 11.4	You have 5 days to cure non-payment of fees, 10 days to cure defaults not listed in Sections 11.2 and 11.3
h. “Cause” defined - defaults which cannot be cured	Sections 11.2 and 11.3	<p>Non curable defaults: bankruptcy, insolvency, dissolution or liquidation, disposition for benefit of creditors, permitting a judgment of more than \$25,000 to exist against you for more than 30 days, if the Store or its assets are seized, a levy of execution of attachment upon property used in the Store, existence of a mechanics lien against any of the equipment, permits a judgment to be entered against us relating to the operation of the Store, condemnation or transfer in lieu of condemnation, abandonment of the Store, death or incapacity, repeated defaults, even if cured, misrepresentations in acquiring your franchise, violation of law which is not cured within 10 days, health and safety violations which endanger the public, knowingly understating your Gross Revenues, trademark and confidential information misuse, conviction of a felony or other crimes; failure to obtain and maintain, as applicable, Letter of Credit, the required initial capitalization, minimum net worth and debt-to-asset ratio described in Items 7 and 10.</p>
i. Your obligations on termination/ nonrenewal	Section 12.4	You must cease use of the Marks, de-identify, pay all amounts due to us and our affiliates, and return the Manuals and all other materials to us. We may, at our option, assume all telephone numbers and other listings relating to the Store. See also “r” below.
j. Assignment of contract by franchisor	Section 10.1	No restriction on our right to assign.
k. “Transfer” by you -	Section 10.2	Includes transfer of the agreement or change in

<u>Provision</u>	<u>Section in Area Development Agreement</u>	<u>Summary</u>
e. Termination by franchisor without cause	None	Not Applicable.
f. Termination by franchisor with cause	Sections 11.1 and 11.2	We can terminate if you <u>or any of your affiliates</u> materially default under you <u>the Franchise Agreement, any applicable Area Development Agreement, an individual Franchise Agreement,</u> or any other agreement between you and <u>with</u> us or any of our affiliates.
g. "Cause" defined - defaults which can be cured	Section 11.1	You have 5 days to cure non-payment of fees, and 15 days to cure defaults not listed in "h" below.
h. "Cause" defined - defaults which cannot be cured	Sections 11.1 and 11.2	Non curable defaults: bankruptcy, insolvency, dissolution or liquidation, disposition for benefit of creditors, permitting a judgment of more than \$25,000 to exist against him for more than 30 days, an order of attachment, execution or other judicial seizure is issued against your business or property and not dismissed within 30 days, misrepresentations in acquiring your Area Development Agreement, unapproved transfers; failure to meet Minimum Development Obligation failure (however, we will not terminate your Area Development Agreement if you have opened 75% of the number of Stores required to be opened and you pay 150% of the Guaranteed Minimum Royalty for each store that you were obligated to but did not open); any breach relating to unfair competition described in Article X; failure to obtain and maintain, as applicable, the required initial capitalization and minimum net worth described in Item 7.
i. Your obligations on termination/ nonrenewal	Section 11.4	You will have no further right to develop or operate additional Stores which are not, at the time of termination, the subject of a then existing Franchise Agreement between you and us or our affiliates. You may continue to own and operate all Stores pursuant to then-existing Franchise Agreements.
j. Assignment of contract by franchisor	Section 8.1	No restriction on our right to assign.
k. "Transfer" by you - definition	Section 8.3	Includes transfer of the agreement or changes in ownership of the entity which owns it.
l. Franchisor's	Section 8.3	Transfers require our prior written consent,

Average	\$1,122,482	\$1,589,118	\$752,423
Highest	\$1,650,503	\$1,650,503	\$806,173
Median	\$1,002,893	\$1,632,977	\$736,788
Lowest	\$714,308	\$1,483,873	\$714,308
Stores Exceeding Average	4	2	1

Table 4

Traditional Franchised Stores (excluding Drive Thru Stores, Special Distributions Stores and Kiosks)			
	Total	Top 25%	Bottom 25%
Number of Stores	18	5	5
Gross Revenues			
Average	\$686,539	\$1,061,341	\$341,891
Highest	\$1,316,278	\$1,316,278	\$479,497
Median	\$683,630	\$959,743	\$376,510
Lowest	\$206,302	\$913,925	\$206,302
Stores Exceeding Average	9	2	3

Table 5

Franchised Special Distribution Stores (including SDS Kiosks)			
	Total	Top 25%	Bottom 25%
Number of Stores	58	15	15
Gross Revenues			
Average	\$1,062,181	\$2,114,360	\$297,711
Highest	\$4,788,912	\$4,788,912	\$469,306
Median	\$938,126	\$1,689,187	\$311,354
Lowest	\$106,682	\$1,425,454	\$106,682
Stores Exceeding Average	25	5	9

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.

