

FRANCHISE DISCLOSURE DOCUMENT



MANGO FRANCHISE USA LLC
a New York Limited Liability Company
73-31 57th Avenue
Maspeth, NY 11378
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We offer you a franchise to operate a Dessert Mango Mango restaurant business, which is a fast casual Hong Kong inspired dessert restaurant serving freshly prepared Asian American fusion desserts featuring mango, fresh fruit bowls, desserts, cakes, juices, teas, and other menu items. We also offer a multi-unit franchise under which you agree to open and operate a specified number of Dessert Mango Mango restaurants over an agreed period of time within an agreed geographic area.

The total initial investment necessary to develop a franchised Dessert Mango Mango restaurant under a franchise agreement is \$340,450 to \$596,200. This includes \$80,000 to \$86,800 that must be paid to the franchisor or its affiliates.

The total investment necessary to develop a Dessert Mango Mango restaurant under a multi-unit development agreement is \$410,450 to \$691,200. This includes the \$80,000 to \$86,800 indicated above that you must pay to us or our affiliate for the first franchise less the \$30,000 initial fee plus the development fee of \$100,000 (for four units) to \$125,000 (for five units) as a development fee under the development agreement. The minimum number of restaurants that you would be required to open under the multi-unit development agreement is four and the maximum number is five.

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 Xiao (Sean) Chen, Mango Franchise USA LLC, 73-31 57th Avenue, Maspeth, New York 11378, phone 718-666-1622.

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 21, 2025

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit A.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Dessert Mango Mango restaurant in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Dessert Mango Mango franchisee?	Item 20 or Exhibit B lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and multi-unit agreement require you to resolve disputes with the franchisor by litigation only in New York. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in New York than in your own state.
2. **Spousal Liability.** At the franchisor's request, your spouse must sign a document making your spouse liable for all financial obligations under the franchise agreement even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

DESSERT MANGO MANGO
FRANCHISE DISCLOSURE DOCUMENT

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this disclosure document, “we” or “us” means Mango Franchise USA LLC, the franchisor. “You” means the buyer of the franchise, and it may refer to the owner or owners of the buyer entity. We do business under the name Dessert Mango Mango. We are a New York limited liability company formed May 24, 2017. Our principal business address is 73-31 57th Avenue, Maspeth, New York 11378.

Our agents for service of process are listed in Exhibit A of this disclosure document.

The Franchise

We offer the right to own and operate a Dessert Mango Mango fast casual Hong Kong inspired dessert restaurant serving freshly prepared Asian American fusion desserts featuring mango, fresh fruit bowls, desserts, cakes, juices, teas, and other menu items for on-premises dining, carryout, catering and delivery. You choose the location for your Dessert Mango Mango restaurant and we must approve the location.

The terms of the franchise are contained in our franchise agreement, which is attached to this disclosure document as Exhibit F2. The franchise agreement gives you the right to operate a single Dessert Mango Mango restaurant.

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

Our Parents, Predecessors and Affiliates

We do not have a parent company and we do not have any predecessors.

Our affiliate Mango Franchise USA Management LLC owns the Dessert Mango Mango trademarks and licenses them to us. Mango Franchise USA Management LLC is a New York limited liability company formed November 22, 2021. The principal business address of Mango Franchise USA Management LLC is 73-31 57th Avenue, Maspeth, New York 11378.

Our affiliate MMFP Production LLC sells mainly pre-made commercial kitchen prepared pastries to our franchisees and company owned locations. MMFP Production LLC is a New York limited liability company formed July 31, 2024. MMFP Production LLC’s principal business address is 73-31 57th Avenue, Flushing, New York 11378.

Our affiliate BX Wholesales Trading Inc. sells all the raw ingredients plus paper and plastic packaging goods to our franchisees and company owned locations. This company also sells raw ingredients to our affiliate, MMFP Production LLC. BX Wholesales Trading Inc. is a New York corporation established

on January 3, 2017. BX Wholesales Trading Inc.'s principal business address is 3220 155th Street, Flushing, New York 11354.

No other affiliate of ours offers franchises in any line of business or provides products or services to our franchisees.

The Market and the Competition

The restaurant industry is highly competitive. You will be competing with numerous restaurants that offer a wide range of food and beverage businesses in a wide variety of service formats. You will be competing with many local restaurants that are independently owned or part of regional or national franchise chains. These competing restaurants will include restaurants that serve desserts, fresh fruit bowls, cakes, juices, teas, and related food types. The market for the menu items, products and services offered and sold by the Dessert Mango Mango franchised business is not seasonal.

Laws and Regulations

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

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

There may be other laws applicable to your business. These laws vary from one location to another and can change over time. The procedures and the difficulty and cost of obtaining the required licenses and of complying with the applicable laws vary greatly from area to area.

Item 2

BUSINESS EXPERIENCE

Xiao (Sean) Chen, Co-Founder and President

Xiao Chen is the co-founder of Mango Franchise USA LLC. He has been President of Mango Franchise USA LLC since the company was formed on May 24, 2017. Mr. Chen is also the co-founder of our affiliated Dessert Mango Mango restaurant companies and has been President of those companies since the first one was founded in April 2013. He works in Maspeth, NY.

Blake Chen, Co-Founder and Chief Financial Officer

Blake Chen is the co-founder of Mango Franchise USA LLC. He has been Chief Financial Officer of Mango Franchise USA LLC since the company was formed on May 24, 2017. Mr. Chen is also the co-founder of our affiliated Dessert Mango Mango restaurant companies and has been Vice President of those companies since the first one was founded in April 2013. He works in Maspeth, NY.

Tiffany Tong, Vice President of Sales and Business Development

Tiffany Tong is our Vice President of Sales and Business Development. She has served in this role since September 2024. From March 2024 to September 2024, Ms. Tong has served as the Director of Business Development at Heytea USA LLC. From February 2015 to March 2024, Ms. Tong was a Senior Franchise Executive at KF Tea Franchising LLC. She works in New York, NY.

Item 3

LITIGATION

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

Initial Franchise Fee

The initial franchise fee for a Dessert Mango Mango franchise is \$30,000. You pay the initial franchise fee in one lump sum when you sign the franchise agreement, less any deposit that you may have paid to us. The initial franchise fee is not refundable under any circumstances.

Before we enter into a franchise agreement with you, but after 14 days (and at least 10 business days) have passed from the date you receive this franchise disclosure document, and in order to conduct further evaluation of your qualifications to become one of our franchisees, we may ask you to enter into a franchise deposit agreement. We generally ask you to sign a franchise deposit agreement if you have not yet identified a site but you want to know that we will give you priority to become a franchisee in a geographic area that interests you. If you sign a franchise deposit agreement with us, you will submit to us a \$10,000 deposit which we will credit against your initial franchise fee when you sign the franchise agreement. The deposit is not refundable unless we reject your application for any reason before we commence our evaluation. Your deposit will be used to cover some of our costs in evaluating you if you do not sign a franchise agreement. The franchise deposit agreement does not grant to you any franchise rights.

Security Deposit

When you sign the Dessert Mango Mango franchise agreement, you must pay us a security deposit equal to \$5,000 in addition to the initial fee. If you default in your performance under the franchise agreement or any other agreement between you and us or any of our affiliates, we may use the security deposit to cure the default or to compensate us for all damages or expenses we incur as a result of your default. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and charges due to us for our performing obligations that you do not perform and that we perform on your behalf. If monies you owe to us become due on or after termination or expiration of the franchise agreement for any reason, we may use all or any part of the security deposit to pay those sums. If we use any part of the security deposit before the franchise agreement expires, you will be required to restore the

\$5,000 balance. If you are not in default under the franchise agreement or any other agreement with us or any of our affiliates on the date the franchise agreement expires or is terminated for any reason, we will return to you within 30 days after the expiration or termination date the remaining balance of the security deposit.

Initial Training Fee

Before initial training begins, you will pay us an initial training fee of \$20,000. This deposit defrays our cost of providing initial training for your Managing Owner and one additional manager you designate before you open your franchised restaurant for business. If you want others from your company to attend initial training, we will charge you \$300 for each such person. The initial training fee is non-refundable.

Opening Inventory

You must purchase your opening inventory of certain system supplies from us or our affiliate. We estimate that your initial opening inventory of system supplies that you must purchase from us or our affiliates will range between \$25,000 to \$30,000. Your initial opening inventory fees will be fully earned by us upon payment and are non-refundable.

The initial fees described above are uniform for all Dessert Mango Mango franchisees.

Multi-Unit Development Agreement

We offer multi-unit development rights for either four franchise units or five. If you sign a multi-unit development agreement, you must pay a fixed non-refundable development fee of \$25,000 for each restaurant that the development agreement authorizes you to develop. The multi-unit development fee will range from \$100,000 for four franchises to \$125,000 for five units. You must pay the development fee at the time you sign the development agreement.

As a multi-unit developer, you will not be required to pay us the \$30,000 initial franchise fee for each of the four or five unit franchise agreements covered by the multi-unit agreement.

The development fee is fully earned by us upon payment. The method we use to calculate the development fee is uniform for all multi-unit franchises that we offer with this disclosure document.

Item 6

OTHER FEES

Franchise Agreement

<i>Type of Fee</i>	<i>Amount</i>	<i>Date Due</i>	<i>Remarks</i>
Royalty	4% of Gross Sales with an annual minimum Gross Sales requirement	Thursday of each week with respect to Gross Sales in the prior week	"Gross Sales" includes all sales made in the franchised business (including off-premises sales), whether collected or not, but does not include sales tax.

Type of Fee	Amount	Date Due	Remarks
Brand Development Fund	2% of Gross Sales	Thursday of each week with respect to Gross Sales in the prior week	See the description of Gross Sales above.
Online ordering, customer rewards and gift cards	Currently \$185 per month	Monthly as invoiced	For access to systems we designate for online ordering, customer rewards and gift card system management and redemption.
Technology fee	Currently none, but we may impose a fee of up to \$500 per month		This would pay for your use of any app or service that enables customers to earn loyalty rewards and for any app or service used to support your reporting of Gross Sales.
Initial training	\$20,000 for two managers, plus \$300 per day for each additional person you send to us for this training	When invoiced, before training begins	This pays for the initial training that we provide in New York City. You decide which You are responsible for all salaries and expenses of your employees whom we authorize to attend this training.
Supplemental on-site training	Our then-current rate per trainer, currently \$350 per day plus our travel expenses	When invoiced, before training begins	You incur these fees and expenses if you request or we require on-site training at your restaurant
Annual Conference	Currently none, but we may impose a fee of up to \$750		Pays some of our costs for planning and hosting the annual System conference. You will cover the costs and expenses of your personnel who attend.
Interest	The lesser of 1.5% per month or the highest rate allowed by law	On demand	May be charged on all past due amounts. If no due date is stated, interest begins to run 10 days after billing.
Operations Non-Compliance	\$450 to \$1,000 per occurrence	14 days of invoice	Payable for failure to comply with operational standards as required and specified under franchise agreement, plus inspection and re-inspection costs we incur.

