

FRANCHISE DISCLOSURE DOCUMENT



MTY Franchising USA, Inc.
dba *Manchu Wok*
a Tennessee corporation
9311 East Via Dde Ventura
Scottsdale, Arizona 85258
(905) 764-7066
www.manchuwok.com

www.mtyfranchising.com/brands/manchu-wok/

We grant franchises for MANCHU WOK® Restaurant(s), selling “Chinese and Asian-style” foods and drinks and other menu items, located in street front locations, a Shopping Mall Food Court or in a non-traditional location.

The total investment necessary to begin operation of a Manchu WOK Restaurant franchised business ranges from \$~~484,900~~,050 to \$820,500. This amount includes payments that range from \$~~447,530~~,000 to \$756,500 that must or may be paid to the franchisor or its affiliates.

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 MTY Franchising USA, Inc., Attn: ~~John Wuycheck~~ Legal Department, 9311 E. Via Dde Ventura, Scottsdale, Arizona 85258 and (480) 362-4800.

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.

The issuance date of this Franchise Disclosure Document is March ~~27~~⁸, 202~~6~~⁵.

FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
<u>ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES</u>	<u>1</u>
<u>ITEM 2 BUSINESS EXPERIENCE</u>	<u>14</u>
<u>ITEM 3 LITIGATION</u>	<u>17</u>
<u>ITEM 4 BANKRUPTCY</u>	<u>28</u>
<u>ITEM 5 INITIAL FEES</u>	<u>28</u>
<u>ITEM 6 OTHER FEES</u>	<u>30</u>
<u>ITEM 7 ESTIMATED INITIAL INVESTMENT</u>	<u>36</u>
<u>ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES</u>	<u>41</u>
<u>ITEM 9 FRANCHISEE'S OBLIGATIONS</u>	<u>48</u>
<u>ITEM 10 FINANCING</u>	<u>49</u>
<u>ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING</u>	<u>51</u>
<u>ITEM 12 TERRITORY</u>	<u>59</u>
<u>ITEM 13 TRADEMARKS</u>	<u>61</u>
<u>ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION</u>	<u>62</u>
<u>ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS</u>	<u>63</u>
<u>ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL</u>	<u>63</u>
<u>ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION</u>	<u>64</u>
<u>ITEM 18 PUBLIC FIGURES</u>	<u>72</u>
<u>ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS</u>	<u>72</u>
<u>ITEM 20 OUTLETS AND FRANCHISEE INFORMATION</u>	<u>74</u>
<u>ITEM 21 FINANCIAL STATEMENTS</u>	<u>77</u>
<u>ITEM 22 CONTRACTS</u>	<u>78</u>
<u>ITEM 23 RECEIPT</u>	<u>78</u>
<u>ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES</u>	<u>1</u>
<u>ITEM 2 BUSINESS EXPERIENCE</u>	<u>14</u>

ITEM 3 LITIGATION	17
ITEM 4 BANKRUPTCY	28
ITEM 5 INITIAL FEES	28
ITEM 6 OTHER FEES	30
ITEM 7 ESTIMATED INITIAL INVESTMENT	35
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	40
ITEM 9 FRANCHISEE'S OBLIGATIONS	47
ITEM 10 FINANCING	48
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	48
ITEM 12 TERRITORY	56
ITEM 13 TRADEMARKS	58
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	59
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	60
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	60
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	61
ITEM 18 PUBLIC FIGURES	69
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	69
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	71
ITEM 21 FINANCIAL STATEMENTS	74
ITEM 22 CONTRACTS	75
ITEM 23 RECEIPT	75

Exhibits

- A List of State ~~Regulators~~Administrators/Agents for Service of Process
- B Financial Statements
- C Franchise Agreement
- D Sublease Agreement (subject to amendment to accommodate local laws)
- E Table of Contents of Operating Manual
- E-1 In-Store Training Release and Waiver of Liability Agreement
- F Current Franchisees
- G Former Franchisees
- H State-Specific Disclosure and State-Specific Agreement Amendments
- I Required Lease Term
- J State Effective Dates

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

MTY Franchising USA, Inc. is the franchisor. To simplify the language in this Franchise Disclosure Document, “MTY USA,” “**Manchu Wok**,” “**us**,” “**we**,” or “**Franchisor**” means MTY Franchising USA, Inc., the franchisor, doing business as “Manchu Wok.” “**You**” means the person, corporation, partnership or other entity that buys the franchise, the franchisee. If “you” are a business entity, “you” includes shareholders, members or owners of the business to the extent each guaranties or otherwise agrees to perform or be bound by the obligations of the business entity. Any email addresses and website URLs referenced in this Disclosure Document, including its exhibits, are current as of the effective date of this Disclosure Document. We may update these email addresses and/or website URLs from time to time.

The Franchisor, Its Predecessors and Affiliates

We began offering Manchu Wok franchises in the United States in March 2015. MTY Franchising USA, Inc., (formerly known as The Extreme Pita Franchising USA, Inc.), was incorporated in Delaware on March 14, 2001, and converted to MTY Franchising USA Inc., a Tennessee Corporation, as of October 9, 2019. You will see references to our former corporate names in our audited financial statements. Our principal business address in the United States is 9311 East Via de Ventura, Scottsdale, AZ 85258. Our agents for service of process are disclosed in **Exhibit A**.

Manchu Wok is a franchising company which sells and grants franchises for the operation of retail restaurant businesses (“**Manchu Wok Franchise**” or “**Manchu Wok Store**”) using the name “MANCHU WOK®” in the United States. We are not engaged in any other type of business activity. We have been offering Manchu Wok franchises in the United States since March 2015.

We have two predecessors, a parent and affiliates.

For the Manchu Wok brand, we have two predecessors. Our first predecessor, Manchu WOK Franchising USA Inc. (“**MWF**”) was incorporated in Delaware on August 4, 2004, and offered Manchu Wok franchises from March 2005 through October 2014. Our second predecessor, Manchu WOK (USA), Inc. (“**MWUSA**”), was incorporated in Delaware on July 25, 2000, and offered Manchu Wok franchises from October 2000 until March 2005. MWUSA also continued to provide support services to a number of Manchu Wok franchisees until December 2014. MWF’s and MWUSA’s business address was 85 Citizen Court, Unit 9, Markham, Ontario, Canada L6G 1A8.

MTY USA’s parent corporation is MTY Franchising Inc. (“**MTY Canada**”), a Canada corporation formerly known as MTY Tiki Ming Enterprises Inc., having an address at 8150 Route Transcanadienne, Suite 200, Ville Saint-Laurent, Quebec, H4S 1M5, Canada. MTY Canada was initially incorporated under the Canada Business Corporations Act on February 13, 1979, under the name “Matoyee Enterprises Inc.” On September 24, 2013, MTY Canada acquired our stock. MTY Canada is a wholly owned subsidiary of MTY Food Group, Inc. (“**MTY**”), a public corporation listed on the Toronto Stock Exchange. MTY’s principal place of business is also 8150 Route Transcanadienne, Suite 200, Ville Saint-Laurent, Quebec, H4S 1M5, Canada.

On September 24, 2013, MTY Canada, acquired our stock. MTY Canada is a wholly owned subsidiary of MTY. MTY Canada is a corporation that was initially incorporated under the Canada Business Corporations Act on February 13, 1979, under the name “Matoyee Enterprises Inc.” Its

principal place of business is 8150 Route Transcanadienne, Suite 200, Ville Saint-Laurent, Quebec, H4S 1M5, Canada. MTY is a public corporation and its principal place of business is 8150 Route Transcanadienne, Suite 200, Ville Saint-Laurent, Quebec, H4S 1M5, Canada.

MTY Canada currently operates or has franchised over (55) different restaurant concepts and has over ~~2,500~~ 400 units under the following brands primarily in Canada and other international countries: Allo Mon Coco, Baton Rouge Steakhouse & Bar, Ben & Florentine, Big Smoke Burger, BO|W|LD, Café Depot, Casa Grecque, Country Style, Cultures, Dagwoods, Extreme Pita, Giorgio, Jugo Juice, Kim Chi, Koryo, Koya, Kuto Comptoir A Tartares, La Crémère, La Diperie (and Cakes & Shakes by La Dip), Madisons, Manchu Wok, Toujours Mikes, ~~mmmuffins~~, Mr. Souvlaki, Mr. Sub, Mucho Burrito, Muffin Plus, ~~O'Burger~~, Papa Murphy's, Pizza Delight, Poke by Sushi Shop, Scores, South St. Burger, Spice Bros, Steak & Frites St. Paul Sukiyaki, ~~Sushi Go~~, Sushman, Sushi Shop, Thai Express, Thaizone, The Works, Tiki Ming, Timothy's World Coffee, The COOP Wicked Chicken, Tosto, Turtle Jack's, Tutti Frutti, Valentine, Vanellis, Vie & Nam, Villa Madina, Spice Brothers, Steak Frites, Wasabi, Wetzel's Pretzels and YUZU MTY or one of its subsidiaries is the master licensee for the following brands: TCBY (Canada), Taco Time (Canada), and Au Vieux Duluth Express (Quebec and Ontario, Canada), and Van Houtte (Quebec and Ontario, Canada). MTY Canada also provides support services to Manchu Wok stores in the United States.

Effective March 1, 2018, MTY through the merger of a wholly-owned subsidiary with Imvescor Restaurant Group Inc. ("IRG"), acquired all the outstanding shares of IRG. At closing, IRG operated 5 brands in Canada and had 261 locations in operation.

On May 25, 2016, MTY entered into an agreement with Kahala Brands, Inc., formerly known as Kahala Brands, Ltd., having an address at 9311 East Via de Ventura, Scottsdale, AZ 85258 ("**Kahala Brands**"), whereby Kahala Brands agreed to merge with a wholly-owned subsidiary of MTY ("**Kahala Brands Transaction**"). The Kahala Brands Transaction closed July 26, 2016. As of the issuance date, Kahala Brands or one or more of its subsidiaries has franchised or currently operates approximately 2,600 quick service restaurants which consist of the multiple brands further detailed in the chart below.

Effective May 23, 2019, Papa Murphy's Holdings, Inc. ("**Papa Murphy's**"), a Delaware corporation having an address at 8000 NE Parkway Dr. #350, Vancouver, WA 98662, merged with a wholly-owned subsidiary of MTY. MTY USA succeeded as the parent company of Papa Murphy's. The current franchisor offers Papa Murphy's unit franchises which sell or offer for sale pizza products. As of November 30, ~~2024~~ 2025, there were ~~1,000~~ 36 franchised (~~1,004~~ 965 in the United States, 35 internationally) and ~~49~~ 3 company-owned stores in the United States.

Agent for Service of Process

Unless otherwise specified, our registered agent for service of process is CT Corporation System, 300 Montvue Road, Knoxville, Tennessee 37919. We are members in good standing of the International Franchise Association ("**IFA**") and we therefore comply with the IFA's Code of Ethics.

Other Franchises Offered by Franchisor or its Affiliate

MTY USA IS ONLY OFFERING A MANCHU WOK UNIT FRANCHISE UNDER THIS DISCLOSURE DOCUMENT. EACH OF THE FRANCHISES DETAILED BELOW ARE OFFERED BY MTY USA OR ITS AFFILIATE UNDER SEPARATE DISCLOSURE DOCUMENTS FOR EACH BRAND.

We have the following U.S.-based affiliates through common ownership by MTY Food Group, that also offer franchises in the United States and internationally: (1) MTY USA, a Tennessee corporation having an address of 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (2) MTY Canada, a Canada corporation having an address at 8210, route Transcanadienne, Suite 200, Saint-Laurent, Québec, H4S 1M5, Canada; (3) Kahala Franchising, LLC (“Kahala Franchising”), an Arizona limited liability company with its principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (4) BF Acquisition Holdings, LLC (“BFAH”), a Delaware limited liability company with a principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (5) La Salsa Franchise, LLC, a Delaware limited liability company with a principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (6) Imvescor Restaurant Group Inc. (“IRG”) a Canada corporation having an address at 8210, route Transcanadienne, Suite 200, Saint-Laurent, Québec, H4S 1M5, Canada; (7) Papa Murphy’s International, LLC (Papa Murphy’s), a Delaware limited liability company having an address at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662; (8) VI BrandCo, LLC (“Village Inn”), a Delaware limited liability company having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, (9) BQ Concepts, LLC, an Arizona limited liability company having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164; (10) Wetzel’s Pretzels, LLC, a California limited liability company with a principal business office at 35 Hugus Alley, Suite 300, Pasadena, CA 91103; and (11) Famous Dave’s of America, Inc., a Minnesota ~~limited liability company~~ corporation having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164. These affiliates franchise over 50 different concepts.