~~Some factors that can affect results include the location or market in which a Store operates, the Store's size, product or service mix, labor and other costs, as well as existing and potential competition.~~

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance

telephone numbers of all franchisees/subfranchisees or developers who have had a franchise terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily had ceased to do business under a Franchise Agreement or Area Development Agreement during our fiscal year ending December 31, 2023 or have failed to communicate with ICT or us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Also attached as part of Exhibit “F” is a list of our domestic company-owned and affiliate-owned locations.

In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience with “The Coffee Bean & Tea Leaf” franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit “D” are our audited Financial Statements for the fiscal year ending December ~~26~~31, 2021~~-and~~, December 31, 2022, and December 31, 2023. Also attached as Exhibit “D” are unaudited Financial Statements as of March 31, 2024.

ITEM 22. CONTRACTS

Attached as Exhibit “A-1” is a copy of our current form of Traditional Store Franchise Agreement (including Lease Addendum).

Attached as Exhibit “A-3” is a copy of our current form of Special Distribution Store Franchise Agreement.

Attached as Exhibit “B” is a copy of our current form of Area Development Agreement.

Attached as Exhibit “C” is a copy of our current form of Guaranty.

ITEM 23. RECEIPT

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit “I.”

15.14	<u>Binding Effect</u>	65
15.15	<u>Limitation of Claims</u>	65
15.16	<u>No Third Party Beneficiaries</u>	65
15.17	<u>Approvals</u>	65
15.18	<u>Headings</u>	65
15.19	<u>Joint and Several Liability</u>	65
15.20	<u>Counterparts</u>	65
15.21	<u>Notices and Payments</u>	65
15.22	<u>Gender and Construction</u>	66
15.23	<u>Time of Essence</u>	66
15.24	<u>Entire Agreement</u>	66
15.25	<u>Disclaimers</u>	67
15.26 15.25	<u>Submission of Agreement</u>	67
15.27	<u>Acknowledgement</u>	67
APPENDIX 1 DEFINITIONS		1

JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, AND THEY AGREE THAT, EXCEPT TO THE EXTENT PROHIBITED BY LAW, LOS ANGELES, CALIFORNIA SHALL BE THE SOLE AND EXCLUSIVE VENUE FOR ANY LITIGATION BROUGHT WITH RESPECT TO MATTERS ARISING UNDER OR RELATING TO THIS AGREEMENT. ~~THE PARTIES ACKNOWLEDGE THAT THEY HAVE REVIEWED THIS SECTION AND HAVE HAD THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE AS TO ITS MEANING AND EFFECT.~~

15.14 Binding Effect. Subject to the restrictions on Assignments contained in this Agreement, this Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by written agreement signed by both Developer and Company.

15.15 Limitation of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties to this Agreement will be barred unless an action or proceeding is commenced within one year from the date Developer or Company knew or should have known of the facts giving rise to such claim.

15.16 No Third Party Beneficiaries. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or Entity not a party to this Agreement.

15.17 Approvals. Except where this Agreement expressly obligates Company reasonably to approve or not unreasonably to withhold Company's approval of any action or request by Developer, Company has the absolute right to refuse any request by Developer or to withhold Company's approval of any action by Developer that requires Company's approval.

15.18 Headings. The headings of the several articles, sections and paragraphs of this Agreement are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

15.19 Joint and Several Liability. If the Developer includes more than one person and/or Entity, such person(s) and/or Entities shall be deemed to be a general partnership and each shall be jointly and severally liable for all obligations and liabilities of Developer.