Type of Fee	Amount	Date Due	Remarks
Remedial work	Our actual costs and a 5% service charge on labor and materials	When billed	If you fail to correct an unhealthy or unsafe condition after we notify you, we may complete the required work on your behalf and bill you.
Reporting Non-Compliance / Payment Non-Compliance	\$150 per occurrence	Within 14 days of invoice	Payable for failure to timely submit royalty and activity reports, and other reports and financial statements or any payment due to us under the franchise agreement, plus interest, costs and legal fees.
Audit	Cost of audit	On demand	Payable if the audit is made necessary by your failure to furnish required information or if our inspection shows an understatement of 2% or more for the period of the audit.
Quality Assurance Audit	Actual costs we incur	As invoiced	Payable if we engage a third party to perform periodic quality assurance audits, including mystery shopper programs.
Collections	Actual fees, costs, and expenses	On demand	For costs and expenses we incur in collecting fees due to us or to enforce the terms of the Franchise Agreement or a termination of the Franchise Agreement. Includes costs and expenses of re-inspections required by quality assurance audit.
NSF Check Fee of Failed Electronic Fund Transfer	The greater of 5% of the amount or \$50, but not more than the maximum allowed by law	On demand	Payable if your bank account has insufficient funds or fails to process a payment or transfer related to a fee due from you to us.
Non-Compliance	Actual fees, costs, and expenses	On demand	Fees, costs and expenses incurred by us as a result of your breach or noncompliance with the terms of the franchise agreement.
Supplier Evaluation	Actual fees, costs, and expenses	Within 14 days of invoice	You must pay us the costs incurred by us to review and evaluate a potential supplier, product, or service that you submit to us for approval.

Type of Fee	Amount	Date Due	Remarks
Management Service	Actual costs incurred by us	As invoiced	Payable if we elect to manage the franchised business due to your failure to have the business managed by an authorized managing owner or manager. Example: If on the death or disability of a controlling owner of your business the business is not being managed properly and we appoint a manager pending your appointment of a trained replacement manager.
Transfer Fee	\$15,000	At the time the transfer is consummated	Reimburses our reasonable costs when there is a change in ownership of your business.
Relocation Fee	Our reasonable expenses	When billed, before relocation	Any relocation is subject to our prior approval. You incur this fee only if your relocation is not completed within 9 months after we grant to you our approval for you to relocate.
Renewal Fee	\$5,000	On signing a renewal Franchise Agreement	Payable if we approve your renewal request and upon signing our then current Franchise Agreement.
Insurance Reimbursement	Our actual costs of the premium for the period of coverage plus a 25% service charge	When billed	Payable if you fail to carry required insurance and we decide to purchase it for you (although we are not obligated to do so).
Attorneys' fees and costs	Our actual costs	As incurred	Payable if we incur costs in obtaining injunctive or other relief for the enforcement of any term of the franchise agreement because of your default under the franchise agreement.
Indemnification	Our actual costs	As incurred	You must reimburse us for claims against us involving your business operations, including reasonable attorneys' fees.

Fees stated as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of the franchise agreement, as published by the U.S. Department of Labor, or a successor index.

Multi-Unit Development Agreement

Type of Fee	Amount	Date Due	Remarks
Development Fee	\$100,000 (for four franchises) to \$125,000 (for five franchises)	When the agreement is signed	You will not be required to pay an initial fee for each franchise agreement you sign pursuant to the development agreement after you sign and pay the initial fees for your first franchise agreement.
Attorneys' Fees and Costs	Our actual costs	As incurred	Payable if we seek injunctive or other relief for the enforcement of any term of the agreement because of your default under the agreement.
Indemnification	Our actual costs	As incurred	You must reimburse us for claims involving your business operations.

General

All fees described in this Item 6 are imposed by and payable to us and are non-refundable.

We impose all fees described in this Item 6 uniformly for all franchisees. We have no intention to reduce any of these fees for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case-by-case basis.

Item 7**ESTIMATED INITIAL INVESTMENT****YOUR ESTIMATED INITIAL INVESTMENT****Franchise Agreement Estimated Initial Investment**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial franchise fee (Note 1)	\$30,000	\$30,000	Lump sum	When you sign the franchise agreement	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Security Deposit	\$5,000	\$5,000	Lump sum	When you sign the franchise agreement	Us
Initial Training Fee (Note 2)	\$20,000	\$21,800	Lump sum	When you sign the franchise agreement	Us
Construction and leasehold improvements (Note 3)	\$100,000	\$250,000	As arranged	As incurred	Contractors, suppliers and landlord
Lease Deposit (Note 4)	\$30,000	\$40,000	As arranged	As incurred	Landlord
Furniture, fixtures and equipment (Note 5)	\$65,000	\$100,000	As arranged	As incurred	Approved suppliers or other independent suppliers
Signage (Note 6)	\$8,000	\$15,000	As arranged	As incurred	Approved suppliers or other independent suppliers
Computer, software and point of sale system (Note 7)	\$3,200	\$5,200	As arranged	As incurred	Approved suppliers or other independent suppliers
Grand opening marketing (Note 8)	\$5,000	\$5,000	As arranged	As incurred	Approved suppliers or other independent suppliers
Initial inventory (Note 9)	\$25,000	\$30,000	As arranged	As incurred	Us or our affiliates
Utility deposits (Note 10)	\$1,000	\$3,000	As arranged	As incurred	Approved suppliers or other independent suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Insurance – liability and workers compensation – initial deposit (<i>Note 11</i>)	\$5,000	\$10,000	As agreed	As incurred	Independent carrier
Travel for initial training (<i>Note 12</i>)	\$2,500	\$5,000	As arranged	As incurred	Airlines, hotels, restaurants
Professional fees (<i>Note 13</i>)	\$10,000	\$15,000	As arranged	As incurred	Attorneys, accountants, architects & other advisors
Licenses and permits (<i>Note 14</i>)	\$750	\$1,200	As arranged	As incurred	Government agencies
Additional funds (<i>Note 15</i>)	\$30,000	\$60,000	As arranged	As incurred	Employees, suppliers, landlord, utility suppliers
Total (<i>Note 16</i>)	\$340,450	\$596,200			

Note 1: The initial fee is not refundable. We do not finance any portion of your initial fees.

Note 2: We require initial training only when you open your first Dessert Mango restaurant. The \$20,000 fee is for the training of two managers. Initial training of additional managers is currently \$300 per day for the three days of training. This fee is not refundable.

Note 3: This estimate is for the cost of construction, construction management and build-out of Dessert Mango restaurant but does not including furniture, fixtures and equipment. Our estimates are based on the assumption that the typical square footage of a Dessert Mango restaurant ranges from 900 to 1,400 square feet. These estimates also assume that the location you select for your restaurant is a site delivered to you already has pre-existing interior improvements consisting of installed and functional heating/cooling systems, essential lighting, electrical switches and outlets, lavatories, a finished ceiling, walls prepared for painting and a concrete slab floor. This estimate does not include architectural fees or other fees charged by licensed professionals other than general contractors and licensed tradesmen and do not include any special heating cooling or ductwork required by a restaurant. The cost of leasehold improvements will vary as a function of (i) the size and configuration of the premises; (ii) pre-construction costs (e.g., demolition of existing walls and removal of existing improvements and fixtures) based on the condition of the premises; (iii) the availability and prices of materials; (iv) prices of labor and price differences among contractors; and (v) geography and the location of the premises.

Note 4: You must operate your Dessert Mango restaurant at a location that we approve and complies with state and local laws. If you do not already own or lease a suitable location, you must lease a location that meets our standards and is approved by us. This estimate is based on the assumption that

you will be leasing your Dessert Mango Mango restaurant location and is for the estimated amount of the initial lease deposit that you will be required to pay to the landlord at the time of signing your lease and before you open your restaurant. The estimate is based on the assumption that your lease deposit will be equal to three months of rent payments. The typical square footage for a Dessert Mango Mango restaurant ranges from 900 to 1,400 square feet. The amount of your lease deposit is something that you will directly negotiate with the landlord and will vary significantly based on a number of factors that include location and your own negotiations. This estimate does not include the purchase of real property should you elect to purchase the real property of your restaurant location.

Note 5: You will be required to purchase ovens, baking equipment, mixing equipment, refrigeration, freezers, kitchen equipment, prep stations, service stations and computer equipment from us, our approved manufacturers, or other suppliers, and all in accordance with our specifications. The costs for furniture and fixtures may differ depending on the material quality and on other factors. The size of your restaurant will be a significant factor that will influence the cost of furniture, fixtures and equipment. The costs listed here do not include any transportation or set up costs. It is assumed that some of the equipment will be leased. If you elect to purchase such equipment, your costs may be higher. Third party financing may be available for qualified candidates for some of the leasehold improvement costs, however, with such financing comes associated costs and fees which may cause the cost to exceed the range indicated in this table.

Note 6: You are required to purchase interior and exterior signs and displays that we specify, subject to our design and construction specifications and approval. This estimate is for the cost to produce wall signage to be mounted to the outside of the building as well as all interior signage. This estimate includes other elements of brand identification within the Restaurant such as wall graphics.

Note 7: See Item 11 for information concerning the required computer, software and point of sale systems.

Note 8: You must spend a minimum of \$5,000 before you open your Dessert Mango Mango restaurant to promote your grand opening. You must submit your grand opening marketing plan to us for our pre-approval.

Note 9: Your initial inventory of small wares, uniforms and supplies and your on-going inventory and supplies that you are required to obtain from us or our affiliate are paid for at standard prices and terms and your ongoing inventory must be purchased from either us or our approved vendors.

Note 10: To secure the appropriate utilities required for the operation of your restaurant, including gas, electric, water, sewer and internet access, you will be required to pay upfront deposits to each applicable utility company.