The following summarizes Manchu Wok and these other quick service restaurant brands as of November 30, ~~2024~~2025, including the type of restaurant business, number of franchised units in operation as of November 30, ~~2024~~2025, and the date MTY USA and/or its current or former affiliates offered franchises in those brands:

Brand Name	Type of Restaurant Business	Number of Units as of November 30, <u>2024</u> 2025	Dates unit franchises began being offered by us or our affiliate
Extreme Pita	Restaurants serving wrap-style hot and cold pita and wrap sandwiches	1 franchised unit	From March 2001 to July 2014: The Extreme Pita Franchising USA, Inc.; since July 2014: MTY USA
Grabbagreen	Restaurants serving healthy food, juice, smoothies and related products	4 <u>3</u> franchised units	Since February 2018 under MTY USA

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 2025	Dates unit franchises began being offered by us or our affiliate
Ginger Sushi Boutique + Poke Shop	Restaurant serving a variety of sushi menu items and drinks	0 franchised units	From September 2015 under MTY USA
Mucho Burrito	Restaurants offering burritos, quesadillas, tacos, nachos, and other assorted food and drinks	1 0 franchised units	From January 2010 under Mucho Burrito Franchising USA, Inc.; from March 2019 under MTY USA
Thai Express	Restaurant serving “Thai-style” foods and drinks	7 franchised units (5 4 in the United States and 2 3 internationally) (plus 2 1 company-owned)	From February 2015 under MTY USA
La Diperie	Restaurant serving retail sale of an ice cream product and various dips and toppings	1 2 franchised units	From April 2019 under MTY USA
Ben & Florentine	Restaurant serving a superior breakfast & lunch experience	0 franchised units	From December 2018 under MTY USA
Baja Fresh	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	69 70 franchised units (67 in the United States and 2 3 internationally) (plus 6 1 company-owned units)	October 2016 until July 2017 under Triune, LLC and since then under BF Acquisition Holdings, LLC

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 2025	Dates unit franchises began being offered by us or our affiliate
La Salsa	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	5 4 franchised units	October 2016 under La Salsa Franchise, LLC
The Counter	Full service restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	9 7 franchised units (8 6 in the United States and 1 internationally) (plus 3 2 company-owned units)	December 2017 under CB Franchise Systems, LLC. Then from March 2019 under MTY USA
Built Custom Burgers	Fast casual restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	7 6 franchised units (3 2 in the United States and 4 internationally)	December 2017 under Built Franchise Systems, LLC. Then from March 2019 under MTY USA
sweetFrog	Restaurant offering frozen yogurt using a self-serve delivery format	246 213 franchised units (206 203 in the United States which include 9 7 licensed franchisees plus 10 internationally)	September 2018 under MTY USA
Manchu WOK	Quick service restaurant serving fast and fresh Chinese cuisine	15 franchised units	March 2015: MTY USA
Papa Murphy's	Retail food outlet serving primarily take and bake pizza	1,000 36 36 franchised units (1,001 965 in the United States and 35 internationally) plus 49 3 company-owned units	From May 2019 Papa Murphy's International LLC

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 2025	Dates unit franchises began being offered by us or our affiliate
Famous Dave's	Restaurants specializing in authentic, down-home, genuine smoked barbecue	85-80 franchised units (77-70 in the United States and 8-10 internationally) plus 32 <u>30</u> company-owned units	From March 1994 under Famous Dave's of America, Inc.
Village Inn	Restaurant specializing in pancakes, omelets, skillet, eggs, and other popular breakfast items.	88-84 franchised units plus 26-25 company-owned units	From August 2020 under VI BrandCo, LLC
Barrio Queen	Restaurants specializing in authentic Southern Mexican	8 company-owned units	From March 2023 under BQ Concepts, LLC
Champps Kitchen + Bar	sports theme restaurants that provide the public with high-quality food and beverage	2-1 franchised units plus 1 company-owned unit	From September 1999 to October 2008 under Champps Entertainment, Inc. and From August 2023 under BQ Concepts, LLC
Sauce Pizza / Wine	Restaurants serving wood-fired pizzas, a variety of pasta dishes, and salads	13 company-owned units	March 2024
Wetzel's Pretzels	Restaurant specializing in hand-rolled fresh-baked soft pretzels	406-455 franchised units (389-423 in the United States and 17 <u>32</u> internationally) plus 36-35 company-owned units	From April 1996 under Wetzel's Pretzels, LLC

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 2025	Dates unit franchises began being offered by us or our affiliate
Blimpie	Restaurants serving submarine sandwiches and salads	400-87 franchised units (97-84 in the United States and 3 internationally) (plus 4 company-owned units in the United States)	From 2006 until 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Chicken Strips and Dips	Ghost kitchen concept primarily serving chicken tenders.	3-1 franchised units	March 2022, Kahala Franchising.
Cold Stone Creamery	Restaurants serving super-premium freshly made ice cream, cakes, pies, smoothies, shakes, and other frozen dessert products	1,427- 501 franchised units (992-1052 in the United States and 435-449 internationally)(plus 2 company-owned units). 405-103 Cold Stone Creamery franchises also sell Rocky Mountain Chocolate Factory® products and 1 Cold Stone Creamery franchise also sells Tim Hortons® products. Additionally, 13-8 licensed units.	From May 2007 until March 2008 by Cold Stone Creamery, Inc., from March 2008 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 <u>2025</u>	Dates unit franchises began being offered by us or our affiliate
Frullati Cafe & Bakery	Restaurants serving sandwiches, salads, smoothies and baked goods	44 <u>10</u> franchised units	From 1999 until 2004 by Frullati Franchise Systems, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Great Steak	Restaurants serving Philadelphia cheesesteak sandwiches, chicken sandwiches and French fries	34 <u>32</u> franchised units (24 <u>23</u> in the United States and 40 <u>9</u> internationally)	From 2004 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Johnnie's New York Pizzeria	Restaurants serving New York style pizza, calzones, salads, and related Italian cuisine menu items	2 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Kahala Coffee Traders	Restaurants serving coffee and espresso, tea, baked goods, parfaits, sandwiches and merchandise	5 <u>6</u> franchised units. And 1 licensed unit.	November 2011 under Kahala Franchising
Maui Wowi	Store fronts or portable units serving fruit smoothies, Hawaiian coffee and espresso, and <u>other beverage and food items</u>	88 <u>83</u> franchised units (80 <u>75</u> in the United States and 8 internationally)	Since November 2015 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 2025	Dates unit franchises began being offered by us or our affiliate
NrGize Lifestyle Cafe	Cafes serving smoothies, fruit drinks and nutritional supplements	57 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Pinkberry	Restaurants serving frozen yogurt, yogurt drinks, smoothies and frozen desserts	59-62 franchised units. And 30 licensed units.	From July 2008 until April 2016 under Pinkberry Ventures, Inc. and since June 2016 under Kahala Franchising
Planet Smoothie	Restaurants serving smoothies, smoothie bowls, juices and nutritional supplements, <u>baked goods, parfaits, sandwiches, and salads</u>	462-167 franchised units (454-160 in the United States and 8-7 internationally) Additionally, as of fiscal year end there were 2 Tasti D-Lite outlets.	Since June 2016 under Kahala Franchising
Ranch One	Restaurants specializing in grilled and crispy breaded chicken sandwiches	2 franchised units	From 2001 until 2004 by Ranch *1 Group, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Samurai Sam's Teriyaki Grill	Restaurants serving Japanese rice bowls and noodle bowls	42-10 franchised units	From 2003 until 2004 by SP Franchising, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2024 2025	Dates unit franchises began being offered by us or our affiliate
Surf City Squeeze	Juice bars serving smoothies, fruit drinks and nutritional supplements	62 franchised units (59 in the United States and 3 internationally) (plus 4 <u>2</u> company-owned units)	From 1994 until 2004 by Malibu Smoothie Franchise Corp. and Surf City Squeeze Franchise Corp., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
TacoTime	Restaurants serving freshly prepared Mexican food including burritos, tacos, quesadillas and nachos	222-212 franchised units (97-87 franchised in the United States and 125 internationally) (plus 2 company-owned units) Additionally, there are 78 licensed units.	From 2003 until 2004 by Taco Time International, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

The Business

A Manchu Wok restaurant (“**Manchu Wok Restaurant**”) is a retail quick service restaurant selling Chinese and Asian-style foods and drinks, and other menu items related to the Manchu Wok concept. A Manchu Wok Restaurant serves its customers by operating a uniform system consisting of high standards of service, the use of consistent quality products, and in accordance with the business format created and developed by us and our affiliates (“**System**”). We authorize you to use the Marks (as defined below) to operate a Manchu Wok Restaurant

Manchu Wok restaurants are located in street front locations, shopping mall food courts or in non-traditional locations such as highway facilities, airport concourses, professional sports facilities, recreational and entertainment facilities, casinos, college campuses, military installations, governmental or institutional locations, supermarkets and department stores where dining facilities are generally located in a common area and a private/separate dining facility is not required to be maintained. Each Manchu Wok Restaurant offers a selection of Chinese cuisine such as sweet and sour pork, crispy chicken wings, chicken balls and mixed vegetables, soft drinks and other complementary items and beverages. Like most quick-service restaurants, customers order, receive and pay for their food purchases at the counter. There is no wait service.

transaction included the rights to franchise and/or operate the Barrio Queen, Famous Dave's, Village Inn, Bakers Square, Granite City Food and Brewery, Real Urban BBQ, Craft Republic Bar & Grill, Champpps Kitchen + Bar, Fox & Hound, and Tahoe Joe's Famous Steakhouse brands. BBQ, through its subsidiary, VI BrandCo, LLC a Delaware limited liability company, offers Village Inn restaurants. As of November 30, ~~2024~~2025, there were ~~114~~109 Village Inn restaurants (including franchised and company-owned) in the United States. BBQ, through its subsidiary, Famous Dave's of America, Inc., a Minnesota corporation, offers Famous Dave's restaurants. As of November 30, ~~2024~~2025, there were ~~409~~100 Famous Dave's restaurants (including franchised and company-owned) in the United States, and ~~8~~10 franchised restaurants internationally. With the merger closing that took place on September 27, 2022, MTY Franchising USA, Inc. is the parent company of both VI BrandCo, LLC and Famous Dave's of America, Inc.

On December 8, 2022, MTY Franchising USA, Inc. and its wholly owned subsidiary Twisted Merger Sub, Inc. ("WP Merger Sub"), a Delaware corporation, entered into an agreement with COP WP Parent, Inc. ("COP"), a Delaware corporation, providing for the acquisition of COP by MTY Franchising USA, Inc., consisting of a merger of WP Merger Sub with and into COP (the "COP Merger"), with COP surviving the COP Merger as a wholly-owned subsidiary of MTY Franchising USA, Inc., under the name Twisted Merger Sub, Inc. In November 2023, MTY Franchising USA, Inc. became the parent company of Wetzel's Pretzels, LLC ("Wetzel's Pretzels"), a California limited liability company. This transaction included the rights to franchise and/or operate the Wetzel Pretzel's brand, through Wetzel's Pretzels. As of November 30, ~~2024~~2025, there were ~~425~~458 Wetzel Pretzels restaurants (including franchised and company-owned) in the United States and ~~47~~32 franchised restaurants internationally. With the merger closing that took place on December 8, 2022, MTY Franchising USA, Inc. is the parent company of Wetzel's Pretzels, LLC.

On December 15, 2022, MTY Franchising USA, Inc. via its wholly owned subsidiary Sauce Restaurants, LLC ("Sauce Restaurants"), an Arizona limited liability company, simultaneously signed and closed an asset purchase agreement with Sauce, LLC, an Arizona limited liability company, Sauce Holdings, LLC, a Delaware limited liability company, and several other of their affiliates (collectively, "Sauce Sellers"), providing for the acquisition of the assets of Sauce Sellers by Sauce Restaurants. This transaction included the rights to operate (and ultimately franchise should Sauce Restaurants so desire) the Sauce Pizza and Wine brand. As of November 30, ~~2024~~2025, there were 13 Sauce Pizza and Wine restaurants (all of which were company-owned) in the United States. BBQ Holdings, Inc., a subsidiary of MTY Franchising USA, Inc., is the direct parent company of Sauce Restaurants.

Some company-owned Manchu Wok Restaurants may be leased by either us or our affiliates (collectively, "**Leasing Affiliates**"). In these situations, our Leasing Affiliates enter into a direct lease with the property owner ("**Master Lease**") for the location of the Manchu Wok Restaurant, and then Sublease the location to the franchisee for that particular Manchu Wok Restaurant. In most other cases, you will enter into a lease for the premises of your Manchu Wok Restaurant directly with the property owner.

Regulations

Your Manchu Wok Restaurant will be subject to various federal, state and local health and sanitation laws that apply to restaurant operations. The business of operating a **Manchu Wok Restaurant** is subject to all of the laws, codes and regulations (referred to below generally as

liquor licenses and liquor liability (dram shop) insurance in addition to the required insurance policy. You must report and pay various sales, excise, property, income, use and inventory taxes. Additionally, you must obtain various licenses and permits at the federal, state and local level in order to conduct business including, but not limited to, those related to food preparation. The laws in your state or municipality may be more or less stringent, but failure to comply with the above governmental regulations could have a material adverse impact on you and your business. You should examine these laws before purchasing a Manchu Wok franchise.

ITEM 2 BUSINESS EXPERIENCE

References to titles and positions for the persons listed in this Item 2 may be assigned to MTY, MTY Canada, MTY USA, Kahala Brands, or any one or more affiliated companies.

Chief Executive Officer: Eric Lefebvre

Mr. Lefebvre was promoted and became the Chief Executive Officer of MTY effective November 2018. Prior to that, Mr. Lefebvre was the Chief Financial Officer of MTY since June 2012, and was Vice President of Finance of MTY from November 2009 until June 2012.

Chief Financial Officer: Renee St-Onge

Ms. St-Onge was promoted to Chief Financial Officer of MTY effective November 2018. Prior to that, Ms. St-Onge was with MTY as Controller since 2012.

Chief Legal Officer: Jenny Moody

Ms. Moody has been with the Kahala Brands' Legal department since June 2010. In August 2012 she was named Corporate Counsel, in September 2013 International Counsel, in September 2016 Deputy General Counsel, and in November 2019 General Counsel. In August 2023, Ms. Moody assumed her current role.

Chief Operating Officer of Quick Service Restaurants: Jason Brading

Mr. Brading joined MTY in 2014 as Brand Vice President for the MR.SUB brand, and saw the steady addition of many MTY brands under his supervision until 2018 when Mr. Brading was promoted to the role of Chief Operating Officer where he leads the Quick Service Division of restaurants for MTY.

Brand Leader (ManchuWOK): Jeff Roop

Mr. Roop joined ManchuWOK as Director of Operations in June 2022 and assumed the role of Senior Director of Operations in March 2023 and later Brand Leader. For 9 years prior to this he was Director of Operations.

Vice President of Training and Customer Service: Kerri Kudla

Ms. Kudla joined the Cold Stone Creamery training team in June 2002. She became Director of Operations & Training Development in January 2009 and was promoted to Senior

Director of Operations & Training Development in October 2012. In June 2014, Ms. Kudla assumed her current role.

Franchise Sales

Executive Vice President, Real Estate and Development: David Worts

Mr. Worts is the Executive Vice President, Real Estate and Development, a position he has held since October 2020.

Senior Vice President of Development: John Wuycheck

Mr. Wuycheck has served as Kahala Brands' Senior Vice President of Development since September 2014. In this role, Mr. Wuycheck oversees franchise development for Kahala Brands' portfolio, including Wetzels Pretzels.

Vice President of Franchise Development: Jay Goldstein

Mr. Goldstein has held his current role since May of 2009. Prior to this, he served as Senior Director of Operations, then Senior Director of Development for Kahala Franchising and has worked with the Cold Stone Creamery brand since October 2005.