15.20 Counterparts. This Agreement may be executed in multiple copies, each of which will be deemed an original.

15.21 Notices and Payments. Except as otherwise expressly provided herein, all payments, written notices, reports and documents permitted or required to be delivered by the provisions of the Agreement shall be delivered by hand, by telegraph or telecopier, by FedEx, DHL Worldwide Express, or other reputable overnight courier service ("**Courier**"), or by deposit with United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, and shall be deemed so delivered at the time delivered by hand, one business day after transmission by facsimile (with confirming copy sent by mail), 1 business day after deposit with

are merged and are expressly and superseded by this Agreement, except such representations as are made in any franchise disclosure document delivered to Developer (if required by Applicable Law) and any representations made by Developer in acquisition of this Agreement. No officer or employee or agent of Company has any authority to make any representation or promise not contained in this Agreement or in any franchise disclosure document delivered to Developer (if required by Applicable Law), and Developer agrees that he has executed this Agreement without reliance upon any such representation or promise. During the Term, this Agreement cannot be amended, modified or changed except by written instrument signed by all of the parties hereto.

~~15.25 Disclaimers. The success of the business venture contemplated to be undertaken by Developer by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Developer and its Owners as an independent businessman, its active participation in the daily affairs of the business as well as other factors. Company does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby. Developer acknowledges that it has entered into this Agreement after making an independent investigation of Company's operations and not upon any representation as to gross revenues, volume, potential earnings or profits which Developer in particular might be expected to realize, nor has anyone made any other representation which is not expressly set forth herein or in any franchise disclosure document that Company furnished to Developer, to induce Developer to accept this franchise and execute this Agreement. Developer represents that it has read Agreement and the disclosure document presented by Company, if any, in their entirety and that it has been given the opportunity to clarify any provisions that it did not understand and to consult with an attorney or other professional advisor. Developer further represents that it understands the terms, conditions and obligations of this Agreement and agrees to be bound thereby. Nothing in this Agreement is intended to disclaim the representations Company made in any franchise disclosure document that Company furnished to Developer.~~

15.25 ~~15.26~~ Submission of Agreement. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Company and Developer. THIS AGREEMENT SHALL NOT BE BINDING ON COMPANY UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF COMPANY.

~~15.27 Acknowledgement. Developer, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement (or knowingly and willingly has not obtained the advice of counsel), that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.~~

[SIGNATURE PAGE FOLLOWS]

15.11	<u>Consent to Jurisdiction</u>	64
15.12	<u>Waiver of Punitive Damages</u>	64
15.13	<u>Waiver of Jury Trial</u>	64
15.14	<u>Binding Effect</u>	64
15.15	<u>Limitation of Claims</u>	65
15.16	<u>No Third Party Beneficiaries</u>	65
15.17	<u>Approvals</u>	65
15.18	<u>Headings</u>	65
15.19	<u>Joint and Several Liability</u>	65
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15.26 15.25	<u>Submission of Agreement</u>	67
15.27	<u>Acknowledgement</u>	67
APPENDIX 1 DEFINITIONS		1

Developer and Company will not be consolidated with any other arbitration proceeding involving company and any other person or entity.

(f) Survival. The provisions of this Section 15.9 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

15.10 Governing Law. All matters relating to arbitration and within the scope of the federal arbitration act (9 U.S.C. §1 *et seq.*) will be governed by such act. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 *et seq.*) or other Federal law, this agreement and the relationship between Developer and Company will be governed by and construed in accordance the laws of the state of California, without giving effect to principles of conflicts of law, except that (a) the provisions of Section 9.1 of this Agreement (and to the extent applicable, Section 9.4 of this Agreement) respecting Non-Competition Covenants which shall be governed in accordance with the laws of the State where the default of said section occurs, and (b) the California Franchise Investment Law, and any other state law relating to (1) the offer and sale of franchises (2) franchise relationships, or (3) business opportunities, will not apply unless the applicable jurisdictional requirements are met independently without reference to this paragraph.

15.11 Consent to Jurisdiction. Company may institute any action against Developer (which is not required to be arbitrated hereunder) in any state or Federal court of competent jurisdiction in the state of California, and Developer irrevocably submits to the jurisdiction of such courts and waives any objection Developer may have to either the jurisdiction of or venue in such courts.