Note 11: See Item 8 for a description of the types of insurance you must maintain. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and agent. This estimate is for the cost of an initial deposit in order to obtain the minimum required insurance and we estimate this deposit to be equal to the amount of three months of monthly insurance premium payments.

Note 12: This estimate is for estimated travel and lodging expenses that you will incur to attend our pre-opening initial training program.

Note 13: This estimate is for costs associated with the engagement of professionals such as attorneys, accountants, architects and other advisories consistent with the start-up of a Dessert Mango Mango franchised restaurant. Your attorney should review the franchise documents and the lease and may also assist you in forming an entity to be the franchisee. You will be required to hire an architect to develop plans that meet our standards and specifications and comply with applicable laws, rules and regulations for

the development and operation of your restaurant. It is also advisable to consult these professionals to review any lease and other contracts that you will enter into as part of the development and operation of your restaurant.

Note 14: You must apply for, obtain and maintain all required permits and licenses necessary to operate your franchised restaurant. The licenses will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred and are due before you open the franchised business. This estimate does not include the cost of specialized licenses such as, for example, liquor licenses that involve a specialized application process and involve costs that vary significantly depending on state and location.

Note 15: This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial three month period following the opening of your restaurant. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that you may incur if you finance the development of your restaurant. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your restaurant.

Note 16: These figures are estimates. They are based on the experiences of our affiliates in developing Dessert Mango Mango restaurants. We cannot assure you that you will not have additional expenses in starting the franchised business. These amounts do not include any estimates for debt service. Except as otherwise noted, all payments are to third parties that the applicant does not control.

Multi-Unit Development Agreement Estimated Initial investment

<i>Type of Expenditure</i>	<i>Amount</i>		<i>Method of Payment</i>	<i>When Due</i>	<i>To Whom Payment is to be Made</i>
	<i>Low</i>	<i>High</i>			
Development Fee (<i>Note 17</i>)	\$100,000 for four units	\$125,000 for five units	Lump sum	At signing of the Development Agreement	Us
Estimated initial investment for first restaurant less the initial fee (<i>Note 18</i>)	\$310,450	\$566,200	See Franchise Agreement table above	See Franchise Agreement table above	See Franchise Agreement table above
Total	\$410,450	\$691,200			

Note 17: See Items 5 and 6.

Note 18: See the table above in this Item 7.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and system development are maintained, you must operate your Restaurant in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the manuals.

Source Restricted Purchases and Leases – Generally

We require that you purchase or lease for the development and operation of your restaurant goods and services that meet our specifications or are purchased from an approved or designated supplier that may include us or our affiliates. We may designate a supplier, including ourselves or our affiliates, as the exclusive supplier for certain items. Our specifications and list of approved and designated suppliers is contained in our manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to our manuals, and other forms of communication. We formulate and modify our standards and specifications for products and services based on our industry experience and our management decisions as to the overall operation and expansion of the system. If we have previously approved a supplier and their standards fall below our designated standards, we will revoke our approval upon notice to you.

Suppliers and Supplier Criteria

We may designate ourselves and our affiliates as exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If, in the Manuals, we do not designate a supplier for a particular item, standards.

Our affiliate MMFP Production LLC. is our supplier primarily of pre-made commercial kitchen prepared pastries to our franchisees and company owned locations.

Our affiliate BX Wholesales Trading Inc. sells all the raw ingredients plus paper and plastic packaging goods to our franchisees and company owned locations, and sells raw ingredients to our affiliate, MMFP Production LLC.

None of our officers owns an interest in any supplier other than BX Wholesales Trading Inc and MMFP Production LLC.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information, samples, and testing data that we may request. We may charge you a fee equal to the costs and expenses that we incur in reviewing and evaluating an alternate supplier, product, and/or service requested by you. We may request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier's facilities. We will notify you of our approval or disapproval within a reasonable time not exceeding 60 days after we receive your written request and all additional information and samples that we request. We may, in our sole discretion, withhold our approval. We do not make our procedures or criteria for approving suppliers available to our System franchisees, except that when evaluating the approval of a particular supplier. Among other things, we consider: whether the supplier can

demonstrate to our reasonable satisfaction the ability to meet our standards, specifications and production requirements, the suppliers quality control, whether or not we are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and whether or not the suppliers approval, in our sole determination, will allow us to advance the overall interests of the System and our company. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers, to represent approximately 80% of your total purchases and leases in establishing the Franchised Business and approximately 80% of the on-going operating expenses of the Franchised Business.

We currently require that you purchase or lease the following source restricted goods and services:

1. **System Supplies** – Your Restaurant must maintain an initial and ongoing inventory of System Supplies. You must purchase the System Supplies, as designated by us, from us, our affiliates, and/or our designated suppliers.
2. **Furniture and Fixtures** – Your Restaurant must be equipped with branded and unbranded furniture and fixtures that we designate and that meet our standards and specifications. You may purchase unbranded furniture and fixtures from any supplier of your choosing, provided that the furniture and fixtures meet our specifications and standards, which may also include specified manufacturers, brands and models. If the furniture and fixtures that we designate are specified to be branded with the Licensed Marks, then you may only purchase them from our designated exclusive suppliers.
3. **Signage** – The signage for your Restaurant must meet our standards and specifications and must be purchased from our designated suppliers.
4. **Point of Sale System and Computer Equipment** – Currently you are required to purchase, license and utilize a Toast point of sale system with a minimum of one and a maximum of two configured hardware terminals. Additionally, you must purchase and maintain a computer system on-site at your Restaurant Location. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.
5. **Credit Card Processing** – You must use our designated supplier and vendor for credit card processing which may be integrated with the point of sale system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Sales.
6. **Online Ordering, Customer Rewards, and Gift Cards** – You must use our designated supplier and vendor for the ability to access and use online, point of sale integrated, web based, and/or app based, ordering, customer rewards, and/or gift card systems. As you access and utilize these systems you will pay usage fees based on a percentage of your processed Gross Sales.
7. **Third Party Delivery Services** – The operations of your Restaurant must comply with our policies, procedures, requirements and restrictions respecting the use of third party food delivery services and third party online ordering services. We may restrict or prohibit your use of and/or participating in third party delivery services and/or third party online ordering services. To the

extent that we grant you the right to use a third party delivery service and/or online ordering service we may require that you do so through accounts and/or agreements controlled by us.

8. **Branded Items and Marketing Materials** – All materials bearing the Licensed Marks (including, but not limited to, stationary, business cards, brochures, apparel, signs and displays) must meet our standards and specifications and must be purchased from either us directly or our designated suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Restaurant through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you exclusively use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.
9. **ACH Authorization** – We require you to sign an ACH Authorization Form permitting us to electronically debit your designated bank account for payment of all fees payable to us as well as any amounts owed to us or our affiliates for goods or services. You must deposit all Gross Sales from the operation of your restaurant into the bank accounts for which the ACH authorization was granted. You must install at your expense and use any pre-authorized payment and computerized point of sale systems, automatic payment systems, electronic funds transfer systems or automatic banking system that we may reasonably require related to the operation of your restaurant. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Insurance

You must obtain and maintain insurance coverage that we require from time to time. All insurance policies required under your franchise agreement and as set forth in the manuals must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth below and in the Franchise Agreement (Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits. Your insurance must include the following:

1. Coverage against direct physical loss or damage to real and personal property, including improvements and betterments, written on a special form peril basis, including flood and earthquake, if the relevant property is situated in a flood or earthquake zone, in an amount equal to at least 90% of the Franchised Business' property value;
2. Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least \$1,000,000 per occurrence and \$1,000,000 in aggregate;
3. Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which the Franchised Business is located, including statutory workers' compensation limits and employers' liability limits of at least \$1,000,000;
4. Business interruption insurance of at least \$200,000;
5. Commercial umbrella liability insurance with total liability limit of at least \$1,000,000;

6. Products liability insurance with a limit of at least \$1,000,000, which policy must be considered primary;
7. Employment practices liability insurance with a limit of at least \$2,000,000 including actions of a third party and a minimum limit of \$100,000 for wage and hour disputes; and
8. All other insurance that we require in the Manuals or that is required by law or by the lease or sublease for the Franchised Business.

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Restaurants under the System. We may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently, there are no purchase or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. During the fiscal year ended December 31, 2024, we did not earn any revenue or rebates from approved suppliers based on our franchisees' purchases.

We do not provide our franchisees with any material benefits based on a franchisee's purchase of particular products or services or use of particular suppliers.

See Item 16 for restrictions on what you may sell in the context of your franchised business.

Item 9

FRANCHISEE'S OBLIGATIONS

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

<i>Obligation</i>	<i>Sections in the Franchise Agreement</i>	<i>Disclosure Document Item</i>
a. Site selection and acquisition/lease	Sections 1.2.1 through 1.2.4	Items 11 and 12
b. Pre-opening purchases/leases	Sections 1.2.5, 1.2.6, 1.3 and 1.7.1	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 1.2 and 1.3	Item 11
d. Initial and ongoing training	Section 1.5	Item 11

<i>Obligation</i>	<i>Sections in the Franchise Agreement</i>	<i>Disclosure Document Item</i>
e. Opening	Sections 1.2.9 and 1.2.10 and 1.5.4	Item 11
f. Fees	Section 2.1	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 1.2 through 1.7	Items 8, 11 and 16
h. Trademarks and proprietary information	Sections 3.1 and 3.2	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.1.4, 1.3 and 1.6.1	Item 16
j. Warranty and customer service requirements	Section 1.6.2	Item 11
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	Section 1.3	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 1.2.5, 1.6.6, 1.6.7 and 1.6.8	Item 11
n. Insurance	Section 6.3	Items 7 and 8
o. Advertising	Section 1.7	Items 7 and 11
p. Indemnification	Sections 4.2.9 and 6.2	Item 13
q. Owner's participation / management / staffing	Sections 1.5 and 5.2.2.6	Items 11 and 15
r. Records and reports	Sections 2.1.9 and 2.2	Item 11
s. Inspections and audits	Sections 1.6.15 and 2.2	Item 11
t. Transfer	Article IV	Item 17
u. Renewal	Section 5.1.2	Item 17
v. Post-termination obligations	Sections 3.2, 3.3.3, 5.3 and 5.4	Item 17
w. Non-competition covenants	Section 3.3	Items 16 and 17

<i>Obligation</i>	<i>Sections in the Franchise Agreement</i>	<i>Disclosure Document Item</i>
x. Dispute resolution	Article VII	Item 17
y. Other: Personal Guaranty	Section 1.1.7	Item 15

