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Department of
Business Oversight**FRANCHISE DISCLOSURE DOCUMENT**

YEUNG'S LOTUS EXPRESS FRANCHISE CORP
A Florida Corporation
4531 Ponce de Leon Boulevard, Suite 300
Coral Gables, Florida 33146
Phone (305) 476-1611
franchiseinfo@kellyscajungrill.com

The franchise is for a Yeung's Lotus Express Restaurant offering and serving a limited menu of "fast food" items having a Chinese food theme. The menu also includes various beverage products and occasional promotional items. An area development program is also offered.

The total investment (excluding real estate costs) necessary to begin operation of an individual or unit Yeung's Lotus Express franchise is from \$250,000 to \$600,000. This includes \$30,000 - \$70,000 that must be paid to the franchisor or affiliate. The total investment (excluding real estate costs) necessary to begin operation of a Yeung's Lotus Express as a co-branded franchise with a Kelly's Cajun Grill, Suki Hana or Chicken Connection is from \$309,500 to \$782,500. This includes \$30,000 - \$85,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of an area developer franchised business will depend on the number of franchises to be opened. This includes \$10,000 times the number of franchises to be developed plus \$20,000 for the initial franchise fee for the first franchise that must be paid to the franchisor or an affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to us or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 4531 Ponce de Leon Boulevard, Suite 300, Coral Gables, Florida 33146, telephone (305) 476-1611, extension 202.

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

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

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

Issuance Date April 1, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit C for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

- 1 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU RESOLVE DISPUTES WITH US BY ARBITRATION AND LITIGATION ONLY IN FLORIDA. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE AND LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE. EITHER PARTY MAY REQUEST THAT A DISPUTE BE SUBMITTED TO NON-BINDING MEDIATION BEFORE BEING SUBMITTED TO ARBITRATION. THIS MAY DELAY YOUR ABILITY TO HAVE ARBITRATORS DECIDE YOUR CASE. THE REQUIREMENT TO LITIGATE IN FLORIDA MAY BE SUPERCEDED BY CERTAIN STATE LAWS
- 2 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
- 3 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT CONTAIN A WAIVER OF THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM
- 4 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT CONTAIN A WAIVER OF ANY RIGHT TO RECOVER PUNITIVE OR EXEMPLARY DAMAGES IN ANY ARBITRATION OR LITIGATION
- 5 THE FRANCHISE AGREEMENT DOES NOT GRANT YOU AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM BUSINESSES THAT WE OR AFFILIATES OWN OR FROM OTHER FRANCHISEES
- 6 THE AREA DEVELOPMENT AGREEMENT CAN BE TERMINATED IF THE AREA DEVELOPER FAILS TO COMPLY WITH THE DEVELOPMENT SCHEDULE
- 7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

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

The Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

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| California | |
| Maryland | |
| New York | |
| Virginia | |

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