15.12 Waiver of Punitive Damages. Except with respect to Developer's obligation to indemnify Company pursuant to Section 13.4 of this Agreement, the parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the party making a claim will be limited to recovery of any actual damages it sustains.

15.13 Waiver of Jury Trial. TO THE EXTENT THAT SECTION 15.9 SHALL NOT APPLY OR, IF FOUND UNENFORCEABLE, THE PARTIES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, AND THEY AGREE THAT, EXCEPT TO THE EXTENT PROHIBITED BY LAW, LOS ANGELES, CALIFORNIA SHALL BE THE SOLE AND EXCLUSIVE VENUE FOR ANY LITIGATION BROUGHT WITH RESPECT TO MATTERS ARISING UNDER OR RELATING TO THIS AGREEMENT. ~~THE PARTIES ACKNOWLEDGE THAT THEY HAVE REVIEWED THIS SECTION AND HAVE HAD THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE AS TO ITS MEANING AND EFFECT.~~

15.14 Binding Effect. Subject to the restrictions on Assignments contained in this Agreement, this Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest and will not be modified except by written agreement signed by both Developer and Company.

Email: andrew.chereck@bclplaw.com

If to Developer: Developer Notice Address (See [Section 1.2](#))

or to such other address as such party may designate by 10 days' advance written notice to the other party.

15.22 Gender and Construction. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article, section or paragraph hereof may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval or authorization of Company which Developer may be required to obtain hereunder may be given or withheld by Company in its sole discretion, and on any occasion where Company is required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets Company's standards or satisfaction, Company may do so in its sole subjective judgment.

15.23 Time of Essence. Time is of the essence of each provision of this Agreement in which time is an element.

15.24 Entire Agreement. This Agreement, the Exhibits incorporated herein, and the Manuals contain all of the terms and conditions agreed upon by the parties hereto concerning the subject matter hereof. No other agreements concerning the subject matter hereof, written or oral, shall be deemed to exist or to bind any of the parties hereto. All prior or contemporaneous agreements, understandings and representations relating to the subject matter of this Agreement, are merged and are expressly and superseded by this Agreement, except such representations as are made in any franchise disclosure document delivered to Developer (if required by Applicable Law) and any representations made by Developer in acquisition of this Agreement. No officer or employee or agent of Company has any authority to make any representation or promise not contained in this Agreement or in any franchise disclosure document delivered to Developer (if required by Applicable Law), and Developer agrees that he has executed this Agreement without reliance upon any such representation or promise. During the Term, this Agreement cannot be amended, modified or changed except by written instrument signed by all of the parties hereto.

~~**15.25 Disclaimers.** The success of the business venture contemplated to be undertaken by Developer by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Developer and its Owners as an independent businessman, its active participation in the daily affairs of the business as well as other factors. Company does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby. Developer acknowledges that it has entered into this Agreement after making an independent investigation of Company's operations and not upon any representation as to gross revenues, volume, potential earnings or profits which Developer in particular might be expected to realize, nor has anyone made any other representation which is not expressly set forth herein or in any franchise disclosure document that Company furnished to Developer, to induce Developer to accept this Agreement and execute this Agreement. Developer represents that it has read Agreement and the disclosure document presented by Company, if any, in their~~

~~entirety and that it has been given the opportunity to clarify any provisions that it did not understand and to consult with an attorney or other professional advisor. Developer further represents that it understands the terms, conditions and obligations of this Agreement and agrees to be bound thereby. Nothing in this Agreement is intended to disclaim the representations Company made in any franchise disclosure document that Company furnished to Developer.~~

15.25 ~~15.26~~ Submission of Agreement. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Company and Developer. THIS AGREEMENT SHALL NOT BE BINDING ON COMPANY UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF COMPANY.