Item 10

FINANCING

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

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before Opening

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

1. You must obtain our approval of your Restaurant Location. We do not typically own or lease the real property that will serve as your Restaurant Location and you are responsible for all costs and expenses in locating and evaluating proposed sites and the demographic data associated with your proposed sites. We will provide you with site selection guidelines. If your Franchise Agreement specifies and designates a Designated Territory, your Restaurant Location must be located within your Designated Territory at a site that we approve. If you sign a Multi-Unit Development Agreement then each Restaurant Location must be located within the Development Area designated in the Multi-Unit Development Agreement and, as applicable, at sites that we approve within the Development Area.
2. Although there is no specified time limit for us to review the proposed site for your Restaurant Location, we will do so within a reasonable time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request. In determining whether to approve or disapprove a proposed site for your Restaurant Location, factors that we take into consideration include: (a) demographic factors, traffic patterns, parking, building structures, visibility and available sign locations; (b) characteristics of the proposed site; (c) the location of your proposed site relative to your overall Designated Territory and proximity to other Restaurants, if your Designated Territory was previously designated; (d) the location of your proposed site relative to your overall Development Area and proximity to other Restaurants, if you signed a Multi-Unit Development Agreement and your Development Area was previously designated; and (e) whether or not the landlord for the Restaurant Location approves of our Lease Agreement Rider in substantially the same form as contained in the Franchise Agreement.
3. We review the proposed lease for your restaurant location to be sure that it allows us certain rights in the event of your default. (Franchise Agreement, Sections 1.2.1 and 1.2.2.) We do not own locations and lease them to franchisees. Your rights in your Restaurant Location must be

- subordinate to our rights as set forth in the Lease Agreement Rider that we require you to sign with your landlord.
4. Our approval or disapproval of future restaurant locations that may be developed under a multi-unit development agreement will be based on our then current site selection criteria.
 5. We provide you with a design package, including a sample layout for the interior of a typical Dessert Mango restaurant with a set of typical preliminary plans and equipment and décor specifications. (Franchise Agreement, Section 1.2.7.) We may require you to use specific suppliers for the floor plan and three-dimensional rendering of your franchised restaurant. We review, comment on and approve your final plans and specifications when they are satisfactory to us, and we consult with you on the construction and equipping of the franchised restaurant. You are responsible for construction and conforming the premises to local ordinances and building codes, and for obtaining required permits. We make a final inspection of the franchised restaurant after you complete its construction. We may require any corrections and modifications we deem necessary to bring the franchised restaurant into compliance with accepted plans, equipment, designs and specifications.
 6. We will provide you with a list of our approved signage, equipment, furniture and fixtures, either as part of the Manuals or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. We do not provide assistance in delivering or installing signs, equipment, furniture, or fixtures.
 7. We will identify your Restaurant on our website. You may not use any websites, web-based media or digital media unless expressly approved by us in writing. We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us.
 8. We give you access to our confidential operations manual and supplementary materials, which we revise periodically. (Franchise Agreement, Section 1.4.1.) The manual remains our property. As of the date of this disclosure document, the manual contains approximately 120 pages. We may modify the manual from time to time, but the modifications will not alter your status and rights under the franchise agreement. The table of contents of the manual is attached to this disclosure document as Exhibit E.
 9. Not less than 45 days prior to the opening of your Restaurant you or your Managing Owner and one management level employee or Owner must attend and complete our initial training program. We will provide you, and up to one of your designated managers, with training in accordance with our initial training program. Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner and one Operating Manager at our training facility located in Flushing, New York and a certified training Restaurant located in New York that we designate. The training program takes place over an approximate 120 hour period and is described below in this Item 11 in more detail.
 10. You may not open your Restaurant until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Designated Territory, obtained and provided us with written proof of the required insurance, and have timely secured a Restaurant Location that we approved.
 11. We estimate that the length of time between the signing of your Franchise Agreement and opening your Restaurant to be approximately three months to one year. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site for your Restaurant Location; (b) timeliness of your submission to us of information and documentation that we may

request in determining whether or not to approve of the site for your proposed Restaurant Location; (c) length of time taken by you to successfully complete our initial training program; (d) negotiating and obtaining a suitable lease for your Restaurant Location that is approved by us; (e) obtaining third party lender financing, if necessary; and (f) obtaining the necessary licenses for the operation of your Restaurant. Other factors that may affect this time period include availability of equipment, delays associated with equipment installation and the construction and/or installation of your leasehold improvements and fixtures. You must open your Restaurant within nine months from the effective date of your Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you. (Franchise Agreement, Article 3.C.).

12. We provide an initial two-week training program for your managing owner and a second person, as explained below in this Item 11. We charge a \$20,000 fee for this training for two people. If you are required or wish to have additional personnel trained at a later time, we may charge our fees, currently \$300 per day per person, plus reimbursement for our expenses. (Franchise Agreement, Section 1.5.3)
13. We provide approximately two weeks (80 hours) of on-site pre-opening and opening training, supervision and assistance at your franchised Dessert Mango Mango restaurant. (Franchise Agreement, Section 1.5.4.)
14. We approve or provide you with advertising and promotional guidelines and materials for your public relations and advertising. (Franchise Agreement, Sections 1.7.2 and 1.7.3.)
15. We provide such other assistance and support as we may deem necessary or desirable to assist you with the launch of your Dessert Mango Mango franchised business.

During Operation

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

1. We amend and revise the manual periodically. (Franchise Agreement, Section 1.4.2.)
2. We provide refresher courses from time to time. We do not charge for refresher courses that we require your personnel to attend, but you must pay the travel and living expenses and the salaries of your personnel. We also provide training for additional and replacement managers and other employees who have not completed the initial training program, at your expense. (Franchise Agreement, Section 1.5.5.)
3. We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. We may provide, in our discretion, supplemental training on-site at your Restaurant Location. You will be required to pay our then current supplemental training fee, currently \$350 per on-site trainer per day, plus travel expenses, meals and accommodation expenses incurred by us.
4. Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be complete to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our Restaurant located in Flushing, New York and at the certified training Restaurant that we designate in New York. You will be required to pay our then current supplemental training fee for your replacement Operating Manager, currently \$300 per manager per day for each replacement manager attending our initial training. You will also be responsible for all costs incurred by your managers in attending our initial training.

5. We conduct operational reviews and other quality control measures to ensure compliance with our standards and to recommend improvements. (Franchise Agreement, Sections 1.6.15 and 1.6.16.)
6. We provide standards and lists of approved suppliers and distributors for your use in the acquisition of equipment, inventory, materials, supplies and furnishings for your franchised restaurant. (Franchise Agreement, Section 1.3.)
7. We create, develop, and place advertising and promotional programs designed to promote and enhance all Dessert Mango Mango restaurant businesses and, if we deem necessary, test marketing and market research activities, for the benefit of the Dessert Mango Mango franchise system. We administer the marketing fund (which we also call the brand development fund), and cooperatives if they are formed, as described below. We will coordinate all customer loyalty programs. We will review all advertising materials you submit to us for your use in local advertising. (Franchise Agreement, Section 1.7.)
8. We maintain a website to advertise and promote Dessert Mango Mango restaurant businesses. Your location will be included in a list of Dessert Mango Mango restaurant locations on the Dessert Mango Mango website. (Franchise Agreement, Section 1.8.)
9. Our representatives will be available at all reasonable times to you for consultation by telephone concerning all aspects of operating the franchised business, upon reasonable notice, including the institution of proper administrative, bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a franchised business. We may charge you a reasonable fee for providing on-site assistance at your request. (Franchise Agreement, Section 1.5.8.)
10. We may require you to comply with reasonable and lawful restrictions on prices of specific menu items or goods or services offered and sold by the franchised business as required in the operating manual or as we otherwise reasonably direct in writing from time to time. (Franchise Agreement, Section 1.6.16.)
11. We provide such other assistance and support as we may deem necessary or desirable to assist you in connection with the operation of the franchised business. Operations assistance may consist of advice and guidance in the form of a franchisee newsletter or internet postings on our franchisee website and other updates and written materials.

Site Selection

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

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

You will be solely responsible for negotiating and complying with the terms of the lease. We must review the lease before you sign it to ensure that our minimum lease requirements have been met.

(Franchise Agreement, Section 1.2.5.) We may condition our approval of the lease upon inclusion in the lease of the lease addendum in the form of Exhibit F4 to this disclosure document. We are not responsible for review of the lease for any terms other than those contained in the lease addendum.

We recommend that you sign the lease (or site purchase agreement) shortly after we sign the franchise agreement. You must submit a copy of the signed lease or site purchase agreement to us after both parties sign. In any event, you must secure a Restaurant Location and lease that we approve within 120 days of the date of your franchise agreement.

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

Time of Opening

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

We may terminate the franchise agreement if you do not open the restaurant for business within nine months after the date of your franchise agreement. (Franchise Agreement, Sections 1.2.10 and 5.2.2.3.)

Advertising

National and Regional Advertising

You must contribute a weekly sum to the Brand Development Fund not to exceed 2% of your weekly Gross Sales to the Brand Development Fund.

We may require you to pay us a marketing fee in an amount equal to 2% of the gross sales of the franchised business each week during the term of the franchise agreement as a contribution to the Brand Development Fund. (Franchise Agreement, Section 2.1.5.) Upon your request, we will provide to you an accounting of the marketing fees we collected in the prior year, showing the allocation of our advertising expenditures. Advertising receipts and expenditures are administered by us and are not audited. (Franchise Agreement, Section 1.7.7.)

In 2024, we received \$214,447 from franchisees for the Brand Development Fund and we contributed an additional \$21,105 to that fund, bringing the total to \$235,552. Of this total, we have spent 29.6% on product development, 37.2% on advertising campaigns and 33.2% on general marketing. No part of the Brand Development Fund was rolled over into 2025.

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

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

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

Although we will endeavor to use the marketing fund to develop advertising programs and to place advertising that will benefit all franchisees, we cannot ensure that expenditures from the marketing fund in any geographic area are proportionate or equivalent to contributions to the fund by franchisees operating in the geographic area or that your franchised business will benefit directly or in proportion to your contribution to the fund. (Franchise Agreement, Section 1.7.9.) We are not required to spend any amount on advertising in your area or territory.

Our company or affiliate owned Dessert Mango Mango restaurant businesses will not be required to contribute to the marketing fund on the same basis as Dessert Mango Mango franchisees.