Director of Franchise Development: Doug Merenda

Mr. Merenda joined Kahala Brands' sales team in October 2015 as a Director of Franchise Development and was a franchise broker for Kahala Brands from April 2015 through October 2015.

Vice President of Business Development – USA: Ramin (Ray) Zandi

Mr. Zandi is the Vice President of Business Development – USA, a position he has held since February 2009.

Franchise Development Manager: Traci Zandi

Ms. Zandi has assisted our Development team in awarding franchise units since October 2016. She also served as Office Manager and Executive Assistant for Extreme Pita from April 2011 until October 2016.

Vice President of Non-Trad Franchise Development US and International: Sam Arif

Mr. Arif has held this current role since November 1, 2025. Prior to this, he co-founded the La Diperie brand in 2014 and served as VP of La Diperie from 2016 until October 31, 2025.

Vice President of Franchise Development: Peter Tsafoulis

Mr. Tsafoulis is the Vice President of Franchise Development, a position he has held since March of 2018. Prior to that, he served as the Director of Franchising of IRG from January 2008 until March 2018.

Senior Director of Franchise Sales: Shemar Pucel

Ms. Pucel joined the company in November 2020 as Director of Franchise Sales and was promoted to Senior Director of Franchise Sales in February 2022. From October 2018 to August 2020, Ms. Pucel was a Director of Development for sweetFrog Premium Frozen Yogurt & Samurai Sam's. From October 2015 to October 2018, Ms. Pucel was with SFF, LLC (formerly SweetFrog Enterprises, LLC) where she first served as Manager of Franchise Marketing and Development and was promoted to Director of Franchise Marketing and Development in August 2016.

Manager of Franchise Development: Marilyn Bower

Ms. Bower joined Kahala Brands as Manager of Franchise Development in February 2025. Previously, she held similar roles at Gold Spectrum and SunMed from 2022 through 2024. Prior to that, Ms. Bower was a Customer Service Representative with Farmers Insurance Agency in Bradenton, Florida from 2020 through 2022.

~~Head of Development – Wetzel's Pretzels: Jon Fischer~~

~~Mr. Fischer serves as Head of Development – Wetzel's Pretzels as of March 2023. Previously, Mr. Fischer served as the Wetzel's Pretzels Chief Development Officer from October 2019. In his role, Mr. Fischer is responsible for Wetzel's Pretzels franchise development, including real estate development for franchised outlets. Prior to that, Mr. Fischer held a variety of Vice President positions, including in real estate and development, at Papa Murphy's International from August 2014 to October 2019.~~

Sr. Director of Franchise Sales: Adam Lueras

Mr. Lueras became the Director of Franchise Sales for Wetzel's Pretzels effective March 2020 and was promoted to Sr. Director of Franchise Sales in February 2023. Mr. Lueras previously served as a Franchise Development Director with Jackson Hewitt Tax Service in Jersey City, New Jersey from March 2019 through November 2019. Prior to that, Mr. Lueras served as a Franchise Development Director with Wyndham Hotel Group in Parsippany, New Jersey from March 2016 through July 2018. Prior to that, Mr. Lueras served as a National Sales Manager with Avalara Software in Seattle, Washington from February 2014 through March 2016.

Director of Franchise Sales – Non-Traditional: Ross Duggal

Mr. Duggal became the Director of Franchise Sales – Non-Traditional for Wetzel's Pretzels effective July 2022. Mr. Duggal previously served as the Senior Director of Business Development for OLM Foods located in Sioux Falls, South Dakota from June 2020 through July 2022. Prior to that, Mr. Duggal served as the Director of Business Development for Chester's International in Birmingham, Alabama from March 2015 through May 2020.

Sr. Franchise Sales Manager: Diana Krankl

and proper. On or about June 15, 2015, Koho filed a Notice of Hearing on Demurrer and Demurrer to Kahala's Cross-Complaint; Memorandum of Points and Authorities; Declaration of Daniel D. Hoffman and Exhibits in Support Thereof. Koho filed its Notice of Motion and Motion to Strike Certain Portions of Kahala's Cross Complaint; Memorandum of Points and Authorities on June 17, 2015. On October 16, 2015, the Court overruled Koho's Demurrer to Kahala's Cross Complaint in its entirety and denied their motion to strike Kahala's punitive damages claims; the Court sustained the Demurrer as to Hannah Kim. Mediation was held on May 3, 2016, which failed to yield a settlement between the two parties. On May 5, 2016, Kahala dismissed the claims against Koho and Kyle Chung because they satisfied the debts owed to Kahala, and, therefore, the claims were moot. Hannah Kim was subsequently awarded attorney's fees on June 15, 2016, in the amount of \$10,233. A bench trial commenced on June 15, 2016, and ended on June 16, 2016. Upon the conclusion of Koho's case, Kahala presented its case-in-chief and moved for judgment pursuant to Code of Civil Procedure section 631.8. The Court granted Kahala's Judgment as Koho failed to establish the requisite elements of "breach" and "damages" on the three causes of action asserted in the Complaint. On July 18, 2016, the Court awarded Kahala attorneys' fees in the amount of \$205,000. On September 22, 2016, Koho filed a Notice of Filing of Notice of Appeal and requested that Kahala participate in a mediation to resolve the outstanding award to Kahala. Koho failed to post an appeal bond. On February 13, 2017, Kahala commenced its self-help pursuant to Section 8(i) and (j) of the ARA and began withholding 100% of the Area Representative fees to which Koho would have otherwise been entitled. On June 19, 2017, the parties entered into a settlement agreement whereby Kahala repurchased Koho's Area Developer territory for the sum of \$75,000 and forgave the remaining damages owed in the amount of \$130,000.

Texas Nrgize #1, Inc. v. Kahala Franchising, L.L.C. and Kahala Holdings, L.L.C.; 67th Judicial District Court, Tarrant County, Texas; Civil Action No.: 067-272652-14 subsequently removed to United States District Court for the Northern District of Texas; Case No.: 4:14-cv-544-Y.

~~On or about June 18, 2014, Texas Nrgize #1, Inc., an Nrgize franchisee ("Plaintiff"), filed a Petition and Request for Disclosure against Kahala Franchise Corp and Kahala Holdings, L.L.C. (collectively "Defendants") alleging (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) Breach of Contract and Warranties. Plaintiff sought: (i) economic damages in excess of \$200,000, plus treble damages and pre- and post-judgment interest at the maximum rates allowed by law; (ii) attorneys' fees and costs; and (iii) such other relief to which the Plaintiff may be justly entitled. On July 16, 2014, Defendants filed a Notice of Removal to the United States District Court for the Northern District of Texas. On July 24, 2014, the judge executed the Order Granting the Unopposed Motion to Substitute Parties and Changing Case Style. Kahala Franchising, L.L.C. ("Defendant") was substituted in as a defendant instead of Kahala Franchise Corp. On July 28, 2014, Defendant filed a Motion to Transfer Pursuant to 28 U.S.C. §1404(A) and Brief in Support. This motion sought an order to transfer the litigation to the United States District Court for the District of Arizona pursuant to the parties' forum selection clause contained in the franchise agreement. On August 1, 2014, Defendant filed its Answer, Counterclaim and Third Party Claim. The Counterclaim was against Plaintiff and the Third Party Claim was filed against Duane W. Martin, Argentina Saldivar, and Margena Wood ("Third Party Defendants"). Defendant alleged: (i) Breach of Franchise Agreement against Plaintiff, and (ii) Breach of Guaranty against Third Party Defendants. Defendant sought: (i) judgment against Plaintiff and the Third Party Defendants in an amount to be proven at trial; (ii) attorneys' fees; (iii)~~

~~costs pursuant to A.R.S. §§12-341 and 12-341.01 and the parties' contractual agreements; and (iv) any other relief the Court deemed fit. Plaintiff filed its Response to Defendant's Motion to Transfer Pursuant to 28 U.S.C. §1404 (A) and Brief in Support on August 18, 2014, then filed its Answer to Defendant's Counterclaim on August 22, 2014. On August 28, 2014, Defendant filed its Reply in Support of Motion to Transfer Pursuant to 28 U.S.C. § 1404(A) and Brief in Support. On September 24, 2014, the United States District Court for the Northern District of Texas Court requested that each party submit a supplemental brief to benefit the Court in resolving the Defendant's Motion to Transfer. Mediation was held on September 29, 2014, but the parties failed to come to an agreement. On October 17, 2014, Third Party Defendants filed their Answer and Counterclaim. Third Party Defendants alleged: (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) breach of contract and warranties. Third Party Defendants sought: (i) economic damages in excess of \$200,000, plus treble damages under the Code and pre and post judgment interest at the maximum rates allowed by law; (ii) attorney's fees; (iii) costs; and (iv) any other general or special relief that the Court deemed fit. On October 24, 2014, Defendant filed its Supplemental Briefing In Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 10, 2014, Defendant filed its Answer to the Third Party Counterclaims. On November 13, 2014, Defendant filed its Notice of Dismissal Without Prejudice as to Third Party Defendant Argentina Saldivar only. On November 14, 2014, Plaintiff filed its Response to Defendant's Supplemental Briefing In Support of Their Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 26, 2014, Defendant filed its Reply to Plaintiff's Response to Defendant's Supplemental Briefing in Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On February 24, 2015, the Court granted Defendant's Motion to Transfer the case to the United States District Court of the District of Arizona; Phoenix Division; Case No.: CV15-0337 PHX DGC. In April 2015, Plaintiff moved to compel arbitration which was ultimately denied by the Court. The parties participated in a mediation in August 2015 which was unsuccessful. In December 2015, the parties executed a settlement agreement in which Defendant paid Plaintiff the sum of \$35,000. The parties filed a Stipulation to Dismiss With Prejudice on December 18, 2015.~~

Concluded Arbitration and Litigation Involving SFF, L.L.C., successor in interest to SweetFrog Enterprises, L.L.C.

~~Urquieta Sweet Frog, L.L.C. and Ana Urquieta v. SweetFrog Enterprises, L.L.C. d/b/a SFF, L.L.C., American Arbitration Association; Case No. 01 14 0001 8086.~~

~~On December 23, 2014, Urquieta Sweet Frog, L.L.C. and Ana Urquieta, a former sweetFrog franchisee and its owner (collectively "Plaintiffs"), filed a Demand for Arbitration against SweetFrog Enterprises, LLC ("Defendant"). Plaintiffs alleged: (i) Defendant engaged in fraud; (ii) unfair practices; and (iii) deceptive actions. On February 2, 2015, Defendant timely filed an Answer and Counterclaim and denied all allegations, and further asserted a counterclaim against Plaintiffs for unpaid royalties. This matter was settled in December of 2015. Under the settlement, Defendant agreed to pay Plaintiffs \$300,000 and the parties executed mutual releases.~~

~~SFF, L.L.C. v. Carmel Village Yogurt Company L.L.C.; City of Richmond, Virginia Circuit Court; Case No. CL16-3927.~~

~~On August 29, 2016, SFF, L.L.C. ("Plaintiff") filed a lawsuit against three sweetFrog franchisee entities, Carmel Village Yogurt Company L.L.C. ("Defendant Carmel YC"), Huntersville Yogurt~~

Company, L.L.C. (“Defendant Huntersville YC”), and Mooresville Yogurt Co, L.L.C. (“Defendant Mooresville YC”), and their main member, Steve Anto (“Defendant Anto”); (all named Defendants collectively referred to as, “Anto Defendants”). Plaintiff alleged: (i) Defendant Carmel YC breached its franchise agreement through its unauthorized closure of its franchised shop; and (ii) as a result of the breach, Plaintiff had the contractual right to terminate Defendant Carmel YC’s franchise agreement and cross terminate the franchise agreements of Defendant Huntersville YC and Defendant Mooresville YC. Plaintiff sought: (i) declaratory judgment that the three franchise agreements had terminated; (ii) specific performance of the Anto Defendants’ post-termination obligations; (iii) damages for past due fees; (iv) lost future royalties in excess of \$116,000; and (v) recovery of its attorneys’ fees. In response to Plaintiff’s complaint, Anto Defendants denied Plaintiff’s claims and asserted counterclaims against Plaintiff and alleged: (i) Defendant Carmel YC’s franchise agreement was unenforceable and, alternatively, that Plaintiff was in breach of Defendant Carmel YC’s franchise agreement due to Plaintiff’s allowance of another franchisee to open a shop within three miles of Defendant Carmel YC’s shop. Anto Defendants sought: (i) a declaratory judgment that they were not in default of their franchise agreements; (ii) damages of not less than \$425,000; and (iii) recovery of their attorneys’ fees. Plaintiff denied Anto Defendants’ claims and filed a demurrer and pleas in bar seeking to have those claims dismissed. Prior to the court hearing and ruling on Plaintiff’s motion, the parties entered into an agreement pursuant to which: (i) the parties acknowledged the valid termination of Defendant Carmel YC’s franchise agreement; (ii) Defendant Carmel YC transferred the assets of its business to Plaintiff and Plaintiff paid Defendant Carmel YC \$25,000; (iii) Plaintiff reinstated Defendant Huntersville YC’s and Defendant Mooresville YC’s terminated franchise agreements; and (iv) Plaintiff granted Defendant Anto the right to develop a new sweetFrog shop at a mutually acceptable location on or before November 8, 2018. The case was dismissed with prejudice on December 15, 2016.

Concluded Arbitration and Litigation Involving Fresh Enterprises, L.L.C. successor in interest to BF Acquisition, L.L.C.

Fresh Enterprises, L.L.C. v. Ledang Investment Group, L.L.C., Vincent Tienn Le, Ho Tien Le and Hue Thi Dang Superior Court of the State of California, County of Santa Clara, Case No. 1-13-CV-257219.