~~15.27 Acknowledgement. Developer, and its Owners, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement (or knowingly has not obtained the advice of counsel), that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.~~

[SIGNATURE PAGE FOLLOWS]

16.8	Governing Law, Waiver of Punitive Damages	34
16.9	Entire Agreement.....	35
16.10	Titles For Convenience.....	35
16.11	Gender And Construction	35
16.12	Severability.....	35
16.13	Counterparts.....	36
16.14	Force Majeure.....	36
16.15	Time.....	36
16.16	Breach By Company.....	36
16.17	Rights of Parties are Cumulative	36
16.18	Notices.....	37
ARTICLE 17 FEES AND EXPENSES.....		37
ARTICLE 18 DISCLAIMER AND EXEMPTIONS.....		37
ARTICLE 19 SUBMISSION OF AGREEMENT.....		38
ARTICLE 20 ACKNOWLEDGMENT.....		38

16.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and shall be binding upon and inure to the benefit of Developer and his or their respective heirs, executors, administrators, successors and assigns, subject to the prohibitions against Assignment contained herein.

16.7 Joint and Several Liability. If the named Developer includes more than one person and/or Entity, such person(s) and/or Entities shall be deemed to be a general partnership and each shall be jointly and severally liable for all obligations and liabilities of Developer.

16.8 Governing Law, Waiver of Punitive Damages. All matters relating to arbitration and within the scope of the federal arbitration act (9 U.S.C. §1 et seq.) will be governed by such act. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 et seq.) or other Federal law, this agreement and the relationship between Developer and Company will be governed by and construed in accordance the laws of the state of California, without giving effect to principles of conflicts of law, except that (a) the provisions of Sections 10.1 and 10.2 of this Agreement (and to the extent applicable, Section 10.3) respecting Non-Competition Covenants shall be governed in accordance with the laws of the State where the default of said section occurs; and (b) the California Franchise Investment Law, and any other state law relating to (1) the offer and sale of franchises (2) franchise relationships, or (3) business opportunities, will not apply unless the applicable definitional and jurisdictional requirements thereof are met independently without reference to this paragraph.

TO THE EXTENT THAT Article 15 SHALL NOT APPLY OR, IF FOUND UNENFORCEABLE, THE PARTIES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, AND THEY AGREE THAT, EXCEPT TO THE EXTENT PROHIBITED BY LAW, LOS ANGELES, CALIFORNIA SHALL BE THE SOLE AND EXCLUSIVE VENUE FOR ANY LITIGATION BROUGHT WITH RESPECT TO MATTERS ARISING UNDER OR RELATING TO THIS AGREEMENT. ~~THE PARTIES ACKNOWLEDGE THAT THEY HAVE REVIEWED THIS SECTION AND HAVE HAD THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE AS TO ITS MEANING AND EFFECT.~~

EXCEPT WITH RESPECT TO ANY AMOUNT A COURT OF COMPETENT JURISDICTION DETERMINES BY A FINAL, UNAPPEALABLE JUDGMENT TO BE PAYABLE TO AN UNAFFILIATED THIRD PARTIES, THE PARTIES WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN ANY EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES IT SUSTAINS.

16.9 Entire Agreement. This Agreement, the Exhibits incorporated herein, and the Manuals contain all of the terms and conditions agreed upon by the parties hereto concerning the subject matter hereof. No other agreements concerning the subject matter hereof, written or oral, shall be deemed to exist or to bind any of the parties hereto. All prior or contemporaneous agreements, understandings and representations relating to the subject matter of this Agreement,

With copy (which shall not constitute notice) to:

R. Andrew Chereck, Esq.
Bryan Cave Leighton Paisner LLP
120 Broadway, Suite 300
Santa Monica, California 90401
Email: andrew.chereck@bclplaw.com

If to Developer: Developer Notice Address (See Section 1.1)

or to such other address as such party may designate by ten (10) days' advance written notice to the other party.

ARTICLE 17 FEES AND EXPENSES.

Each party hereto shall bear its own costs and expenses, incurred at any time in connection with the negotiation and consummation of the transactions described in this Agreement (except as expressly provided otherwise in this Agreement), unless otherwise agreed in writing by the Parties; provided, however, that Developer shall promptly reimburse Company for any and all legal, accounting and other professional fees in excess of \$10,000 incurred by Company in connection with the negotiation and execution of this Agreement (including any exhibits, addendum or attachments hereto).

ARTICLE 18 DISCLAIMER AND EXEMPTIONS.