You must participate in all promotion campaigns, advertising, loyalty programs, partnerships and other programs we periodically establish or approve, whether on a national, regional or local basis. We may charge you a technology fee to compensate us for the third-party platform we use for any customer loyalty program.

There is no advertising council composed of franchisees that advises us on advertising policies. But we have the power to form, change or dissolve advertising councils. (Franchise Agreement, Section 1.6.13.)

Advertising Cooperatives

We do not require you as of the date of this disclosure document to participate in any local or regional advertising cooperatives. However, we have the right to establish and coordinate cooperative advertising and sales programs, customer satisfaction programs and similar programs from time to time among Dessert Mango Mango franchisees. We may require you to participate in such programs on an equitable basis with other participants. (Franchise Agreement, Section 1.7.11.)

Local Advertising

We require you to use all reasonable efforts to promote your franchised business in your territory. We may require you to spend in each year an amount equal to up to 1% of your gross sales on local advertising. (Franchise Agreement, Section 1.7.2.) We will not require you to make contributions to local or regional advertising cooperatives in amounts exceeding 1% of your monthly gross sales.

You may develop local advertising materials for your own use, at your own cost, following advertising criteria that we establish. We must approve the advertising materials in advance. All materials you use in local advertising, promotions and public relations must conform to our standards which are outlined in our operating manual. All such materials must be clear, factual and not misleading. You agree

to submit to us, before you use them, samples of all materials you intend to use that we have not prepared or previously approved. We will endeavor to approve or disapprove the advertising materials within 15 days after we receive it from you, but we are not required to do so within this timeframe. If we have not notified you of disapproval within 15 days after your submission for approval, the materials will be considered approved. If we approve, we may withdraw our approval at any time for future use of such materials. (Franchise Agreement, Section 1.7.3.)

Website

We maintain a system website, and we may establish other websites, to advertise, market and promote the Dessert Mango Mango restaurants and the Dessert Mango Mango franchise opportunity. We maintain the system website. We may use the marketing fund assets to develop, maintain and update those parts of the system website that promote the Dessert Mango Mango restaurants. (Franchise Agreement, Sections 1.7.6 and 1.8.1.)

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

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

Computer and Point of Sale Systems

You must purchase, license and use the computer, point of sale, business management, and ordering systems that we designate. Currently, the designated point of sale system that you must license and use is Toast point of sale system and as otherwise designated by us in the Manuals. You must purchase a minimum of one and a maximum of two configured and licensed point of sale hardware terminals. Additionally, you must purchase and maintain a computer system on-site at your Restaurant Location. Generally, you will be required to obtain a computer system that will consist of certain hardware and software and, among other things, you will be required to meet our requirements for: (a) back office and point of sale systems; (b) security systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) high speed internet access. The initial upfront cost of the point of sale and computer system that you will be required to purchase ranges from \$3,200 to \$5,200. You are obligated to install or access all required point of sale and software upgrades as recommended by the manufacturer of the computer and the licensor of point of sale system. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. Your estimated costs for the maintenance, repair and updates for the computer and point of sale systems can be as high as \$5,000 per year. There are no contractual obligations imposed on us to maintain, repair, update, or upgrade your computer systems. We will have independent access to all of the information and data that is electronically transmitted on your point of sale system and will have access to all data related to the financial performance of your Restaurant. There are no contractual limitations on our right to access your point of sale system.

Training Program

Before you sign the franchise agreement, we ask you to designate the managing owner, who will supervise the operation of the business, and an operating manager, who will manage the day-to-day operation of the business. The managing owner must be an owner of an equity or voting interest in your business whom we approve. Your managing owner and operating manager may be the same person. (Franchise Agreement, Sections 1.5.1 and 1.5.2.)

Before you open your first franchised restaurant for business, we require your managing owner and your operating manager to attend and complete our initial training program to our satisfaction no later than 45 days before the opening of your Restaurant. (Franchise Agreement, Section 1.5.3.) We conduct this training at one of our company or affiliate locations in the New York City area. The initial training program takes place over an approximate 120 hour period.

We charge an initial training fee of \$20,000 before you open your first Dessert Mango Mango restaurant. You must also pay the compensation and travel, lodging and meal expenses of those who attend. If more than two individuals attend initial training you will be charged an additional fee per additional persons attending initial training.

If your managing owner or the second person who attends initial training does not satisfactorily complete the initial training program or if we determine that such person cannot satisfactorily complete the training program, you will be required to designate a replacement to satisfactorily complete the training. If your Dessert Mango Mango restaurant has been operating and your managing owner ceases active management or work at your business, then a replacement managing owner acceptable to us must be appointed and trained to our satisfaction within 30 days. (Franchise Agreement, Section 1.5.6.)

We will charge an additional fee of \$350 per day per employee plus travel and living expenses for our personnel if we provide any training at your request that is not mandatory. We do not charge for training related to the introduction of new or updated products, classes, methods or procedures, or for refresher courses or other mandatory training unless we require training because your personnel are not meeting our standards. If any review indicates noncompliance with any system standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and we may send our personnel to your franchised business for training. When we do not charge for training, you must nevertheless pay the travel and living expenses and salaries of your personnel who attend. Refresher courses will take place at one of our company or affiliate locations in the New York City area. The duration, frequency and content of refresher courses will be similar to the initial training program described below.

We conduct initial training approximately four weeks before the projected opening date of your franchise and it must be completed at least ten days before the opening date. Scheduled refresher training will be available before the opening date.

The instructors will be employees of our company or one of our affiliates with at least one year of experience in the subjects they teach and at least one year of experience working in our company or one of our affiliates.

Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the system, the numbers of replacement personnel who need training, and the timing of the scheduled openings of Dessert Mango Mango restaurants.

The instructional materials consist of our manual and other materials we prepare for this program, including videos, advertising materials and detailed protocols, checklists and reports.

The following table provides detailed information about the initial training program.

TRAINING PROGRAM

<i>Subject</i>	<i>Hours of Classroom Training</i>	<i>Hours of On-the-Job Training</i>	<i>Location</i>
Introduction: Training Schedule, Brand Culture and Goal of Owning a Dessert Mango Mango Franchise	1	0	Flushing, New York
Marketing	1	0	Flushing, New York
Inventory Management	1	2	Flushing, New York
Food Preparation and Storage	2	2	Flushing, New York
Menu and Recipes	5	45	Flushing, New York
Purchasing	3	0	Flushing, New York
Menu and Recipe Assessment	5	25	Flushing, New York
Customer Service/ Wait Staff	1	20	Flushing, New York
Point of Sale System	1	1	Flushing, New York
Grand Opening Planning	3	0	Flushing, New York
Subtotal Hours	23	95	
Total Hours	118		

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

Item 12

TERRITORY

Franchise Agreement

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

We do grant you a territory within which we will not establish another Dessert Mango Mango restaurant, whether franchised or company-owned. While there is no minimum size for a designated territory, the scope and size of your designated territory will generally be a radius of not less than one mile from the restaurant location in all directions and a one-quarter mile radius from the restaurant location if we identify the designated territory as urban. The designated territory may be smaller based on population density, demographics, and geographical boundaries. If your restaurant is located within a shopping mall or a similar facility with a captive market, your territory may be limited to the physical boundaries of the mall or facility. Depending on the demographics and geography we may designate your territory where your Restaurant is located at the center of the Designated Territory or where your Restaurant is located elsewhere within the Designated Territory. We may identify your Designated Territory by zip code, boundary streets, highways, county lines, designated market area, and/or other recognizable demarcations.

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

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

You may operate delivery service within your territory or arrange for such service with a third-party service provider such as Uber Eats, Grubhub, Door Dash, Postmates or another delivery service company prescribed or approved by us. You may also offer take-out and catering service to customers in your territory. Such sales will be included in gross sales for all purposes, including your reports, royalties and advertising fund calculations. You may not market or sell outside of your territory in any manner or do any Internet advertising without our prior written approval, which we may withhold in our discretion. You may promote the business through social media or direct marketing or similar means, within or outside of your territory, as long as such promotion is consistent with guidelines we issue from time to time.

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

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

You do not receive the right to acquire additional franchises or to establish or operate another Dessert Mango Mango restaurant business unless you enter into a separate franchise agreement with us.

Minimum Sales Quota

We require you to meet the following minimum annual Gross Sales requirements (the “Annual Minimum Gross Sales Requirements”): \$240,000 in Gross Sales in the first year and second year following the opening of the franchised business; and \$300,000 in Gross Sales in the third year following the opening of the franchised business and each and every year thereafter. We retain the right to terminate your franchise agreement if you fail to meet the Annual Minimum Gross Sales Requirements in any year.

Multi-Unit Franchise

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

Under the multi-unit offering, we assign a defined geographic area within which you must develop and operate a specified number of Dessert Mango Mango restaurants within a specified period of time. The development area may be one city, one or more counties, one or more states, or some other defined area. It will be described in Schedule A of your multi-unit agreement. For each Dessert Mango Mango restaurant you open under the multi-unit agreement, promptly after our approval of the site for the Dessert Mango Mango restaurant, you will sign a separate Franchise Agreement in the then-current form. We call multi-unit franchisees “developers”.

Each developer receives a territory for the opening of Dessert Mango Mango restaurants, although we retain certain rights in the territory, as explained below. The territory will be large enough to accommodate the number of Dessert Mango Mango restaurants in your development schedule, based on our market studies. We will determine the territory for each future unit you develop using our then-current standards for territories.

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

We retain certain other rights in your territory as well. We may sell any products under the Marks and any other trademarks to grocery stores, supermarkets and other channels of distribution at any time, and directly to customers anywhere through our website. We also retain the right to acquire and operate any business under a different trademark at any location and to continue to operate that business under trademarks other than our trademarks. In the event that we merge with, acquire or are acquired by another company that competes with us, we reserve the right to offer and sell and authorize others to offer and sell competing products and services under any other names and marks while your multi-unit agreement is in effect.

In order for you to maintain your rights in the territory under the multi-unit agreement, you must meet minimum requirements contained in Schedule B of the agreement (the development schedule). The development schedule requires that a specified minimum number of Dessert Mango Mango restaurants be opened in each of the initial 8-month periods during the term of the agreement. The development requirements are determined based on our market studies of the territory and our discussions with you. The smallest development schedule will typically call for the development of at least three Dessert Mango Mango restaurants over a period of two years. Your failure to adhere to the development schedule gives us the right to terminate the multi-unit agreement upon notice to you with immediate effect. (Multi-Unit Agreement, Section 5.2.1.2.) Your failure to adhere to the development schedule also gives us the right, instead of terminating the agreement, to reduce the size of your territory or reduce the number of Dessert Mango Mango restaurants to be opened. (Multi-Unit Agreement, Section 5.3.2.1.)

