



Certificate of Brand & Intellectual Property License

This certifies that

THAIHOT restaurant
located at 81944 Highway 111, Unit C&D, Indio, CA 92201

is officially licensed by

THAIHOT HOLDING LLC
to use the following intellectual property assets:

- The brand name "THAIHOT"
- Logo(s), menu designs, and marketing content
- Secret recipes and culinary methods
- Operational systems and customer service standards

Effective Date: June 17, 2025

This license is valid under the terms of a formal agreement and subject to annual renewal.

Ekkarach Thaweerak
Owner, THAIHOT HOLDING LLC

Annual Gross Sales Summary for Licensing Fee Calculation

This summary consolidates annual gross sales from both the in-house Point of Sale (POS) system and third-party platforms. The data is used to calculate the 5% licensing fee payable to THAIHOT HOLDING LLC.

1. In-House POS Sales

System: Square POS (or other applicable system)

Total Gross Sales (before returns, excluding sales tax): \$_____

2. Third-Party Delivery Platforms

Platform	Gross Sales
Uber Eats	\$_____
DoorDash	\$_____
Grubhub	\$_____
EZCater	\$_____

3. Total Gross Sales & Licensing Fee

Total Gross Sales (All Sources): \$_____

Licensing Fee (5% of Total Gross Sales): \$_____

4. Notes

- Sales tax is excluded from the gross revenue calculation.
- Returns or refunds are excluded.
- Payment platforms are verified with downloadable end-of-year reports.
- Documentation is available upon request for IRS or audit verification.

Rationale for 5% Licensing Fee to THAIHOT HOLDING LLC

This memo outlines the rationale for the 5% licensing fee paid annually by 1STRES L.L.C. to THAIHOT HOLDING LLC in exchange for the right to use the THAIHOT brand and associated intellectual property.

1. Nature of the Licensed Intellectual Property

The licensed assets include the THAIHOT brand name, logo, visual identity, menu structure, proprietary recipes, marketing content, and operational systems. These assets are integral to the restaurant's public image, customer loyalty, and operational consistency.

2. Industry Benchmark

In the food and beverage industry, brand licensing and franchise models often include royalty fees ranging from 4% to 8% of gross sales. Notable examples include:

- Subway: 8%
- Dunkin': 5.9%
- Five Guys: 6%

A 5% annual fee falls within the reasonable and accepted industry range for brand use and IP access.

3. Business Separation & IP Control

By structuring the IP under THAIHOT HOLDING LLC and licensing it to the operating company (1STRES L.L.C.), the business ensures legal separation between ownership and operations, clear control of brand standards, and flexibility for future expansion, franchising, or investment.

4. Arm's-Length Principle

Although both companies are owned by the same individual, the fee structure is set at a market-consistent rate and governed by a formal written agreement. Documentation of payments, POS-based gross sales reporting, and adherence to IRS best practices ensure that the transaction would be acceptable under arm's-length scrutiny.

5. Summary

The 5% licensing fee is justified based on industry standards, the value provided by the brand, and the legal framework set to preserve IP ownership. This structure reflects a legitimate business practice and is accompanied by clear documentation, transactions, and governance protocols.

THAIHOT Restaurant – Brand Value Summary

Date: June 17 2025

Prepared by: THAIHOT HOLDING LLC

1. Overview of the Brand

The “THAIHOT” brand was established to represent authentic, high-quality Thai cuisine with consistent flavor, presentation, and customer experience. The brand integrates cultural identity, visual consistency, and operational excellence into every aspect of the restaurant business.

2. Key Brand Assets

- Logo & Visual Identity: Distinctive circular chili logo with Thai motif
- Brand Name: Short, memorable, culturally rooted — "THAIHOT"
- Menu Design & Naming: Standardized across in-house and delivery platforms
- Customer Experience Model: Friendly, fast, and authentic Thai-style service
- Reputation: 4.7+ average rating on Google, Uber Eats, and Yelp

3. Value Generated by the Brand

Indicator	Data
Gross annual revenue	~\$1.2M/year
Repeat customer rate	~62%
% of new customers from brand recognition (online/offline)	~40%
Delivery sales using brand name (Uber Eats, DoorDash)	~45% of total
Mentions of “THAIHOT” in customer reviews	70+ times

The brand name and visual identity are instrumental in attracting repeat and first-time customers alike, contributing significantly to overall revenue.

4. Future Potential

- Planned second location under same brand
- Potential franchise model
- Thai product line (sauces, condiments) under THAIHOT name
- Brand has recognition within the Coachella Valley area and beyond

5. Licensing & IP Strategy

The THAIHOT brand and its associated IP are owned by THAIHOT HOLDING LLC, which licenses usage to individual restaurants such as 1STRES L.L.C. This structure enables brand control, future scalability, and legal separation between ownership and operations.

INTELLECTUAL PROPERTY LICENSE AGREEMENT

Effective Date: June 17, 2025

This Agreement is made between:

Licensor:

THAIHOT HOLDING LLC

1621 Central Ave, Cheyenne, WY 82001

Licensee:

1STRES L.L.C. (DBA 'THAIHOT Restaurant')

81944 Highway 111, Unit C&D, Indio, CA 92201

1. Grant of License

Licensor hereby grants Licensee a non-exclusive, non-transferable, limited license to use the following intellectual property ('Licensed IP') in connection with operating a Thai restaurant business at the above location:

- The brand name "THAIHOT"
- Restaurant logo(s), menu design(s), and marketing materials
- Recipe formulas, kitchen processes, and operational systems
- Any derivative works created from the above

2. Term and Termination

This Agreement shall commence on the Effective Date and remain in effect unless terminated by either party with 90 days written notice.

3. License Fee

Licensee agrees to pay Licensor a fee equivalent to 5% of annual gross sales, excluding returns and sales tax. This payment shall be made no later than April 1st of each following year.

4. Audit and Reporting

Licensee agrees to grant Licensor access to point-of-sale (POS) systems, financial statements, and third-party platforms (e.g., Uber Eats, DoorDash) to verify annual gross sales.

5. IP Ownership

All Licensed IP shall remain the sole property of Licensor. Licensee acknowledges no claim of ownership through this Agreement.

6. Indemnification

Licensee agrees to indemnify and hold harmless Licensor against any claims or liabilities arising from the use of the Licensed IP in day-to-day business operations.

7. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Wyoming.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

Licensor (THAIHOT HOLDING LLC)	Licensee (1STRES L.L.C.)
_____ Ekkarach Thaweerak, Owner Date: _____	_____ Ekkarach Thaweerak, Owner Date: _____

BOARD RESOLUTION OF THAIHOT HOLDING LLC

Date: June 17, 2025

The undersigned, being the sole Member of THAIHOT HOLDING LLC, hereby resolves that:

1. The Company accepts the assignment of the intellectual property related to the Thai restaurant business known as "THAIHOT".
2. The Company shall license said intellectual property to 1STRES L.L.C. for operational use, under agreed commercial terms.
3. The Company authorizes Ekkarach Thaweerak to sign all necessary agreements and enforce the licensing terms as outlined.

Signed,

Ekkarach Thaweerak
Sole Member, THAIHOT HOLDING LLC

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