~~On July 2, 2013, Fresh Enterprises, L.L.C., as successor in interest to Baja Fresh Westlake Village, Inc. (“Plaintiff”), filed a complaint against Ledang Investment Group, L.L.C.; Vincent Tien Le, Ho Tien Le and Hue Thi Dang (collectively “Defendants Ledang” or “Cross Claimants Ledang”) for: (i) implied indemnity; (ii) equitable indemnity; (iii) express indemnity; (iv) breach of contract; (v) declaratory relief seeking unspecified damages; (vi) indemnification; (viii) a judgment of unlawful detainer; and (ix) declaration that Defendants Ladang were obligated to reimburse Plaintiff for various expenses. On January 6, 2014, Cross Claimants Ledang filed a Cross-Complaint against Plaintiff, Baja Fresh Westlake Village, LLC, Triune Corporation and National Franchise Sales, Inc. (collectively “Counter Defendants”) for: (i) breach of contract; (ii) breach of covenant of good faith and fair dealing; (iii) negligent misrepresentation; and (iv) intentional misrepresentation. On February 19, 2014, Counter Defendants filed a Motion to Compel Arbitration, which was granted. The disputes between the parties were then arbitrated before the American Arbitration Association (Case Number 72-20-1400-0126). On February 2, 2015, the Arbitrator issued an award in favor of Cross Claimants Ledang in the amount of \$660,620.84. The parties entered into a Settlement and Release Agreement on July 20, 2015, under which~~

~~Counter Defendants paid the Cross Claimants Ledang the sum of \$585,000 and the matter was dismissed with prejudice.~~

Concluded Arbitration and Litigation Involving Famous Dave's of America, Inc.

Desert Ribs, L.L.C., Famous Gracie, L.L.C., Famous Freddie, L.L.C., Famous George, L.L.C. and Famous Charlie, L.L.C. v. Famous Dave's of America, Inc., American Arbitration Association, Minneapolis, Minnesota, Case No. 01 16 0000 8549.

On March 14, 2016, the franchisees for the Famous Dave's® Restaurants in Chandler, Peoria, Mesa and Gilbert, Arizona ("Claimants") filed a Demand for Arbitration against Famous Dave's alleging that Famous Dave's (1) violated the Minnesota Franchise Act ("MFA"), (2) breached the implied covenant of good faith and fair dealing under the Famous Dave's® Franchise Agreements with Claimants (the "Franchise Agreements"), and (3) breached certain express provisions of the Franchise Agreements. Claimants sought damages of \$2,984,098, and a permanent injunction prohibiting Famous Dave's from engaging in discriminatory conduct in violation of the MFA. On July 20, 2016, the arbitrators ruled in partial favor of the pre-hearing motion filed by Famous Dave's by dismissing Claimants' MFA claims against Famous Dave's. Upon the dismissal of the MFA claims, Claimants voluntarily dismissed their remaining claims against Famous Dave's and entered into a confidential settlement agreement and mutual release (the "Settlement Agreement"), dated August 22, 2016, with Famous Dave's. The Settlement Agreement included the following material terms: (i) the territorial rights granted to Claimants in the Franchise Agreements were modified; (ii) the managing member of Claimants (the "Consultant") entered into a consulting agreement with Famous Dave's that provided for the design, development and build-out of a counter-service/line-service prototype barbecue restaurant concept (the "Prototype") and the payment of a consulting fee of \$410,000 to the Consultant in installments over a three-year period; and (iii) Claimants entered into a right of first offer agreement with Famous Dave's granting to a Claimant the first right to enter into an area development agreement with Famous Dave's for the development of seven Prototype restaurants in a reserved territory in Arizona.

Famous Dave's of America, Inc. v. Allan Gantes; John Gantes; M Mart 1, LLC; Kurt Schneider; Shoreline FD Investors, L.L.C.; SR El Centro FD, Inc. SR Long Beach FD, Inc.; SR Palmdale FD, Inc.; SR Restaurant Holdings Group, Inc.; SR Simi Valley FD, Inc.; SR Tracey FD, Inc., Superior Court of the State of California, County of Los Angeles, Central Division, Case No. BC589329.

On July 24, 2015, Famous Dave's of America, Inc. filed a lawsuit against Allan Gantes; John Gantes; M Mart 1, L.L.C.; Kurt Schneider; Shoreline FD Investors, LLC; SR El Centro FD, Inc.; SR Long Beach FD, Inc.; SR Palmdale FD, Inc.; SR Restaurant Holdings Group, Inc.; SR Simi Valley FD, Inc.; SR Tracey FD, Inc., (collectively referred to herein as "Defendants") (SR El Centro FD, Inc.; SR Long Beach FD, Inc.; SR Palmdale FD, Inc.; SR Restaurant Holdings Group, Inc.; SR Simi Valley FD, Inc.; SR Tracey FD, Inc. will herein be referred to as the "SR Defendants"), the former franchisees for the Famous Dave's® Restaurants in El Centro, Long Beach, Palmdale, Simi Valley, and Tracy, California, and others (collectively referred to herein as "Restaurants") based in part on the continued operation of the Restaurants as Famous Dave's® Restaurants using Famous Dave's Marks and Restaurant System after the termination of their Franchise Agreements by Famous Dave's for failure to cure breaches of the Franchise Agreement, including

In February 2012, the State of Maryland alleged that during the period January 1, 2009 to November 26, 2009, Triune, LLC ("Triune"): (i) did not retain signed acknowledgements of receipt reflecting the dates that its Franchise Disclosure Document was delivered to certain Maryland residents and non-residents; (ii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document; (iii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document that contained its 2008 financial statements with a going concern note from its auditors resulting from the unfavorable financial condition of its parent company; and (iv) sold franchises to certain Maryland residents and non-residents without including, or abiding with, a deferral condition in their Franchise Agreements that was imposed upon it by the State of Maryland, all as required by the Maryland Franchise Registration and Disclosure Law (the "Maryland Law") and in violation of the Maryland Law. Without admitting or denying the allegations, in September 2012, Triune voluntarily entered into a Consent Order with the Office of the Attorney General of Maryland and agreed to: (i) not violate the Maryland Law in the future; (ii) pay the Office of the Attorney General the sum of \$50,000 as a civil penalty; (iii) retain copies of all acknowledgments of receipt confirming dates that prospective Maryland franchisees received any Maryland Franchise Disclosure Documents; (iv) comply with the disclosure and antifraud provisions of the Maryland Franchise Law and the record keeping and escrow requirements of the Code of Maryland Regulations; and (v) send a copy of the Consent Order to certain Maryland franchisees.

State of Virginia Determination: Case Number SEC-2012-00027.

In February 2012, the Division of Securities and Retail Franchising of the State Corporation Commission (the "Commission") alleged that during 2009 Triune, LLC ("Triune"): (i) offered or sold franchises in Virginia in 2009 that were not registered under the Virginia Retail Franchising Act (the "Virginia Act"); (ii) offered or sold franchises in Virginia without disclosing that it was not registered to do so; (iii) failed to provide material information regarding the parent company's unfavorable financial condition and the potential impact that it could have on Triune as stated in a going concern note in its 2008 financial statements from its auditors; and (iv) failed to provide a prospective franchisee with a copy of its Franchise Disclosure Document as required by rule or order of the Commission at least 14 calendar days before the prospective franchisee signed a binding agreement or made any payment to it in connection with the sale or offer to sell a franchise in Virginia. Without admitting or denying the allegations, on November 26, 2012, Triune voluntarily entered into a Settlement Order with the Commission and agreed: (i) to not violate the Virginia Act in the future; (ii) to pay Virginia the sum of \$25,000 as a penalty and the sum of \$5,000 to defray the Commission's costs of investigation; (iii) to offer certain Virginia franchisees a refund of their initial franchise fees; and (iv) to send a copy of the Settlement Order to certain Virginia franchisees.

Lawsuits Filed by Franchisor Kahala Franchising, L.L.C. Against Franchisees During Fiscal Year December 1, 2024~~3~~ through November 30, 2025~~4~~

Suit for Breach of Contract

*Kahala Franchising, L.L.C. v. Golden Enterprises, Inc.; DBH Associates, LP, Deseret Sales, Inc., Randy Herzog, Laurie Herzog, Amy Wilson, Rob Wilson, Clare Hunter, Deobrah Hunter; United States District Court in and for the Eastern District of Washington; Case No.: 2:25-cv-00426.**Kahala Franchising, L.L.C. v. All About Food, Inc. and Chu Yup Lee a/k/a Michale Lee; In*

~~the Circuit Court of the Nineteenth Judicial Circuit Lake County, Illinois; Case No.: 2024LA00000001.~~

~~Kahala Franchising, L.L.C. v. Mid Valley Foods, Inc., Candyce Dilbeck, Steve Hopkins, Gegory M. Hopkins; United States District Court in and for the District of Arizona; Case No.: 2:25-cv-04166-KML.~~

~~Suit for Federal Trademark Infringement, Lanham Act, 15 U.S.C. §1124; Common Law Trademark Infringement; Federal Unfair Competition, Lanham Act, 15 U.S. C. §1125; Common Law Unfair Competition; Breach of Contract; Unjust Enrichment; Audit Demand/Accounting~~

~~Kahala Franchising, L.L.C. v. Byron Washington and Bram Berg; United States District Court for the Southern District of New York; Case No.: 1:25-cv-06392.~~

~~Suit for Forcible Entry and Detainer~~

~~Gold Stone Creamery Leasing Company, Inc. v. JRF, Inc.; Iowa District Court for Dallas County; Case No.: SCSC050015.~~

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

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

All fees and payments described in this ITEM 5 are not refundable unless otherwise noted.

You must pay us a \$30,000 initial franchise fee (“**Initial Franchise Fee**”) when you sign your Franchise Agreement. The Initial Franchise Fee is not refundable except, as described below in this ITEM 5, if we terminate the Franchise Agreement because you do not successfully complete our Initial Training (as defined in ITEM 11 D). We expect that these fees will be uniformly applied in the coming year.

If you are currently an active or active reserve member of the U.S. Armed Forces or have been honorably discharged from the U.S. Armed Forces (“Eligible Military”) you may receive a 20% discount on the Initial Franchise Fee.

The Initial Franchise Fee is not refundable unless we terminate your Franchise Agreement because you or your Manager fail two attempts to successfully complete Initial Training, you comply with the refund conditions in the Franchise Agreement, and the parties have signed a termination agreement that will include mutual releases. Under these circumstances, we will refund your Initial Franchise Fee, less \$10,000 plus the out-of-pocket expenses (estimated to be between \$2,000-\$4,000) that we incurred in performing our obligations under the Franchise Agreement (including costs associated with training and the leasing and development of your Manchu WOK® Restaurant).

Security Deposit (three months) (Note 2)	\$15,000 to \$75,000
Sublease Fee (Note 3)	\$500 to \$2,500

Note 1 – Our Lease Addendum is attached as **Schedule D** to your Franchise Agreement.

Note 2 - You will also have to pay us a security deposit equal to three month’s rent under the sublease (“**Security Deposit**”) when you sign the Franchise Agreement (unless our prime lease requires a higher security deposit, in which case you will have pay the higher amount and your costs will be higher).

Note 3 - You must also pay us or landlord a one-time fee (“**Sublease Fee**”) ranging from \$500 to \$2,500 when you sign the sublease agreement.

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	Traditional 7% of weekly gross sales Non-Traditional: 6% of weekly gross sales	Payable on Thursday each week based upon the seven day period ending on the immediately preceding Sunday night	Gross sales includes all the revenues from your Restaurant but not any sales tax you pay.
Marketing Fee	4 2% of weekly gross sales	Payable at the same time as the Royalty	You must contribute this amount to our advertising fund.
Regional Cooperative Marketing Contribution	Your proportionate share of regional and local advertising and public relations programs will not exceed an amount that, when added to the amount you pay for your Marketing Fee, is greater than 5% of your gross sales over any 12 month period.	Monthly as required by your regional cooperative.	Payable only if a cooperative is formed in your area.
Successor Franchise Fee	\$15,000	Upon signing the Successor Franchise Agreement (if offered)	This fee is only payable if you are offered the opportunity to sign a Successor Franchise Agreement. The Successor Franchise Term is for 5 years.
Transfer Fee	\$10 15,000	When you apply for our consent to	One of the conditions to transferring your

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Early Termination Fee	The average monthly Royalty and Advertising Fees paid for any consecutive 12 month period within the preceding 48 month period multiplied by the number of months remaining in the term of the Franchise Agreement, and the product is divided by 2.	30 days prior to the early closing of the restaurant	You must provide us with 90 days prior written notice of the termination of your Franchise Agreement.
<u>Gift Card Redemption Fee (if applicable)</u>	<u>5-11% of the amount of the gift card redemption</u>	<u>Monthly</u>	<u>The Gift Card program does not currently incur a redemption fee payable to us or an approved vendor but may in the future and if so, those fees may be charged by us and collected by a third party on our behalf.</u>
<u>Lease Guarantee Fee (optional)</u>	<u>10% of the total amount guaranteed, up to a maximum payment of \$10,000 (if applicable) (Note 1)</u>	<u>Signing of the lease guarantee agreement (if applicable)</u>	<u>See Note 1</u>
<u>Reimbursement of Taxes</u>	<u>We may seek reimbursement from you the cost of all taxes, assessments and similar charges we incur arising from your operation of the Franchised Business or our licensing of intellectual property to you in the state where your Franchised Business is located.</u>	<u>Payable monthly by electronic funds transfer at same time as royalty and service fee.</u>	<u>Only imposed if government authority collects these taxes or assessments</u>

(Please review the above table in conjunction with all of the notes that follow.)

Notes:

(1) The fees listed in this ITEM 6 are non-refundable, uniformly imposed by us, and are payable to us unless otherwise stated. None of the above fees are refundable except that

the Security Deposit is refundable to the extent that it is not needed to pay any arrearages in lease or sublease payments.