Your multi-unit agreement will expire at the end of its ten-year term. (Multi-Unit Agreement, Section 5.1.) Your territorial rights end when the multi-unit agreement expires.

You maintain rights to your territory during the term of your multi-unit agreement even if the population increases.

You do not receive the right to acquire additional territories, or to develop franchises outside of your territory, unless you enter into another multi-unit agreement or franchise agreement with us.




Item 13

TRADEMARKS

We grant you the right to operate a franchise under the name DESSERT MANGO MANGO and the logo shown on the cover of this disclosure document. You may also use our other current or future Marks in the operation of your franchise. By Marks we mean trade names, trademarks, service marks and

logos used to identify your Dessert Mango Mango franchised business.

Our affiliate, Mango Franchise USA Management LLC, has applied for registration of the following trademarks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

<i>Mark</i>	<i>Serial No.</i>	<i>Filing Date</i>
	99063945	March 3, 2025
	99063949	March 3, 2025
	99064646	March 3, 2025

Mango Franchise USA Management LLC does not have a federal registration of these trademarks. Therefore, our trademarks do not have many legal benefits and rights as a federally-registered trademark. If our right to use a trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have an exclusive license from Mango Franchise USA LLC to use these trademarks to grant franchises anywhere in the U.S. for the operation of Dessert Mango Mango restaurants. This license remains in effect for as long as we remain a part of the group of companies owned or controlled by or under common ownership and control with Mango Franchise USA LLC or until the license agreement is terminated (i) by mutual consent or (ii) based on our breach of the agreement or (iii) our decision to terminate without cause.

There are no agreements currently in effect that significantly limit our right to use or license the Marks in any manner material to the franchise. We know of no infringing uses that could materially affect your use of the Marks.

There are no determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending interference, opposition or cancellation proceedings or pending material litigation involving any of the Marks that is relevant to their ownership or use in the states in which the franchised business is to be located.

You must immediately notify us of any apparent infringement of the Marks or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You are not permitted to communicate with any person other than us or our designated affiliate, their counsel and your counsel involving any infringement, challenge or claim. We can take action and have the right to exclusively control any litigation or Patent and Trademark Office or other administrative or agency proceeding caused by any

infringement, challenge or claim or otherwise relating to any of the Marks. You must execute any and all documents, and do what may, in our counsel's opinion, be necessary or advisable to protect our interests in any litigation or Patent and Trademark Office or other administrative or agency proceeding or to otherwise protect and maintain our interests and the interests of any other person or entity having an interest in the Marks. (Franchise agreement, Section 3.1.5.)

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that your conduct in the proceeding and your use of the Marks is in full compliance with the terms of the franchise agreement. (Franchise agreement, Section 6.2.2.)

Except as stated above, we are not obligated by the franchise agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the Marks or your right to use them, as a matter of corporate policy, we intend to defend the Marks vigorously.

You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must execute any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our rights in and to the Marks. (Franchise agreement, Sections 3.1.2 and 3.1.3.)

You may not own a domain name that includes "MANGO MANGO". You must use only such email addresses as we authorize, and you must comply with policies we establish from time to time for your use of email and any web portal we create. (Franchise agreement, Sections 1.3.6, 1.7.12 and 1.8.3.)

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute Marks if we determine that an addition or substitution will benefit the Dessert Mango Mango restaurant franchise system. (Franchise agreement, Section 3.1.4.)

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any patents that are material to your franchised business or the Dessert Mango Mango franchise system.

We and our affiliates also claim all rights and interests, including all copyrights, to the information contained in the manuals, computer programs, advertising materials, the Dessert Mango Mango website and all our communications to you in writing or otherwise setting forth our standards, requirements, operating procedures or policies relating to the operation of a Dessert Mango Mango franchise, as well as any revisions and additions to these materials. (Franchise Agreement, Section 3.1.1.) We have not registered the copyrights in any of these materials.

Proprietary Information

Your knowledge of the operation of the franchised business, including the courses and other specifications, standards and operating procedures, is derived from information that we disclose to you. This information, including the information contained in the manuals and the information presented during training, is confidential material owned by us. Our confidential information includes our product recipes; our methods of operation; our sales and marketing techniques; our planned marketing and advertising

programs; the content of our training and assistance; the contents of the Manual; the operating results and financial performance of other Dessert Mango Mango franchisees; all customer lists and other information we receive from you; and usernames and passwords allowing access to protected areas on our website or computer network. (Franchise Agreement, Section 3.2.1.)

We and our affiliates also claim ownership of all demographic data and customer lists generated by your activity as a franchisee. (Franchise Agreement, Section 3.2.1.)

You must maintain the absolute confidentiality of this proprietary information during and after the term of the franchise agreement and you cannot disclose, sell or use any such information in any other business or in any manner not specifically authorized or approved in writing by us. (Franchise Agreement, Section 3.2.2.) You may use such information only in furtherance of the franchised business.

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information, and each owner of your business if you are a legal entity, must sign a written agreement that contains similar nondisclosure obligations. See Item 15.

You must notify us promptly in writing if you learn about any unauthorized use of our copyrights or proprietary information. We are not obligated to take any action, but we will respond to this information as we think appropriate. (Franchise Agreement, Section 3.1.5.)

All improvements in the Dessert Mango Mango restaurant system that you develop will become our property. We will have the sole right to protect such improvements in our name or in the name of any of our affiliates by means of copyright, patent, trade secret or trademark law. (Franchise Agreement, Section 1.4.3.) You must promptly disclose all such improvements to us.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your franchise agreement will specify who will be the “managing owner” of your franchised business and who will be your “operating manager”. Your operating manager must devote his or her full working time, attention and effort to the franchised business and provide direct, day-to-day supervision of the operation. The operating manager may not take on other business responsibilities that would be inconsistent with the operational requirements of the franchised business or contrary to its best interest. (Franchise Agreement, Section 1.5.2.) Your managing owner must be an owner of a 25% or greater equity or voting interest in your business whom we approve. Your managing owner is responsible for overseeing and supervising the operation of the franchised business, but we do not require your managing owner to devote his or her full working time to the franchised business unless the managing owner is also the operating manager. (Franchise Agreement, Section 1.5.1.) The managing owner and operating manager may be the same person.

Before your Dessert Mango Mango restaurant opens for business, we require that your managing owner and operating manager attend and complete our initial training program to our satisfaction. (Franchise Agreement, Section 1.5.3. See Item 11.)

If at any time your Dessert Mango Mango restaurant is not being managed by a managing owner or operating manager who has attended and completed our initial training program to our satisfaction, we are authorized, but not required, to appoint a manager to maintain operations on your behalf. (Franchise Agreement, Sections 1.5.6 and 2.1.7.8.)

Our appointment of a manager does not relieve you of your obligations under the franchise agreement. We will not be liable for any debts, losses, costs or expenses incurred during any period in which we manage the franchised business. We have the right to charge a reasonable service fee for such management services, and we may cease providing such services at any time. (Franchise Agreement, Section 4.2.8.)

Each owner of your company must sign a guaranty and assumption of obligations in a form acceptable to us. (Franchise Agreement, Section 1.1.7.) We may also require the spouse of any signatory to sign, in our discretion. Any breach of this guaranty by any such owner or spouse will be deemed a breach of this Agreement.

Each manager of your franchised business and each person who receives training from us or otherwise has access to our confidential information who has not signed the guaranty described in the preceding paragraph must sign a written confidentiality and noncompetition agreement with your company in a form acceptable to us. Any breach of such undertaking by any such person will be deemed a breach of the franchise agreement. (Franchise Agreement, Sections 1.5.9 and 3.2.2.)

We do not impose any other restrictions on your managers.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale in your franchised business all of the products, services and menu items we specify, and you may not sell any products, services or menu items that we do not specify or approve. (Franchise Agreement, Section 1.1.4.) You must prepare and serve these products in accordance with our requirements. You must not deviate from our standards and specifications without first obtaining our written consent. Upon notice from us given at any time, you must discontinue offering for sale any items, products or services we may disapprove or discontinue.

We have the right, in our discretion, to add, remove or change the mix of products, services and menu items that you are required to offer. (Franchise Agreement, Sections 1.1.4 and 1.4.2.) There are no limits on our right to do so except that we must act reasonably and our requirements must stay within the scope of an Asian American fusion dessert restaurant business.

There are no restrictions regarding customers you may service.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

<i>Provision</i>	<i>Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")</i>	<i>Summary</i>
a. Length of the franchise term	FA: Section 5.1.1 MUA: Section 5.1	FA: five years, or the end date of your lease if it is for a shorter period of time. MUA: Ten years.
b. Renewal or extension of the term	FA: Section 5.1.2 MUA: Section 5.1	FA: Upon expiration of the initial term, you may renew for a term equal to the term of your renewal lease, but not more than five years. At the expiration of the second ten-year term, you may renew provided we are still offering franchises. MUA: None
c. Requirements for you to renew or extend	FA: Sections 2.1.7.9 and 5.1.2 MUA: Not applicable	FA: Notify us of your desire to renew 12-18 months before the end of the term; repair and update equipment and premises; and sign a new franchise agreement which may contain materially different terms and conditions than your original contract. We may require you to sign a release. You must also pay a \$5,000 renewal fee.
d. Termination by you	FA: Section 5.2.1 MUA: Not applicable	FA: You may terminate if we materially breach the franchise agreement and fail to cure after notice from you. You may also terminate the agreement on any grounds available by law.
e. Termination by us without cause	FA: Not applicable MUA: Not applicable	FA: Termination of your multi-unit agreement, without more, does not give us the right to terminate any of your fully-signed unit franchise agreements. MUA: Termination of one of your franchise agreements, by itself, does not permit us to terminate your fully-signed multi-unit agreement. However, we may terminate the multi-unit agreement if termination of one of your franchise agreements results in your failure to comply with the development schedule of the multi-unit agreement (Schedule B).