~~18.1 The success of the business venture contemplated to be undertaken by Developer and its Owners by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Developer as an independent business, its active participation in the daily affairs of the business as well as other factors. Company does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby.~~

~~18.2 Developer acknowledges that it has entered into this Agreement after making an independent investigation of Company's operations.~~

~~18.3 Developer represents that it has read this Agreement in its entirety and that it has been given the opportunity to clarify any provisions that it did not understand and to consult with an attorney or other professional advisor. Developer further represents that it understands the terms, conditions and obligations of this Agreement and agrees to be bound thereby.~~

~~18.4~~18.1 Developer represents to Company that it has taken all necessary and proper action required by the Laws of the Development Area, and has the right, to execute this Agreement and perform under all of its terms.

~~18.5~~18.2 Developer represents to Company that the execution, delivery and performance of Developer's obligations under this Agreement will not conflict with or result in a

breach of any of the terms and provisions of, or constitute a default under, any agreement, or other document or instrument to which Developer or any of its Owners are a party.

**ARTICLE 19
SUBMISSION OF AGREEMENT.**

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by Company and Developer. THIS AGREEMENT SHALL NOT BE BINDING ON COMPANY UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF COMPANY.

~~**ARTICLE 20-
ACKNOWLEDGMENT.**~~

~~Developer, and its Owner(s), as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that they have obtained the advice of counsel in connection with entering into this Agreement, that they understand the nature of this Agreement, and that they intend to comply herewith and be bound hereby.~~

[SIGNATURE PAGE FOLLOWS]

**ADDENDUM TO SUPER MAGNIFICENT COFFEE COMPANY IRELAND LIMITED
FRANCHISE AGREEMENT
(State of Maryland)**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, SUPER MAGNIFICENT COFFEE COMPANY IRELAND LIMITED and Franchisee agree to amend the Franchise Agreement as follows:

1. Release. Sections 3.4.5, 13.2 and 13.4 of the Franchise Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”).
2. Consent to Jurisdiction. Section 14 of the Franchise Agreement is amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration may be brought in Federal District Court in Maryland.
3. Statute of Limitations. Any limitation on the period of the time mediation and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing claims arising under the Maryland Franchise Law.
4. Acknowledgments. Article 22 of the Franchise Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”
5. Construction. In all other respects, the Franchise Agreement will be construed and enforced in accordance with its terms.
6. 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.

“Company”

Its: _____
Date of signing: _____

**SUPER MAGNIFICENT COFFEE
COMPANY IRELAND LIMITED**

By: _____
Name: _____

“Franchisee”

**ADDENDUM TO SUPER MAGNIFICENT COFFEE COMPANY IRELAND LIMITED
AREA DEVELOPMENT AGREEMENT
(State of Maryland)**

This Addendum relates to franchises sold in Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Area Development Agreement, SUPER MAGNIFICENT COFFEE COMPANY IRELAND LIMITED and Franchisee agree to amend the Area Development Agreement as follows:

1. Release. Sections 4.4.5, 6.3.4 and 7.2.2(j) of the Area Development Agreement are amended to provide that any release required as a condition of assignment or renewal will not apply to liability under the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”).
2. Consent to Jurisdiction. Sections 8.3.2, 11.8, and 13.3 of the Area Development Agreement are amended to provide that, under the Maryland Franchise Law, any litigation involving claims arising under the Maryland Franchise Law that are not subject to arbitration may be brought in Federal District Court in Maryland.
3. Statute of Limitations. Any limitation on the period of the time mediation and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing claims arising under the Maryland Franchise Law.
4. Acknowledgments. Article 14 of the Area Development Agreement is amended by the addition of the following at the end of such Section: “The representations made herein are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”
5. Construction. In all other respects, the Area Development Agreement will be construed and enforced in accordance with its terms.

6. 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.

“Company”

**SUPER MAGNIFICENT COFFEE
COMPANY IRELAND LIMITED**

By: _____
Name: _____

Its: _____
Date of signing: _____

“Franchisee”

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Exempt
Hawaii	July 3, 2024
Illinois	Exempt
Indiana	June 26, 2024
Maryland	Pending See Separate FDD
Michigan	July 25, 2024
Minnesota	Pending
New York	Exempt
North Dakota	June 28, 2024
Rhode Island	June 27, 2024
South Dakota	July 1, 2024
Virginia	July 10, 2024
Washington	Pending
Wisconsin	June 27, 2024

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.