(4)(2) If, in order to obtain the lease agreement for the site of your Manchu WOK restaurant, the landlord requires you to obtain a third party lease guarantee, and we or one of our affiliates agrees to serve as such guarantor (with such determination to be made in our sole and absolute discretion), you will pay to us a lease guarantee fee in the amount of 10% of the total amount of the rental obligations being guaranteed under the lease during its term up to a maximum payment of \$10,000.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount (low)	Amount (high)	Method of payment	When due	To Whom Payment is to be made
Initial Franchise Fee ⁽¹⁾	\$ 30 24,000	\$30,000	Lump sum	When you sign your Franchise Agreement	Us
Leasehold Improvements and Design Costs incl. signage ⁽²⁾	\$220,000	\$340,000	Lump sum	Commonly, 90% before completion	Us
Equipment, Fixtures, and Furnishings ⁽²⁾	\$89,000	\$126,000	Lump sum	Commonly, 90% before completion of construction and 10% upon completion	Us
POS System & Installation ⁽³⁾	\$4,000	\$10,000	Lump sum	Upon Ordering	Vendor
Construction Deposit ⁽⁴⁾	\$30,000	\$30,000	Lump sum	When you sign your Franchise Agreement	Us
Development Construction Fee ⁽⁵⁾	\$2,500	\$15,000	Lump sum	Commonly, 100% upon completion	Us
Lease Administration Fee	\$8,000	\$8,000	Lump sum	When you sign your lease or sublease	Us

Type of expenditure	Amount (low)	Amount (high)	Method of payment	When due	To Whom Payment is to be made
Security Deposit ⁽⁶⁾	\$15,000	\$75,000	Lump sum	When you sign your lease or sublease	Us
Sublease Fee ⁽⁶⁾	\$500	\$2,500	Lump sum	If you sign your sublease, at the time when you sign	Us or landlord
Rent ⁽⁷⁾	\$15,000	\$75,000	Lump sum	Monthly	Us or landlord
Nonfood, Inventory and Supplies	\$15,000	\$20,000	Lump sum	Commonly, 50% before construction and 50% upon completion	Contractors and vendors
Initial Food, Inventory and Other Costs ⁽⁸⁾	\$8,000	\$10,000	Lump sum	As incurred	Suppliers
Grand Opening, Marketing and Promotion Fee ⁽⁹⁾	\$10,000	\$10,000	Lump sum	When you sign your lease or sublease	Us
Initial Training Expenses ⁽¹⁰⁾	\$5,900	\$7,500	Lump sum	As incurred	Vendors, hotels, and restaurants
Architect Fees	\$18,000	\$25,000	Lump sum	When you sign your Franchise Agreement	Us
Business License, and Permits ⁽¹¹⁾	\$150	\$500	Lump sum	Upon issuance	Local government
Additional Funds, (incl. insurance and Initial phase of 3 months) ⁽¹²⁾	\$15,000	\$30,000	As incurred	As incurred	Us, landlord, vendors, contractors, and suppliers
Digital Menu System ⁽¹³⁾	\$4,000	\$6,000	Lump Sum	Upon Ordering	Vendor
Total ⁽¹⁴⁾	\$48490,050	\$820,500			

Although we, nor any of our affiliates are not currently an approved supplier of any Approved Products or Proprietary Products as of the date of this Franchise Disclosure Document, we reserve the right to do so in the future.

For some products we may instead of approving or designating suppliers, provide specifications and approve specific items, rather than the supplier of those items. In this case you may buy the approved item from any source you choose.

You must maintain in sufficient supply, and may offer for sale only the items, products, and services that we have approved in writing for sale at your Manchu WOK® Restaurant. You must offer all types of items and products that we designate, and you may not change the items at your Manchu WOK® Restaurant unless we have given our prior written approval. You must use only the ingredients, preparation methods, and techniques that we specify. You may not deviate from our standards (for example, standards relating to approved products, food preparation, ingredients and recipes) without our prior written consent. If we disapprove of any items, products, or services, in our discretion, you must stop selling and offering those items and services for sale, and remove them from your store.

You must buy only approved food items, ingredients, supplies, packaging, materials, and other (edible and non-edible) products used or offered for sale at your Manchu WOK® Restaurant. In some cases these products may be purchased only from suppliers (including manufacturers, distributors, and other sources) who we have approved in writing as meeting our then-current standards. Our approval of suppliers is conditioned on factors such as their adequate quality controls and capacity to supply your needs promptly and reliably, and whose approval will enable the Manchu WOK® Restaurant system, in our sole opinion, to take advantage of marketplace efficiencies. We will have the right to revoke our approval at any time. We also have the right to appoint only one supplier for any particular item (which may be us or one of our affiliates). In addition to requiring purchases from approved distributors or suppliers, we may, in our sole discretion, require that you purchase certain products or services through designated purchasing channels, programs, platforms, or contractual arrangements that we specify.

In some cases where specific approved products are available from more than one source, we will not designate an approved supplier of that approved item. We will instead designate the approved item and you must buy only the approved item, with no substitutions, but you may buy that approved item from any supplier of your choosing.

We estimate that your purchases or leases from designated or approved suppliers will represent 80% of the total cost to you of opening your Manchu WOK® Restaurant and 80% of the total purchases and leases for the continuing operation of your Manchu WOK® Restaurant. We estimate that your total purchases/leases in accordance with our specifications where we have not designated or approved a supplier will represent 20% of your total costs of establishing your Manchu WOK® Restaurant and 20% of the total cost of the continuing operations of your Manchu WOK® Restaurant. All designated or approved suppliers are subject to change at any time.

If you want to buy products (other than Proprietary Products) from an unapproved supplier, you must submit to us a written request asking for our approval of the proposed supplier. You may not buy from any supplier unless we have given our prior written approval of that supplier. Before we will approve a supplier, we will have the right to inspect the supplier's facilities, and ask that samples from the supplier be delivered to us or to an independent laboratory that we designated for testing. Either you or the supplier may have to pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the test. We may also require that the

cost and expense, retain a licensed architect of record to prepare the permitted construction set of drawings.

Specifications for food and paper items are contained in the Manchu WOK® “Recipe Manual”. Certain products and supplies must be purchased from our approved distributors. Soft drink syrup and bottled beverages must be purchased through Pepsi Cola. Certain other products, including without limitation MW uniforms, MW breaded chicken, MW 3-compartment paper plate, MW 20 oz & 32 oz cold drink cups, MW printed napkins, MW marinated beef, MW marinated chicken, MW veggie & chicken eggrolls, MW soup mix, MW fortune cookies, MW Battered Pork, MW Lo Mein Noodle, MW Premade Honey garlic Sauce, MW Premade Orange Sauce, MW Premade Base Sauce, MW Premade Sweet and Sour Sauce and MW 20 oz food pail, must be purchased from a distributor or supplier we designate or authorize. The list of these products may be revised by us periodically by adding, substituting or removing products. We expect to receive vendor allowances from the suppliers and/or distributors of these products based on the volume of your purchases. During our most recent fiscal year which ended on November 30, 2025⁴, these vendor allowances averaged approximately 1% to 5% of franchisees’ purchases. We expect to negotiate purchase arrangements with suppliers (including price terms) for the benefit of all MANCHU WOK® Restaurants, including those owned by franchisees. We do not provide material benefits (e.g., renewal or additional franchises) to a franchisee based on the use of designated or approved suppliers. Failure to buy from approved suppliers is, however, an act of default under your Franchise Agreement.

We will conduct a grand opening marketing campaign on your behalf, including providing various marketing materials and services.

MTY USA and our subsidiaries are approved suppliers of goods and services, including lease review services, leasehold improvements, equipment, furniture, freight services, signage, engineering drawings and architectural layout drawings. Neptune Equipment, an affiliate of Kahala Franchising is currently one of the approved suppliers of certain equipment, menu boards, furniture, wall graphics, computer hardware and smallwares. You are not required to purchase from them and they are not the only approved supplier. MTY USA is not a supplier of any products or services. Kahala Management, an affiliate of MTY USA, is currently the only approved service provider of phone support maintenance for the software and hardware of the POS system (“POS Help Desk Phone Support Maintenance”). You are required to purchase the POS Help Desk Phone Support Maintenance from Kahala Management.

Kahala Management is also an approved service provider of real estate services, including negotiating a term sheet, negotiating the lease terms, and locating a site for a franchisee upon request from a franchisee. You may, but are not required, to use Kahala Management for real estate services.

We may, at our option, require you to enter into a lease for the restaurant premises directly with the landlord (“Direct Lease”). You and your attorneys must negotiate the terms of the Direct Lease. We have no liability to you regarding the terms or negotiations of the Direct Lease. The Direct Lease for the premises is subject to our final approval. You and the landlord under the Direct Lease must sign our approved Lease Addendum (See Exhibit I: Required Lease Terms (Lease Addendum to Lease Agreement)). If we require you to enter into a Direct Lease, you must provide us with a copy of the Direct Lease and the Lease Addendum for our approval at least 10 days before you sign the Direct Lease, and you must provide us with a copy of the executed Direct Lease and Lease Addendum within 10 days after signing. If you do not provide us with all of the required documents, we will not approve your Direct Lease.

A non-traditional restaurant will generally be located inside an existing primary business. As a result, if you open and operate a non-traditional restaurant, there may not be a Sublease between you and our Leasing Affiliate. If the circumstances make a Sublease appropriate, then you would sign a Sublease with our Leasing Affiliate.

You should carefully read the Direct Lease, or the Sublease and Master Lease, and, if applicable, the sublicense agreement. The Sublease provides that a default under your Franchise Agreement is a default under the Sublease. It also provides that you will not raise any defense or counterclaim in any action we or our Leasing Affiliates commence, other than a defense of payment.

We also receive periodic vendor allowances or other consideration from our designated or approved suppliers. We retain these payments to partially compensate us for our ongoing efforts in establishing and maintaining quality sources of supply, in evaluating potential new suppliers, and in monitoring and evaluating approved suppliers and upstream manufacturers to insure that those suppliers and manufacturers meet our quality and performance standards. We do not presently participate in any purchasing or distribution cooperatives, but we reserve the right to do so in the future.

Pursuant to the mergers as fully described in Item 1, the total revenues and expenses of Kahala Franchising and its subsidiaries and affiliates have been consolidated with MTY USA's, as reflected in the audited consolidated financial statements presented in this disclosure document. For the year ending November 30, 2025⁴, MTY USA and its subsidiaries, as of such date, derived revenues from the sales of products, services, and vendor allowances in the amount of \$47,054,607,514,322, which was approximately 8.57.8% of MTY USA's total consolidated recognized revenue in the amount of \$604,239,000,597,538,000.

During our last fiscal year, our consolidated revenue received \$29,352,205,30,372,764 of the \$47,054,607,514,322 from such vendors. Additional other revenues (for example, revenue from miscellaneous fees and expenses from franchisees) in the amount of \$5,917,821,5,680,438 were also received by MTY USA and its subsidiaries during the last fiscal year.

During our last fiscal year, Neptune Equipment earned a total of \$1,849,497,1,670,243 of the \$47,054,607,514,322. MTY USA on a consolidated basis with its subsidiaries, earned revenue from POS help desk support maintenance services and the sale of POS equipment, in a total amount of \$1,813,085,1,845,877 of the \$47,054,607,514,322.

We may, in our sole discretion, establish one or more strategic alliances or preferred vendor programs with one or more suppliers who are willing to supply all or some Restaurants with some or all of the products and/or services that Restaurants are authorized to offer to customers. If we do so, it may limit and/or require you to use suppliers other than those that you would otherwise use, and/or limit the number of approved suppliers with whom you may do business.

None of our officers owns an interest in any companies that are vendors or suppliers to the Manchu WOK System.

You must lease (or otherwise acquire) the premises for your MANCHU WOK® Restaurant and build-out your restaurant in accordance with our specifications and guidelines. Accordingly, the exterior and interior design and construction of your restaurant and all your signage,

menuboard (including digital menuboard) fixtures, and equipment (including your POS System) must conform to our specifications.

We must approve the site for your Restaurant. You must acquire or enter a lease for the site that we have approved containing certain provisions that we require. If you lease the space for the Premises, we may require you either to: (a) lease the space for your Premises directly and sign a lease as well as a Lease Addendum; or (b) sign a lease directly with us. If the landlord refuses to enter a lease with you despite your best efforts to have it do so, and will only sign a primary lease with us, we will exercise reasonable commercial efforts to enter a lease on terms satisfactory to us. If we are successful, we will sublease the premises to you under a net lease, which will pass-through all the expenses under the primary lease to you. The form of Sublease Agreement we will require you to sign is attached as **Exhibit D** to this Franchise Disclosure Document. However, in certain circumstances, a landlord may require you to sign a different form of sublease agreement.

You must acquire an approved Point of Sale and Electronic Cash Register System (POS System), and Digital Menu System from a vendor approved by us. Depending on the size of your Manchu WOK® Restaurant and/or your anticipated volume of business, additional terminals or hardware might be required. We will also require you to obtain and maintain high-speed Internet connectivity for your MANCHU WOK® Restaurant.

You are required to accept all approved debit and credit cards, along with MTY USA or its affiliate's stored value gift cards, loyalty cards, frequency cards, and any other similar MTY USA or affiliate sponsored electronic card and/or payment program (collectively, the "Gift/Loyalty Card") from consumers at your Manchu WOK restaurant. Prior to the opening of your restaurant, you will be required to acquire an approved debit, credit and Gift/Loyalty card processing system to use during the operation of your Manchu WOK restaurant and participate in any online ordering programs which Franchisor may require. The components and specifications of this system are specifically identified in the Confidential Manual. Additionally, you must utilize our approved third party payment card processor, as identified in the Confidential Manual, for processing all such debit, credit, rewards, and Gift/Loyalty card transactions. The Payment Processor will charge fees for credit card processing based on the applicable card brand and issuing bank. Network and interchange fees vary depending on card brand, card type, and method of acceptance. For certain required credit card brands, fees are assessed on an interchange-plus basis at the then-current interchange and network rates, plus a processor markup of \$0.0175 per transaction, and are subject to future changes. Other required credit card brands may be assessed using a tiered discount rate structure, under which the applicable percentage rate varies based on card type and tier classification. All rates and fees are subject to change by the applicable network and other applicable third parties. In addition, the Payment Processor may assess additional charges for voice authorizations, chargebacks, and debit PIN transactions, as applicable.

You must utilize our approved mobile application ("App") and online food ordering service (including any third-party delivery order integration) and may not use any other store-specific App or online ordering service. Olo is a Franchisor-approved online ordering vendor, as of this Disclosure Document's issuance date. You may also utilize third-party delivery services, through a provider of your choice, unless we require you to use a specific third-party(ies) and provided that if required and/or if you choose to participate in such third-party delivery services, you may be required to utilize a point-of-sale integration directed by us.