Provision	Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")	Summary
f. Termination by us with cause	FA: Sections 5.2.2 and 5.2.3 MUA: Section 5.2	FA: We can terminate if you default, including if any other single-unit Dessert Mango Mango, franchise agreement between us or one of our affiliates and you or any of your affiliates is terminated due to a breach by you or your affiliate. Termination of your multi-unit agreement, without more, does not permit us to terminate any of your fully-signed unit franchise agreements. MUA: We can terminate if you or any of your affiliates defaults beyond the applicable cure period under a single-unit Dessert Mango Mango franchise agreement between us and you or any of your affiliates, or if any such agreement is terminated for any reason.
g. "Cause" defined — defaults that can be cured	FA : Section 5.2.3 MUA : Section 5.2.2	FA: You have 30 days to cure breaches other than non-curable breaches described in Provision "h" below. Termination of your multi-unit agreement, without more, does not give us to the right to terminate any of your fully-signed unit franchise agreements. See also Provision "f" above. MUA: You have 30 days to cure breaches other than non-curable breaches described in Provision "h" below.
h. "Cause" defined — non-curable defaults	FA: Section 5.2.2 MUA: Section 5.2.1	FA: Misrepresentation to us; failure to successfully complete training; failure to open the business within the required time; unauthorized disclosure of confidential information; unauthorized use of Marks; attempted transfer without our approval; failure to pay taxes; failure to maintain insurance; criminal conviction; bankruptcy or insolvency; abandonment of the business; termination of another Dessert Mango Mango franchise agreement between us and you or any of your affiliates; damage to our goodwill. Termination upon your bankruptcy may not be enforceable under federal bankruptcy law. Termination of your multi-unit agreement, without more, does not give us to the right to terminate any of your fully-signed unit franchise agreements. See also Provision "f" above.

<i>Provision</i>	<i>Sections in the Franchise Agreement (“FA”) and the Multi-Unit Agreement (“MUA”)</i>	<i>Summary</i>
		MUA: False representations to us; failure to meet the Development Schedule; disclosure of confidential information; attempted transfer without our approval; criminal conviction; default beyond the applicable cure period under a single-unit Dessert Mango Mango franchise agreement between us and you or any of your affiliates. Termination of one of your franchise agreements, by itself, does not permit us to terminate your fully-signed multi-unit agreement. However, we may terminate the multi-unit agreement if termination of one of your franchise agreements results in your failure to comply with the development schedule of the multi-unit agreement (Schedule B). See also Provision “f” above.
i. Your obligations on termination /non-renewal	FA: Section 5.3 MUA: Section 5.3	FA: Obligations include complete deidentification, return of manuals and payment of amounts due. (See also Provision “r” below.) If you terminate without cause before the agreement expires, or if we terminate on the basis of your material breach, you will pay us liquidated damages equal to the average monthly Royalty you owed us during the 24 months before termination multiplied by the lesser of 36 or the number of months in the remainder of the term. MUA: See Provision “r” below.
j. Assignment of contract by us	FA: Section 4.1 MUA: Section 4.1	FA: No restriction on our right to assign. MUA: No restriction on our right to assign.
k. “Transfer” by you — defined	FA: Section 4.2.2 MUA: Section 4.2.2	FA: Includes transfer of contract or assets or ownership MUA: Transfer of rights under the multi-unit agreement or ownership change or transfer of franchises.
l. Our approval of a transfer by you	FA: Section 4.2 MUA: 4.2.1	FA: We may withhold our approval to a transfer unless the conditions in Provision “m” below have been met. MUA: Same as franchise agreement.

Provision	Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")	Summary
m. Conditions for our approval of the transfer	FA: Sections 2.1.7.7 and 4.2 MUA: Section 4.2.4	FA: The transferee meets our criteria for Dessert Mango Mango franchisees; you are in compliance; \$15,000 transfer fee is paid; transferee signs new form of franchise agreement; you acknowledge continuing confidentiality and noncompete requirements; new manager is trained; we approve the terms of the transfer; you notify us of the closing. MUA: The transferee meets our criteria; you are in compliance; \$15,000 transfer fee is paid; you acknowledge continuing confidentiality and noncompete requirements; we approve the terms of the transfer; you notify us of the closing.
n. Our right of first refusal to acquire your business	FA: Section 4.3 MUA: Section 4.3	FA: We can match any offer for your business. MUA: We can match any offer for your business.
o. Our option to purchase your business	FA: Section 5.4 MUA: Not applicable	FA: On termination or nonrenewal, we may purchase the assets of your business at their fair market value.
p. Your death or disability	FA: Section 4.2.6 MUA: Section 4.2.6	FA: The estate or personal representative must assign the franchise to an approved buyer within 12 months in the event of death, and 6 months in the event of disability. MUA: Same as franchise agreement.
q. Non-competition covenants during the term of the franchise	FA: Section 3.3.2 MUA: Section 3.2.2	FA: No involvement in competing business anywhere in the U.S. or in any other country in which a Dessert Mango Mango restaurant operates (subject to applicable state law). MUA: Same as franchise agreement.
r. Non-competition covenants after the franchise is terminated or expires	FA : Section 3.3.3 MUA : Section 3.2.3	FA: No competing business for two years (including after assignment) within 5 miles of any Dessert Mango Mango restaurant business at the time the franchise is terminated or expires (subject to applicable law). MUA: Same as franchise agreement.

<i>Provision</i>	<i>Sections in the Franchise Agreement ("FA") and the Multi-Unit Agreement ("MUA")</i>	<i>Summary</i>
s. Modification of the franchise agreement	FA: Sections 1.4 and 7.14 MUA: Section 7.10	FA: No modifications generally unless signed by the parties, but the manual is subject to change. MUA: No modifications unless signed by the parties.
t. Integration/merger clause	FA: Section 7.14 MUA: Section 7.10	FA: Only the terms of the signed agreements are binding (subject to applicable law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document. MUA: Same as franchise agreement.
u. Dispute resolution by arbitration or mediation	FA: Not applicable MUA: Not applicable	FA: Neither we nor you are required to endeavor to resolve a dispute by arbitration or mediation (subject to applicable state law). MUA: Same as franchise agreement.
v. Choice of forum	FA: Section 7.12 MUA: Section 7.8	FA: Litigation must be in New York City except as otherwise noted in Exhibit G (subject to applicable state law). MUA: Same as franchise agreement.
w. Choice of law	FA: Section 7.11 MUA: Section 7.7	FA: New York law applies except as otherwise noted in Exhibit G (subject to applicable state law). MUA: Same as franchise agreement.

See the state addenda for special state disclosures. (Exhibit G.)

Item 18

PUBLIC FIGURES

We 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.

Set forth below is 2024 calendar year revenue information with respect to the 25 full service franchised Dessert Mango Mango restaurants that were open and operating for the full twelve months of the 2024 calendar year. We did not include the 6 franchised Dessert Mango Mango restaurants that operated for less than twelve months in 2024 and we did not include the one franchise that was in a non-traditional venue. A non-traditional venue is a relatively self-contained area, such as an airport, hotel or resort, military installation, school or university campus, train station, subway station, casino, theme park, sports stadium or enclosed shopping mall.

2024 Revenue of All Franchised Restaurants*

Calendar Year	Gross Revenue			
	High	Low	Median	Average
2024	\$2,016,420	\$44,311	\$568,680	\$655,872

2024 Revenue of All Franchised Restaurants* Broken Down by Quartile

Quartiles	High	Low	Median	Average
Highest 25% (6 franchisees)	\$2,016,420	\$880,766	\$1,149,607	\$1,317,264
Second 25% (6 franchisees)	\$796,580	\$635,109	\$687,053	\$710,442
Third 25% (6 franchisees)	\$568,680	\$379,733	\$412,757	\$445,284
Lowest 25% (7 franchisees)	\$346,467	\$44,311	\$243,610	\$222,695

*Does not include the one franchise that was in a non-traditional venue.

Set forth below is 2024 calendar year revenue information with respect to the five company-owned Dessert Mango Mango restaurants that were open and operating for the full twelve months of the 2024 calendar year. We did not include the 3 company-owned Dessert Mango Mango restaurants that operated for less than twelve months in 2024.

2024 Revenue of Company Restaurants

<i>Calendar Year</i>	<i>Gross Revenue</i>			
	High	Low	Median	Average
2024	\$1,171,672	\$425,725	\$756,120	\$752,218

Gross Revenue was calculated in the same manner that we calculate Gross Revenue for purpose of determining royalties. This figure does not reflect either gross or net profit. We obtained the Gross Revenue information for franchised restaurants from weekly royalty reports submitted by franchisees to us and information we polled from point-of-sale systems in the restaurants. We have not independently audited that information. You should conduct an independent investigation of the costs and expenses you will incur in operating your Dessert Mango Mango restaurant. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

Some Dessert Mango Mango Restaurants have earned these amounts. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.

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 Blake Chen, Chief Financial Officer, Mango Franchise USA LLC at 73-13 57th Avenue, Flushing NY 11378, phone 718-666-1622, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2022 to 2024

<i>Outlet Type</i>	<i>Year</i>	<i>Outlets at the Start of the Year</i>	<i>Outlets at the End of the Year</i>	<i>Net Change</i>
Franchised	2022	17	20	+3
	2023	20	26	+6
	2024	26	27	+1
Company-Owned	2022	9	9	+0
	2023	9	6	-3
	2024	6	9	+3
Total Outlets	2022	26	29	+3
	2023	29	32	+3
	2024	32	36	+4

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

<i>State</i>	<i>Year</i>	<i>Number of Transfers</i>
CO	2022	0
	2023	1
	2024	0
NY	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	2
	2024	0

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

<i>State</i>	<i>Year</i>	<i>Outlets at Start of Year</i>	<i>Outlets Opened</i>	<i>Terminations</i>	<i>Non-renewals</i>	<i>Reacquired by Franchisor</i>	<i>Ceased Operations – Other Reasons</i>	<i>Outlets at End of the Year</i>
CO	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
DE	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
FL	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
HI	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	1	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
IL	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
IN	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MD	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MA	2022	1	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MN	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
NV	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NJ	2022	0	2	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	1	0	3
NY	2022	5	0	0	0	0	0	5
	2023	5	2	1	0	0	0	6
	2024	6	0	1	0	0	0	5
OH	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
PA	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
TX	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	2	0	0	0	1
VA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
WA	2022	1	0	0	0	0	0	0
	2023	1	0	0	0	0	0	0
	2024	1	0	0	0	0	0	0
Total	2022	17	4	1	0	0	0	20
	2023	20	7	1	0	0	0	26
	2024	26	6	3	0	1	1	27

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
GA	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
NY	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	2	0	0	0	6
NJ	2022	2	0	0	0	0	2
	2023	2	1	0	2	0	1
	2024	1	0	1	0	0	2
TX	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
VA	2022	1	0	0	0	0	1
	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
Total	2022	9	0	0	0	0	9
	2023	9	1	0	4	0	6
	2024	6	2	1	0	0	9

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CT	0	0	2
DE	1	0	0
FL	2	2	0
HI	1	1	0
IN	0	3	0
MD	0	3	0
MA	0	1	0
NV	2	2	0
NJ	1	2	0
NY	1	2	5
VA	0	2	0
Total	8	18	7

Exhibit B1 lists the names of all current Mango franchisees and the addresses and telephone numbers of their outlets as of the date of this disclosure document.