OBLIGATION		SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
k.	Territorial development and sales quotas	Not Applicable	Not Applicable
l.	Ongoing product/service purchases	Section 6.4	Item 8
m.	Maintenance, appearance and remodeling	Section 6.6; Sublease Section IV	Item 6
n.	Insurance	SECTION 7; Sublease Section IV	Items 6 and 8
o.	Marketing	Sections 3.5, 5.5, 5.6 and 6.13	Items 5, 6 and 11
p.	Indemnification	Section 13.2; Sublease Section IX	Item 6
q.	Owner's participation/management/staffing	Section 6.2	Items 11 and 15
r.	Records/reports	SECTION 8; Sublease Section VI	Items 6 and 11
s.	Inspections/audits	Sections 6.7 and 8.3; Sublease Section IV	Items 6 and 11
t.	Transfer	SECTION 12; Sublease Section VII	Items 6 and 17
u.	Renewal	Section 2.2	Items 6 and 17
v.	Post-termination obligations	Sections 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10 and 10.12	Item 17
w.	Non-competition covenants	SECTION 11	Item 17
x.	Dispute resolution	SECTION 14	Item 17
y.	Personal guarantee	SECTION 15	Item 15
z.	Cross defaults	SECTION 10; Section 10.1(j)	Not Applicable

ITEM 10 FINANCING

We do not offer direct financing to franchisees. However, in limited circumstances and in our sole discretion, we or one of our affiliates may provide financing in connection with your purchase of a corporate-owned restaurant sold on an "as-is" basis, or in other limited, one-off circumstances. In addition, we may, in our sole discretion, provide a lease guarantee for an approved restaurant site.

Other than as described above, we do not guarantee franchisee obligations under any note or other obligation, except as specifically described below.

Lease guarantee fees, if applicable, are disclosed in Item 6 (Other Fees) of this Disclosure Document.

If the franchisee is an individual, the individual franchisee (and his/her spouse, if married) must personally guarantee the debt. If the franchisee is a corporation, limited liability company, partnership, or other entity, each of the principals of the entity (and each of their respective spouses, if married) must personally guarantee the debt. Once paid, the lease guarantee fee is non-refundable under all circumstances. We do not offer financing for the lease guarantee fee as it is payable in full upon the execution of the guarantee. Neither we, nor any of our affiliates, are required to serve as a guarantor of your lease for the site of your restaurant. The decision of whether to serve as a guarantor of your lease shall be made at our sole and absolute discretion.

We require a first lien position in all equipment as a security interest to be given by the franchisee. We do not intend to sell, assign or discount to a third party any financing arrangement. We do not arrange financing from other sources; therefore, we do not receive direct or indirect payments from placing financing.

The lease for a corporate restaurant is entered into by one of our affiliates. When you purchase the corporate restaurant, you will enter into a Sublease with our affiliate using our standard form of Sublease where you pay all monies owing under the Master Lease to our affiliate and the affiliate will pay the property owner, which are schedules to the Franchise Agreement (see Exhibit D – Sublease Agreement). The Sublease will contain substantially the same terms as the Master Lease. The term of the Sublease will be for the entire term of the Master Lease, less one day. If you are an individual, you (and your spouse, if married) must sign the Guaranty of Sublease (see Exhibit D – Sublease Agreement). If you are a corporation, limited liability company, partnership or other business entity, each of your shareholders, members, partners or other owners (and their respective spouses, if married) must sign the Guaranty of Sublease.

If we determine that you do not have the financial capacity to perform your obligations with respect to the site or the Master Lease, we may deny approval of the site and/or Master Lease. That disapproval will be deemed to be reasonable. In that event, we or our affiliates or franchisees may operate a Manchu WOK restaurant at that site.

We or our affiliates may, in our sole discretion, lease the site approved by us for your *Manchu WOK* restaurant and sublease the site to you. In addition, if and when you sign the Sublease, you must pay to us an amount equal to two months base rent under the Master Lease, plus a security deposit in an amount equal to the security deposit required under the Master Lease. (We reserve the right, however, to require a greater security deposit, based upon your creditworthiness.)

Please note, if you intend to lease the site of your restaurant, the lease must include certain required provisions (See Addendum to Lease, Schedule D of the Franchise Agreement; Franchise Agreement, Section 4.3).

~~We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligations.~~

you (in addition to the assistance referred to above) to resolve any specific problems you encounter when operating your Manchu WOK Restaurant. If we send our personnel to your Manchu WOK Restaurant, you must pay us \$500 per day (or part of each day) for each person we provide to render these additional or special services, together with all reasonable costs we incur on account of travel, lodging and meals for all personnel provided.

E. Manuals

We will provide you (paper, electronic or other format) with a loan only of copies of our Operations Manual, which consists of our confidential Operations Manual, Recipe Manual and Local Store Marketing Manual. The Table of Contents of the Operations Manual is attached to this Franchise Disclosure Document as **Exhibit E**. This Operations Manual is confidential and remains our property. We may periodically modify the Operations Manual or change the format in which the Operations Manual is presented. Currently, the Operations Manual has a total of 259 pages.

F. Marketing – Initial/Ongoing/Local/Regional/National

i) We will conduct a Grand Opening Marketing campaign and Promotional program for you using the \$10,000 Grand Opening Marketing and Promotion Fee you pay to us. For the Grand Opening Marketing and Promotional Program, we furnish merchandising material, including “Now Open” signs, “directional” signs and a grand opening banner. We also give you various coupons and marketing fortune cookies that contain a promotional offer in lieu of the traditional fortune. The costs associated with any discount attributable to any coupons used by your customers or any free food and beverages that you provide your customers are your responsibility.

ii) At our option, we will provide ongoing marketing and promotional programs and suggestions/guidance for marketing to assist you in the marketing and promotion of your Manchu WOK restaurant.

iii) All Franchisees must contribute a Marketing Fee equal to ~~4~~2% of weekly gross sales to the marketing and sales promotion fund (the “**Fund**”) (gross sales includes all the revenues from your Restaurant but not any sales tax you pay). We may co-mingle Marketing Fees contributed to the Fund with marketing funds established by our affiliates, principally those affiliates operating in the United States. We will use the Fund for formulating, developing, and conducting programs and policies for marketing, sales promotional matters, and marketing research, communication, and development; purchasing advertising or marketing rights or services in any media; administrating any media-buying co-operative we may establish; and developing and administering marketing and promotional activities for the Manchu WOK® System. We may retain and use the Fund monies in the manner as we consider appropriate.

iv) Through the Fund, we will provide you with marketing materials, including ad slicks, promotional materials, customer programs and logo art work. The Fund may disseminate advertising in electronic, print, and other media, including newspapers, magazines, handbills and flyers. The Fund may advertise in national, regional, and local media.

v) We administer the Fund. We use our in-house marketing department (which is employed to work on marketing and promotional materials for the Manchu WOK® restaurant concept, including Mall and non-traditional locations) to create and place marketing programs. We may administratively aggregate the monies in the Fund and pay ourselves out of the Fund an annual administration fee of 15% of the total amounts paid to the Fund. Monies expended by the

Marketing Fund shall be used to promote the Manchu WOK® restaurant concept and not to sell additional franchises.

vi) Fund expenditures during our most recent fiscal year ending November 30, 2025⁴, fell into the following categories:

Production	0.0%
Media Placement	48.4710.86%
Administrative	3.7418.85%
Other	47.8470.28%
TOTAL	100%

The “other” expenses included public relations, research, concept development and communications. None of the Fund was used for the solicitation of franchises.

vii) You may develop and use your own marketing materials; however, we must approve all the materials, in writing, before you use them. We will approve or disapprove of your proposed marketing materials within 10 working days after you submit them for evaluation. Any marketing materials or programs which you may develop become our property without requirement of payment to you.

viii) The Fund will collect marketing fees from all franchisee and company-owned Manchu WOK® Restaurants. All Company-owned outlets contribute to the Fund on the same basis as franchisees. Some non-traditional locations are exempt from payment of marketing contributions. The Fund is not required to spend any amount on marketing in the area where your Manchu WOK® Restaurant is located.

ix) We have no fiduciary responsibility to you on our management of the Fund. The Fund is not audited, and the financial statements for the Fund and accounting of the Fund are not available to franchisees.

x) Any funds not spent in the year in which they are collected will be spent in the next year.

xi) There is presently no marketing council. However we and our affiliates intend to establish a Franchisee Advisory Council comprising initially of appointed Franchisee representatives representing all Manchu WOK® restaurants to discuss matters of common interest and make recommendations concerning Manchu WOK® restaurant operations, procedures, marketing etc. to us. It is anticipated that this Franchisee Advisory Council will eventually become a body whose representatives will be elected annually by all Manchu WOK® Franchisees. We and our affiliates will carefully consider any and all recommendations made by the Franchisee Advisory Council but we are not bound to accept or institute any recommendation(s) or proposal(s) made by the Franchisee Advisory Council.

xii) In addition to contributing to the Fund and fulfilling any marketing obligations under your Lease or Sublease, you must use and display all marketing and promotional materials (including banners, signs and point-of-purchase materials) as we may provide. Any marketing program you may conceive or develop becomes our sole property.

xiii) We and our affiliates have the exclusive right to use our trademarks (both registered and unregistered) and licensed items for e-commerce purposes and for use on the World Wide Web (or in any other electronic medium, including for example social media and social networking

sites). You may not use the licensed items or our trademarks on the World Wide Web. You must not operate or advertise, market, or otherwise promote your Manchu WOK® Restaurant on the Internet. You may not register any domain name containing the words “*Manchu WOK*” or any similar words, or establish, operate, or participate in a Web site on which the words appear.

xiv) We reserve the right to create a regional marketing cooperative in any Designated Market Area (“**DMA**”) (DMAs are local television market areas designated by the Nielsen division of the Television Bureau of Advertising, Inc.) and to establish its rules and regulations. If and when we request, you must become a member of the cooperative for the DMA in which some or all of your Trade Area is located. In no event will your Manchu WOK® Restaurant be required to be a member of more than one cooperative. The cooperative must be organized, governed, and operated in the manner we prescribe. The cooperative will have the right to require you contribute to the cooperative as well as determine the amount of your contribution, but the contribution, when combined with the amount you must contribute to the Fund, will not exceed, in any 12 month period, 5% of your gross sales. The cooperative need not operate from written governing documents nor need it prepare annual or periodic financial statements available for your review. You may obtain an accounting of advertising expenditures during the prior fiscal year by making a written request for it.

xv) The Fund is not a trust fund. We have no fiduciary duty to any franchisee in connection with the collection or expenditure of Fund monies or any other aspect of the Fund’s operations.

xvi) A telephone directory advertisement must be approved by us in advance.

xvii) You must display pamphlets and other promotional/advertising materials as we may specify and including materials that solicit new franchisees that we may provide to you.

xviii) At our request and at your expense, you must participate in our System marketing and Restaurant monitoring programs including Internet-based programs, such as various e-mail programs (such as e-mail list building), messaging, newsletters, customer retention and acquisition programs, social media campaigns and tracking surveys, campaign tracking, mystery shopper programs, and health and safety monitoring services. We reserve the right to periodically add, delete or modify System marketing and Restaurant programs.

G. POS System

You must purchase and use Vivonet cash register system (“**POS System**”) inclusive of necessary software. The POS System includes devices that (i) record cumulative sales and provide sequential customer count recording on a daily and cumulative basis and that cannot be turned back or reset; and (ii) permit electronic polling of all cash register information. We have the right to poll (i.e., take copies of information from) the POS System at any time we choose and use it for any purpose whatsoever. All required hardware and software associated with this system must be obtained from Vivonet Acquisition Ltd., 1188 W Georgia St. #1790, Vancouver, BC V6E 4A2.

For your POS System, you must acquire and maintain high-speed Internet connectivity. We estimate that the cost of purchasing required hardware and software, including installation, will range from \$4,000 to \$8,000, and the cost of optional maintenance warranty is range from \$250 to \$300 for three years per screen terminal and \$110 to \$150 for 3 years per Printer. You would also need to pay for a monthly software subscription fee range from \$50 to \$70 per POS. The approved POS System may have in its specifications integrated “card swipe” systems that

process Gift/Loyalty Cards sponsored by us or our affiliates. You may need to obtain credit card and gift card processing services from our approved vendors. The charges associated with credit card and gift card transactions are compiled per transaction and therefore will vary from Franchised Business to Franchised Business. We estimate that the costs associated with credit card transactions will be between 1% and 4% of your gross sales. A 5% to 11% gift card redemption amount may be charged in the future but as of the date of this disclosure is not currently collected by franchisor or an affiliate.

Neither we nor any of our affiliates is obligated to provide ongoing maintenance, repairs, upgrades or updates to your POS System.

All franchisees may be required to participate in online ordering and delivery programs, which may, in Franchisor's sole discretion, require you to pay for certain goods and/or services from Franchisor, Franchisor's affiliate, and/or unaffiliated third-party providers. For example, as of the Disclosure Document's Issuance Date, franchisees are required to enter into an agreement with, and pay corresponding fees to, Olo as established by Olo for such goods and/or services. Applicable fees may include, as of the Disclosure Document's Issuance Date, a monthly fee of \$60, a dispatch fee of \$0.50 per order plus a portion of the delivery fee, a Technology Transaction Fee ranging from \$0.025 to \$0.035 per transaction, an Order with Google fee equal to 5% of the order subtotal, an Olo Pay fee ranging from 2.65% to 2.80%, a one-time store activation fee of \$250 for all new locations, and chargeback fees of \$5 per dispute; additional fees may apply if applicable, including a Catering Monthly Fee, Catering Order Transaction Fee, Billing Service Admin Fee, Post-Launch Transaction Fee, and a Location Transfer Fee. This provider and/or its fees may change, in Franchisor's sole discretion, upon advance notice to you. Additionally, third-party delivery programs may charge varying fees, including commissions of 15% to 24%, order processing fees (for example, \$0.99 promo fees, 2.99% processing fees, or 3.05% plus \$0.30 per order), and pickup fees of 6% to 10%. Program terms and fees vary by provider and may change or increase under the provider's then-current terms.

H. Menu System

You must purchase and use the Digital Menu System inclusive of necessary hardware provided by our approved vendor- UNOApp, 670 Caledonia Road, 2nd Floor, Toronto, Ontario, M6E 4V9.

To maintain Manchu Wok brand standards, we shall have sole control over the displayed contents including, but not limited to, National menu offerings, pricing, advertising, promotions and videos. All other content specific to your location (Local advertising, Mangers Specials, etc.) must be obtain approval from Marketing department and will be uploaded directly from UNOApp. In order to run and sustain the UNOApp menu board system, you must acquire and maintain high-speed Internet connectivity. As of the date of this Franchise Disclosure Document, we are currently using 4 X 49" LG screen system as our standard menu displays. We estimate that the cost of purchasing this system with required software & hardware including initial content set up, will range from \$4,000 to \$6,000 depending on the size and number of screens in your menu system. In addition to the cost of hardware, a monthly fee of \$49 to \$60 will be applicable. This is a software licensing and servicing fee.

PROVISION		SECTION IN FRANCHISE AGREEMENT	SUMMARY *
			committing an act of bankruptcy, or similar acts; abandoning the business; failing to cure default under any agreement with Franchisor; creating an imminent public health or safety risk; misappropriating funds withheld from employee wages; violating or having assets, property, or interests blocked under anti-terrorism laws.
i.	Your obligations on termination/non-renewal	Sections 2.4, 10.2-10.10, 10.12	Obligations include, rescinding contracts as necessary, ceasing use of our trademarks, de-identifying premises, paying amounts due, including for an early termination caused by your default, future royalty fees that would have been paid throughout the remainder of the term, returning manuals and other operations materials, assigning telephone numbers and if Manchu WOK requests, assigning your Lease and/or selling us any of your equipment or fixtures at the price described in your Franchise Agreement (also see "r", below), providing an accounting, complying with confidentiality and non-compete requirements.
j.	Assignment of contract by us	Section 12.1	No restriction on our right to assign.
k.	"Transfer" by you- defined	Section 12.2	You need our prior written consent to transfer of your Franchise Agreement, assets, or stock or ownership interests. Transfers include selling, assigning, charging, or granting a security interest in or otherwise encumbering those items as well as certain actions that may result in change of control if you are a legal entity.
l.	Our approval of transfer by you	Section 12.2	We have the right to approve all transfers, but will not unreasonably withhold approval
m.	Conditions for our approval of transfer	Section 12.2	Transfer fee of \$40 <u>15</u> ,000 paid, new franchisee/transferee satisfactorily completes training, you sign release and settle all accounts with us and trade creditors, no default exists under the current agreement, and bulk-sales laws complied with and updating/refurbishing of your Manchu WOK Restaurant to our then

Provision	Section in Sublease	Summary
s. Modification of the agreement	14.5.2	No amendment or modification is valid or binding unless it is in writing, refers specifically to the Sublease, and is signed by the party as to whom enforcement is sought.
t. Integration/merger clause	14.2 and 14.4	The Sublease and Franchise Agreement, including any contemplated or referenced agreements, contain the entire agreement of the parties. The Lease is incorporated into the Sublease <i>mutatis mutandis</i> .
u. Dispute resolution by arbitration or mediation	Not Applicable	None
v. Choice of forum	Not Applicable	None
w. Choice of law	Not Applicable	None

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

~~The average gross sales amounts contained in the table below pertain to the historic performance of all franchised Manchu Wok stores located in the United States that were existing outlets that did not open for the first time during the past fiscal year and reported sales. The time period measured was December 1, 2023, through November 30, 2024.~~

	Average Gross Sales	Median Gross Sales	Number of Stores	Number of stores that met or exceeded the Average Gross Sales	Percentage of stores that met or exceeded the Average Gross Sales	Number of stores that met or exceeded the Median Gross Sales	Percentage of stores that met or exceeded the Median Gross Sales
All franchised stores	\$1,895,019	\$1,124,717	15	8	53%	8	53%

Notes:

1. ~~As of November 30, 20254, there were 15 franchised stores open in the United States. 15 stores were franchised, existing locations that did not open for the first time during the past fiscal year, were located in the United States, and were not temporarily closed as of fiscal year end.~~

2. ~~The information is based upon gross sales, which means the total revenue derived from the sales of goods and services less sales tax, discounts, allowances and returns, of franchised, stores.~~

3. ~~Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.~~

4. ~~The above table and information were prepared from (i) weekly sales reports provided to us by franchisees. We have not audited the information provided by the franchisees.~~

5. ~~We will provide to you the spreadsheets as written substantiation for the representations made in this Item 19 upon reasonable request.~~

We do not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. ~~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 information or projections of your future income, you should report it to the franchisor's management by contacting Kahala Franchising, L.L.C., 9311 E. Via De Ventura, Scottsdale, Arizona 85258, (480) 362-4800, the Federal Trade Commission, and the appropriate state regulatory agencies.

All States							
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Total							
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of November 30, 20242025

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year	Total
Total	0	0	0	0

The name, address, and telephone number of all of our franchisees as of November 30, 20242025, is set forth in **Exhibit F**.

The name and last known address and telephone number of every franchisee who has left our Manchu WOK® system for any reason including, without limitation, termination, cancellation, non-renewal or otherwise voluntarily or involuntarily ceased to do business under a Manchu WOK Franchise Agreement, during our most recently completed fiscal year or has not communicated with us within 10 weeks of the date of this Franchise Disclosure Document appears at **Exhibit G**.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the 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.

As of November 30, 20242025, there are no Manchu WOK franchisee associations in existence regardless of whether or not they use our trademark.

ITEM 21
FINANCIAL STATEMENTS

Attached as **Exhibit B** are our audited consolidated financial statements for the years ended November 30, 202~~5~~⁴, and 202~~4~~³, and for the fiscal years ended on November 30, 202~~4~~³, and 202~~3~~².

ITEM 22 CONTRACTS

A copy of MTY Franchising USA, Inc.'s current Franchise Agreement and Sublease Agreement (Sublease subject to amendment to accommodate local laws) are attached as **Exhibits C** and **D**, respectively. A copy of the In-Store Training Release and Waiver of Liability Agreement is attached to this Franchise Disclosure Document as **Exhibit E-1**. A copy of the State-Specific Disclosure and State-Specific Agreement Amendments is attached to this Franchise Disclosure Document as **Exhibit H**. A copy of the Receipt is attached to this Franchise Disclosure Document as **Exhibit K**.

ITEM 23 RECEIPT

Exhibit K contains two detachable pages acknowledging the receipt of the Franchise Disclosure Document by you. One copy is for your records, and one copy must be signed and dated by you and returned to us.

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. DEFINITIONS	2
2. TERM AND GRANT OF FRANCHISE	5
3. FEES PAYABLE BY THE FRANCHISEE	10
4. DEVELOPMENT AND OPENING OF THE PREMISES	15
5. DUTIES AND RESPONSIBILITIES OF FRANCHISOR.....	21
6. FRANCHISEE DUTIES, RESPONSIBILITIES AND OBLIGATIONS	25
7. INSURANCE	33
8. RECORDS AND REPORTING	35
9. LICENSED ITEMS AND TRADEMARKS.....	38
10. DEFAULT AND TERMINATION OF FRANCHISE.....	40
11. RESTRICTIVE COVENANTS	47
12. ASSIGNMENT AND TRANSFER	51 50
13. GENERAL CONTRACT PROVISIONS.....	56
14. DISPUTE RESOLUTION	60
15. GENERAL PROVISIONS.....	62
16. REPRESENTATIONS AND WARRANTIES	63
17. GENERAL PROVISIONS.....	65

Schedules

Schedule A	Trademarks
Schedule B	Premises and Lease Description
Schedule C	Trade Area
Schedule D	Lease Addendum
Schedule E	Development Obligations
Schedule F	List of Shareholders
Schedule G	UCC-1 and Rider
Schedule H	Guarantee, Indemnification, and Acknowledgment

Sales of Franchisee's Manchu WOK Restaurant for the seven (7) day period ending at the close of business on the Sunday preceding such Thursday ("**Royalty**"); provided that during such period as Franchisee is an Area Developer and continues to operate this Manchu WOK Restaurant pursuant to an Area Development Agreement, the Royalty rate referred to herein shall be reduced to five (5%) percent.

3.5. Marketing Fees

(a) Franchisee shall pay to Franchisor, in the same manner and at the same time as the Royalty is payable, a marketing contribution ("**Marketing Fee**") to Franchisor's marketing and sales promotion fund ("**Fund**") in an amount equal to ~~one~~ two per cent (~~1~~2%) of Gross Sales for the seven (7) day period ending at the close of business on the Sunday preceding such Thursday;

(b) Franchisee acknowledges and agrees that:

(i) the Fund shall be used by Franchisor, as determined in its sole and absolute discretion, for any one or more of the purposes of: formulating, developing and conducting programs and policies for marketing, sales promotional matters, marketing research and communication and development; purchasing advertising or marketing rights or services in any media; administration of any media-buying co-operative established by Franchisor; and development and administration of the Manchu WOK Restaurant System;

(ii) Franchisor shall administratively aggregate the monies in the Fund;

(iii) Franchisor shall have the right to pay itself out of the Fund (in addition to the payments referred to in Section b.1 above) an annual administration fee of fifteen per cent (15%) of the total amounts paid to the Fund; and

(iv) Franchisor shall be entitled, in its sole and absolute discretion, to retain and use the Fund monies in such manner as Franchisor determines; and

(v) Franchisee acknowledges that Franchisor shall have the right to commingle contributions to the Fund made by Franchisees of Manchu WOK Restaurants with those of Franchisees of other restaurants using the Manchu Wok Restaurant System under Franchise Agreements entered into with Franchisor and/or its affiliates and apply such funds for such marketing activities as the Franchisor shall deem appropriate.

(vi) Franchisee acknowledges the Fund is not a trust fund and Franchisor shall not have any fiduciary duty to Franchisee in connection with the collection or expenditures of Fund monies or any other aspect of their operations.

(c) Franchisee shall at its expense pay all costs for and participate in any and all marketing and/or promotional programs required by the Lease (if any). Franchisee shall use in the Business and display at the Premises all such marketing and promotional materials (including, but not limited to, banners, signs and point-of-purchase

(a) The Operations Manual is available to Franchisee via the Franchisee portal at: <https://portal.kahalamgmt.com>. In the event Franchisee desires to receive a hard copy of the Operations Manual, then Franchisee shall submit such request in writing to kahala.training@mtygroup.com ~~training@kahalamgmt.com~~. Upon such request, a hard copy of the Operations Manual will be mailed to Franchisee via regular mail within approximately forty-five (45) days thereafter. Franchisor may periodically revise and change the contents of the Confidential Manual. Beginning on the 30th day (or such longer time as specified by Franchisor) after delivery of written notice from Franchisor, Franchisee must comply with each new or changed provision. Revisions to the Confidential Manual may be based on what Franchisor, in its sole discretion, deems in the best interests of the System, including, among other things, promoting quality, enhancing good will, increasing efficiency, decreasing administrative burdens, or improving profitability of Franchisor or the Franchisee or Manchu WOK franchisees generally. Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor may, in its sole discretion and as it may deem in the best interests of all concerned in any specific instance, vary standards for any franchisee based upon the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any condition that Franchisor deems important to the successful operation of such franchisee's Franchised Business. In such event(s) Franchisee is not entitled to require Franchisor to grant to Franchisee a like or similar variation under this Agreement. Franchisee must at all times ensure that its copy of the Confidential Manual contains all updates Franchisor delivers. In the event of any dispute as to the contents of the Confidential Manual, the terms contained in the Master Copy of each of the Confidential Manual that Franchisor maintains at Franchisor's home office are controlling. Any required standards exist to protect Franchisor's interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The Confidential Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. Franchisee may follow the recommendations or guidelines or some other suitable alternative, provided Franchisee meets and complies with the required standards. In other instances, no suitable alternative may exist. In order to protect Franchisor's interests in the System and Marks, Franchisor reserves the right to determine if Franchisee is meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

(b) Franchisor shall have the right at its discretion to establish an internet based "extranet" system for use by Manchu WOK Franchisees for dissemination of all information which Franchisor provides to Franchisees. Franchisee shall at all times maintain at its expense such computer hardware and software as may be necessary from time to time inclusive of high speed internet connection, to enable Franchisee to access the Manchu WOK Extranet. When established, the Franchisor shall have the right on appropriate notice to the Franchisee, to use the Manchu WOK Extranet for delivery to Franchisee of all notices and changes to the Manchu WOK System including without limitation, changes or amendments to the Confidential Manual.

(“**Laws and Regulations**”) of competent authorities (whether federal, state, municipal or otherwise), including, without limitation, Laws and Regulations relating to health, sanitation and safety, employment, human rights, wages, child labor, misleading advertising, and including obtaining all necessary licenses, permits and approvals (“**Licenses**”) as may be required to permit the operation of a Manchu WOK Restaurant at the Premises, and Franchisee shall deliver to Franchisor on a timely basis (i) a copy of each License and (ii) a copy of any and all notices of violation of any Law or Regulation as may be received by Franchisee from time to time (whether or not such violation has been corrected by Franchisee). We may collect from you, or require you to reimburse us for, any taxes, mandatory industry-funded compliance fees, regulatory fees, assessments, surcharges, or similar charges imposed or assessed by any governmental authority, quasi-governmental authority, or industry body, whether assessed against you or against us, as a result of your operation of the Franchised Business or the license of our intangible property in the jurisdiction where the Franchised Business is located, to the extent permitted by law.

6.4. Purchasing and Supply of Approved Products

(a) Approved Products and Supplies. Franchisee agrees that it shall buy all Approved Products, ingredients, supplies, materials (such as packaging), and other products used or offered for sale at Franchisee’s Manchu WOK Restaurant only from suppliers that Franchisor has approved in writing (and whom Franchisor has not subsequently disapproved). In addition to approved vendors and approved distributor(s), we may, in our sole discretion, require you to purchase certain products or services through designated purchasing channels, programs, platforms, or contractual arrangements specified by us. In determining whether Franchisor will approve any particular supplier, Franchisor will consider various factors, including but not limited to: (1) whether the supplier can demonstrate, to Franchisor’s continuing reasonable satisfaction, the ability to meet Franchisor’s then-current standards and specifications for such items; (2) whether the supplier has adequate quality controls and capacity to supply Franchisee’s needs promptly and reliably; (3) whether approval of the supplier would enable the Manchu WOK Restaurant System, in Franchisor’s sole opinion, to take advantage of marketplace efficiencies; and (4) whether the supplier will sign a confidentiality agreement and a license agreement in the form that Franchisor may require (which may include a royalty fee for the right to use Franchisor’s Proprietary Marks and any other proprietary rights, recipes, and/or formulae). For the purpose of this Agreement, the term “supplier” is defined to include, without limitation, manufacturers, distributors, resellers, and other vendors. Franchisee also recognizes and agrees that Franchisor has the right to appoint only one supplier for any particular Approved Product or item, which may be the Franchisor or one of its affiliates.

(i) Franchisee agrees to sell only Approved Products (whether edible or non-edible) at Franchisee’s Manchu WOK Restaurant. Franchisee shall not sell anything at Franchisee’s Manchu WOK Restaurant that is not an Approved Product.

(ii) Notwithstanding anything to the contrary in this Agreement, Franchisee agrees to buy all of Franchisee’s requirements for any Proprietary Products only from Franchisor or from its designees, as provided in Section 6.4(b) below (possibly through one or more suppliers that Franchisor designates

entered into a written assignment and guarantee in form and substance prescribed by the Franchisor, assuming and agreeing to discharge all of the Franchisee's obligations under this Agreement or, at the option of the Franchisor, shall have executed a new franchise agreement, for no less than the unexpired portion of the Term of the Agreement, in the standard form then being used by the Franchisor for the grant of franchises for Manchu WOK Restaurants for new single-unit franchisees. Such franchise agreement shall not provide for payment of any Initial Franchise Fee, but may otherwise contain financial, legal and other terms and conditions substantially different from, and more onerous than, those in this Agreement, including, without limitation, different terms and conditions regarding: royalties, advertising obligations and contributions, rent or other payments or expenditures (any of which may be higher) and the methods of computing same. In addition, the Transferee and its shareholders or partners, as the case may be, shall have executed such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises for Manchu WOK Restaurants;

(e) the Transferee and/or its proposed Managers (one or both of whom will be responsible for the ongoing operations of the Business and any other persons required by the Franchisor shall have satisfactorily completed at his/her own expense the Franchisor's training program then in effect for all new franchisees of Manchu WOK Restaurants and shall have paid the Training Fee applicable thereto; If Transferee or any of its employees or representatives cancel or reschedule participation in any training course or program which Transferee schedules with Franchisor, Transferee or Franchisee must reimburse Franchisor for all of its employee's travel expenses, wages and other expenses incurred as a result of such cancellation or rescheduling;

(f) unless the Franchisor otherwise agrees in writing, any transfer of assets shall be effected in compliance with all applicable bulk sales legislation;

(g) a transfer fee shall, upon application for the consent of the Franchisor to the Transfer, have been paid to the Franchisor by the Franchisee in the amount of ~~Ten~~ Fifteen Thousand Dollars (\$~~10~~15,000), which transfer fee shall be refundable, less the Franchisor's reasonable costs and expenses, together with any professional and related expenses incurred in connection therewith, including, without limitation, those expenses relating to investigations of the proposed transferee, if the proposed transfer is not approved by the Franchisor;

(h) if the Franchisee leased the Premises pursuant to Section 4.2(a), then the Transferee and Landlord must sign and deliver to Franchisor a new Lease Addendum; and

(i) if required by the Franchisor, the Franchisee must use and pay for the services of a third-party escrow agent, approved in advance by the Franchisor, to facilitate the transfer process and ensure all debts and other payments are properly made.

(j) the assignee, at its own cost, agrees to make all capital expenditures requested by the Franchisor to renovate, refurbish, remodel and modernize the Store so as to reflect the then-current image for the Franchisor prior to the transfer or within a timeframe specified by Franchisor;

signature page of this Agreement as the Designated Spokesperson pursuant to this Section 17.11. The Designated Spokesperson shall have full authority to speak on behalf of, as well as bind and commit, Franchisee with respect to all rights, obligations and performance pursuant to this Agreement. The Designated Spokesperson shall not be changed without the prior written consent of both Franchisor and Franchisee.

17.12. Franchisor's Business Judgment

Whenever Franchisor exercises a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make such decision or exercise its right and/or discretion on the basis of its judgment of what is in its best interests. "Best interests" includes what Franchisor believes to be the best interests of the System at the time the decision is made or the right or discretion is exercised even though (a) there may have been other alternative decisions or actions that could have been taken; (b) Franchisor's decision or action taken promotes Franchisor's financial or other individual interest; or (c) Franchisor's decision or the action it takes may apply differently to different franchisees or any company-owned or affiliate-owned Restaurants. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. The exercise of the right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions or take/refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

17.13. Governing Law

This Agreement shall be governed by and be construed in accordance with the laws of the ~~State of Arizona~~ state where the Franchised Business is located.

--- Signatures on following page --

Scottsdale, AZ 85258
Attn: Real Estate Department
Facsimile: (480) 362-4792
Email:

us.leases@mtygroup.comleases@kahalamgmt.com

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by email or facsimile shall be deemed given on the business day of transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties.

4. Amendments.

Landlord and Tenant will not amend, renew, extend or otherwise modify the Lease in any manner which would materially affect any of the provisions in this Lease Addendum without Franchisor's prior written consent.

5. Right of First Refusal.

Landlord and Tenant agree that should Landlord and Tenant desire to terminate the Lease prior to the scheduled expiration date, Landlord will notify Franchisor of the proposed termination not less than thirty (30) days in advance of the proposed termination date. Franchisor shall have a right of first refusal to assume the Lease whereby Tenant will assign the Lease to Franchisor and Franchisor will assume all rights and obligations of Tenant under the Lease.

6. Miscellaneous.

The terms and conditions of this Lease Addendum will supersede any conflicting terms of the Lease. Any capitalized term not specifically defined in this Lease Addendum shall have the meaning ascribed to such term in the Lease.

IN WITNESS WHEREOF, the parties hereto, by and through their respective representatives authorized to enter into and bind each respective party without further consent or authorization, have duly executed and delivered this Lease Addendum in duplicate as of the date set forth above.

LANDLORD:

_____, a(n) _____

By: _____

Name: _____

Title: _____

bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 14 of the Agreement (including but not limited to the waiver of punitive damages, waiver of jury trial, agreement to bring claims within two years, and agreement not to engage in class or common actions). This Guarantee shall be interpreted and construed exclusively under the laws of the ~~State of Arizona~~ state where the Franchised Business is located. In the event of any conflict of law, the laws of the state where the Franchised Business is located ~~State of Arizona~~ shall prevail ~~(without regard to, and without giving effect to, the application of Arizona conflict of law rules)~~.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

(in his/her personal capacity)

Printed
Name: _____

Date: _____

Home Address:

(in his/her personal capacity)

Printed
Name: _____

Date: _____

Home Address:

(in his/her personal capacity)

Printed
Name: _____

Date: _____

Home Address:



EXHIBIT F

Manchu WOK

**CURRENT FRANCHISEES
OF THE FRANCHISOR, MTY FRANCHISING USA, INC.
AS OF NOVEMBER 30, ~~2024~~2025**

CURRENT FRANCHISEES / STORES IN USA - MANCHU WOK

(As of November 30, ~~2024~~2025)

Franchise Company	Owners	Address	City	State	Zip	Phone	Owner Emails
NICKDBUN, INC.	Dara Bun, Chariya Ty	2000 Riverchase Galleria, Suite D	Birmingham	AL	35244	2059853145	nickdbun@gmail.com, chariyaty@yahoo.com
Yreka Properties, LLC.	Kanwardeep.Bhullar, Sandeep. Bhullar, Avtar.Dhillon	787 Montague Rd	Yreka	CA	96097	5302911913	KANWERDEEP@GMAIL.COM, YrekaTravelPlaza@gmail.com, Dhillon9655@gmail.com
SUNDANCE RESTAURANTS HOLDINGS LLC	Omar Bukhowa, Michael.Murray	1504 6th Street	Twentynine Palms	CA	92278	7603626420	omar@bukhowa.com, mike@sundancerh.com
Global Miami Joint Venture	Global Miami Joint Venture	4200 NW 21 Street 2nd Level, Concourse D, D10A	Miami	FL	33123		marcia@globalmia.com
Global Miami Joint Venture	Global Miami Joint Venture	4200 NW 21 Street	Miami	FL	33122		marcia@globalmia.com
AirPancho's LLC.	AirPancho's LLC.	Airside 3, 9702 Jeff Fuqua Blvd.	Orlando	FL	32827		tonysirica@att.net
O Hare Ventures II L.L.C.	Kevin Sotto, Matt Evans, Marc Brooks, Cortez Carter	Fast Lane Food Court	Chicago	IL	60666	773.575.2011	kevin@hydeparkhospitality.com, matt@hydeparkhospitality.com, marc@hydeparkhospitality.com, cortez@hydeparkhospitality.com
O Hare Ventures II L.L.C.	Cortez Carter, Kevin Sotto, Matt Evans, Marc Brooks	Rotunda Building, c/o Main Street Food Court	Chicago	IL	60666	773.575.2011	cortez@hydeparkhospitality.com, kevin@hydeparkhospitality.com, matt@hydeparkhospitality.com, marc@hydeparkhospitality.com

FORMER FRANCHISEES - MANCHU WOK

The names and last known addresses and telephone numbers of franchisees of the Franchisor, MTY Franchising USA, Inc., who have left the Manchu WOK® franchise system during the fiscal year ended November 30, ~~2024~~2025, or have not communicated with the Franchisor within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

For closed outlets:

NONE

Company Name	Owner Names	City	State	Owner Phones/Email
Swinomish — Indian Tribal Community dba Swinomish — Casino & Lodge	Brian Cladoosby, Dallas Widmark	Anacortes	WA	bcladoosby@swinomish.nsn.us, dwidmark@swinomishcasino.com

For transferred outlets:

NONE

Maryland Addendum to Franchise Disclosure Document and Franchise Agreement

The Franchise Agreement and the Statement of Prospective Franchisee are amended to state: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

ITEM 5 of the Franchise Disclosure Document, and the appropriate sections of the Franchise Agreement are amended to state "Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed you to us and/or our affiliates shall be deferred until we complete all our pre-opening obligations to you under the Franchise Agreement."

ITEM 17 of the Franchise Disclosure Document, and the appropriate sections of the Franchise Agreement are amended to provide that the general release required, as a condition of renewal, sale and/or assignment transfer, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

ITEM 17 of the Franchise Disclosure Document and Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration & Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

ITEM 17 of the Franchise Disclosure Document and Franchise Agreement are amended to state that any limitation of claims provision will not act to reduce the amount of time afforded a franchise for bringing claims under the Maryland Franchise Registration and Disclosure Law.

ITEM 17 of the Franchise Disclosure Document and appropriate sections of the Franchise Agreement provide that certain disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

ITEM 17 of the Franchise Disclosure Document is hereby amended to the extent required under the Maryland Franchise Registration and Disclosure Laws.

The Franchise Disclosure Document and Franchise Agreement are amended to state that you may commence any cause of action against us in any court of competent jurisdiction, including the state or federal courts of Maryland. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Section 101 and following).

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

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE
FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.

16. Questionnaires and Acknowledgements. 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

Washington Disclosure

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the Franchise Disclosure Document for MTY Franchising USA, Inc. in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

1. ~~Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs at the conclusion of the Item:~~

~~The state of Washington has a statute, 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.~~

~~In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.~~

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

~~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.~~

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

~~2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting "d" and the following new "d." shall be substituted in lieu thereof:~~

~~Selection in Franchise~~

<u>Provision</u>	<u>Agreement</u>	<u>Summary</u>
d. Termination by you	None	Pursuant to Washington State Law, the franchisee may terminate the Agreement upon any grounds available by law.

~~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.~~

~~3. Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, are met independently without reference to this addendum to the disclosure document.~~

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE
FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.

16. Questionnaires and Acknowledgements. 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20_____.

Washington Amendment to the Franchise Agreement

~~In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached MTY Franchising USA, Inc. Franchise Agreement agree as follows:~~

~~The state of Washington has a statute, 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.~~

~~In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.~~

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

~~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.~~

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

~~Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, are met independently without reference to this amendment.~~

~~ITEM 5 of the Franchise Disclosure Document and Section 3.1 of the Franchise Agreement are amended by the addition of the following language to the original language:~~

~~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 (a) has received all initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.~~

~~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.~~

[SIGNATURE PAGE FOLLOWS]

ACKNOWLEDGMENT:

~~It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Multiple Unit Purchase Agreement or Franchise Agreement dated the _____ day of _____, 20____, and of the Franchise Disclosure Document.~~

MTY FRANCHISING USA, INC.:

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Date: _____

**EXHIBIT K
RECEIPT**

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If MTY Franchising USA, Inc. offers you a franchise, it must provide this Disclosure Document to you (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or (b) Under New York and Rhode Island law at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship, or (d) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If MTY Franchising USA, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in **Exhibit A**.

Issuance date: March 27~~8~~, 202~~6~~5

The franchisor is MTY Franchising USA, Inc., located at 9311 E. Via De Ventura, Scottsdale, Arizona 85258. Its telephone number is (480) 362-4800. The franchise seller for this offering is _____, _____, (____) _____. A list of any additional franchise sellers, if any, will be attached to this Receipt at the time of sale.

MTY Franchising USA, Inc. authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated _____ (and with effective dates of state registration as listed in the State Effective Dates page) that included the following Exhibits:

A	List of State Regulators/Agents for Service of Process	F	Current Franchisees of MTY Franchising USA, Inc.
B	Financial Statements	G	Former Franchisees of MTY Franchising USA
C	Franchise Agreement	H	State-Specific Disclosure and State-Specific Agreement Amendments
D	Sublease Agreement (subject to amendment to accommodate local laws)	I	Required Lease Terms
E	Table of Contents of Operating Manual	J	State Effective Dates
E-1	In-Store Training Release and Waiver of Liability Agreement	K	Receipt

Date Received

Prospective Franchisee

Name (Please print)

Address

(Retain this copy)

**EXHIBIT K
RECEIPT**

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If MTY Franchising USA, Inc. offers you a franchise, it must provide this Disclosure Document to you (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or (b) Under New York and Rhode Island law at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship, or (d) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If MTY Franchising USA, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in **Exhibit A**.

Issuance date: March ~~27~~⁸, 202~~6~~⁵

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D Sublease Agreement (subject to amendment to accommodate local laws)	I Required Lease Terms
E Table of Contents of Operating Manual	J State Effective Dates
E-1 In-Store Training Release and Waiver of Liability Agreement	K Receipt

Date Received

Prospective Franchisee

Name (Please print)

Address

(Return to MTY Franchising USA)