Exhibit B2 lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Exhibit C1 lists, to the extent known, the names, addresses, telephone numbers, email address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

Exhibit C2 lists the independent franchisee organizations that have asked to be included in this disclosure document.

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

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit D is the audited balance sheets of Mango Franchise USA LLC as of December 31, 2024 and 2023, and the related statements of operations and member equity and cash flows for the years ended December 31, 2024, 2023 and 2022. Our fiscal year end is December 31.

Item 22

CONTRACTS

Exhibit F contains copies of the following contracts:

1. Franchise Deposit Agreement
2. Franchise Agreement and Schedules
3. Guaranty
4. Lease Addendum
5. Multi-Unit Agreement
6. ACH Debit Application

Item 23

RECEIPTS

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

EXHIBIT A

**STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS**

State	State Administrator	Agent for Service of Process
California	California Department of Financial Protection & Innovation 2101 Arena Blvd. Sacramento, CA 95834 916-327-7585; 866-275-2677 One Sansome Street, Suite 600 San Francisco, CA 94104-4428 415-972-8565; 866-275-2677 300 S. Spring Street, Suite 15513 Los Angeles, CA 90013-1259 213-897-2085; 866-275-2677 320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 213-576-7500; 866-275-2677 1455 Frazee Road, Suite 315 San Diego, CA 92108 619-610-2093; 866-275-2677	California Commissioner of Financial Protection and Innovation
Connecticut	Connecticut Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 860-240-8109	Banking Commissioner
Hawaii	Business Registration Division Securities Compliance Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-587-7222	Commissioner of Securities
Illinois	Illinois Attorney General Franchise Bureau 500 S. Second Street Springfield, IL 62706 217-782-4465	Attorney General

State	State Administrator	Agent for Service of Process
Indiana	Indiana Securities Division Secretary of State Indiana Gov't Center South, E-111 Indianapolis, IN 46204 317-232-6681	Secretary of State
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 410-576-6360	Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Attorney General's Office Consumer Protection Division 525 W. Ottawa Street 670 Williams Building Lansing, MI 48909 517-373-7117	Attorney General
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 651-539-1600	Commissioner of Commerce
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street New York, NY 10005 212-416-8222	Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231-0001
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 701-328-4712	Securities Commissioner
Rhode Island	Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 401-462-9527	Director, Department of Business Regulation
South Dakota	Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre, SD 57501 605-773-4823	Director of the Division of Securities

State	State Administrator	Agent for Service of Process
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk, State Corporation Commission 1300 E. Main Street, 1 st Floor Richmond, VA 23219 804-371-9733
Washington	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 360-902-8760	Director of Financial Institutions
Wisconsin	Wisconsin Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701 608-266-8557	Administrator Division of Securities Department of Financial Institutions

FRANCHISEES

FRANCHISES OPEN AS OF 12/31/2024

State	Franchisee Name	Contact Name	Restaurant Address	Phone
CO	A Plus LLC	Yi Ting Mo	1144 S Colorado Boulevard Denver, CO 80246	720-390-7671
DE	Boba Cha Delaware LLC	Yuan Yuan Song	57E Main Street Newark, DE 19711	302-733-7650
FL	ZHL International LLC	Zhonghua Liang	11225 S Apopka Vineland Rd Ste #200 Orlando, FL 32836	407-778-1030
HI	TW Holding Inc	Jue Wang	98-1005 Moanalua Road, Unit # 2208 Aiea, HI 96701	808-784-0232
HI	T.W.A.M Holding Inc	Jue Wang	1450 Ala Moana Blvd. Unit 3710 Honolulu, HI 96814	808-501-0487
IL	Mango Mango Chi-Town LLC	Ting Ting Zheng	2161 S China Place, 2 nd FL Chicago, IL 60616	312-877-5949
IN	MM Dessert IN Inc	Zhe Li	139 Northwestern Avenue West Lafayette, IN 47906	972-598-4218
MD	Hub Maryland Inc	Qi Tang Zhang	6510 Baltimore National Pike Unit #5C Catonsville, MD 21228	667-802-5177
MA	DG Asian Tea Corporation	Da Wei Guan	13 Beale Street Quincy, MA 02169	617-903-3532
MN	Dinkytown Bon Chon Inc	Sheng Zheng	11200 Fountains Dr. Unit 7195 Maple Grove, MN 55369	763-373-8001
MN	Dinkytown Bon Chon Inc	Sheng Zheng	406 14th Avenue SE Minneapolis, MN 55414	612-200-9292
NV	Mama Dessert LLC	Hai Mai	7319 South Rainbow Boulevard, Building G, Ste120 Las Vegas, NV 89139	702-982-0412
NJ	WJ Group Inc	Cheng Hao Gao	1030 Marlton Pike Cherry Hill, NJ 08002	856-823-3533
NJ	Mango Jersey City Inc	Cheng Sheng	175 2nd Street Jersey City, NJ 07302	551-277-9565
NJ	Shen & Xin LLC	Fei Shen	64 Princeton Hightstown Rd. West Windsor, NJ 08550	609-378-0297

State	Franchisee Name	Contact Name	Restaurant Address	Phone
NY	Y&Y Sunrise LLC	Yang Ye	38-17 Bell Boulevard Bayside, NY 11361	347-502-7003
NY	Bensonhurst Mango Mango Inc	Zu Hang Li	2024 86th Street Brooklyn, NY 11214	718-996-0686
NY	Mango Go Inc	Hongzhi Lin	2055 Niagara Falls Blvd. Buffalo, NY 14228	716-691-8000
NY	Chango Chango LLC	Lorraine Chan	47-43 Vernon Boulevard Long Island City, NY 11101	347-396-5385
NY	Mango East Village LLC	Mengying Jiang	23 Saint Marks Place New York, NY 10003	917-261-5353
OH	Z&C Group LLC	Bin Bin Zheng	3133 Payne Avenue Cleveland, OH 44114	216-417-8833
PA	WJGAO Inc	Cheng Hao Gao	416 Swedesford Road Berwyn, PA 19312	267-908-2886
PA	WJ Gao Inc	Cheng Hao Gao	1013 Cherry Street Philadelphia, PA 19107	215-922-2233
PA	KJ Square LLC	Kathleen Li	6830 Bustleton Avenue Philadelphia, PA 19149	215-987-6762
PA	YNY Group Inc	Eric Yeung	5845 Forbes Avenue Pittsburgh, PA 15217	412-685-5989
TX	Thoai Ong LLC	Thoai Minh Truong Ong	22403 Grand Circle Katy, TX 77449	281-574-0083
VA	Beach Mango Inc	Wen Zhang	4540 Princess Anne Rd. Ste 114 Virginia Beach, VA 23462	757-937-2400

EXHIBIT B2**FRANCHISES SIGNED BUT NOT OPEN AS OF 12/31/2024**

<i>State</i>	<i>Franchisee Name</i>	<i>Contact Name</i>	<i>Restaurant Address</i>	<i>Phone</i>
DE	Magnolia's Group LLC	Patrick Zeng	TBD	302-380-1543
FL	ZHL International LLC	Zhonghua Liang	TBD	407-778-1030
FL	ZHL International LLC	Zhonghua Liang	TBD	407-778-1030
HI	T.W.A.M Holding Inc	Jue Wang	TBD	808-501-0487
NV	Mama Dessert LLC	Hai Mai	TBD	702-982-0412
NV	Mama Dessert LLC	Hai Mai	TBD	702-982-0412
NJ	Sidhvi Savors LLC	Harsha	TBD	510-516-8525
NY	Bari Desserts LLC	Bilal Bari	TBD	201-240-8166

EXHIBIT B3**FORMER FRANCHISEES**

The following table lists franchisees who transferred or closed one or more of their franchises in **2024** and do not continue to own other Dessert Mango Mango franchises.

<i>Franchisee Name</i>	<i>City and State</i>	<i>Phone Number</i>
Jue Wang	Honolulu, HI	808-367-1640
George Chang	Livingston, NJ	917-815-3042
Zhiling Zhang	Ithaca, NY	607-339-0031
Angela Cheung	Staten Island, NY	718-682-1250
Jay Guan	Carrollton, TX	469-892-5485
Duc Nguyen	Houston, TX	281-809-3723

EXHIBIT C

1. FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED

None as of the date of this disclosure document

2. INDEPENDENT FRANCHISEE ASSOCIATIONS

None as of the date of this disclosure document

FINANCIAL STATEMENTS

M A N G O F R A N C H I S E U S A , L L C

AUDITED COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Chongping Zhao, CPA
104 Candy Ln, Syosset NY, 11791
Tel: (516) 888-0632 Email: Info@bluedgecpa.com

Independent Auditor's Report

To the Partners
Mango Franchise USA, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mango Franchise USA LLC, which comprise the balance sheets as of December 31, 2024, 2023 and 2022, and the related statements of income, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mango Franchise USA LLC as of December 31, 2024, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mango Franchise USA LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mango Franchise USA LLC's ability to continue as a going concern for the year ended December 31, 2024.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mango Franchise USA LLC 's internal control. Accordingly, no such opinion is expressed
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mango Franchise USA LLC 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Chongping Zhao CPA

A handwritten signature in black ink that reads "CHONGPING ZHAO". The letters are in all caps and have a cursive, flowing style.

February 7, 2025

Syosset, New York

MANGO FRANCHISE USA, LLC
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2024

	2024	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents(Note 2)	\$ 210,178	\$ 525,956	\$ 491,457
Loan to shareholders	<u>363</u>	<u>363</u>	<u>363</u>
Total current assets	<u>210,541</u>	<u>526,319</u>	<u>491,820</u>
Fixed assets			
Property and equipment (Note 4)	471,827	406,550	406,464
Less: accumulated depreciation	<u>(125,404)</u>	<u>(97,021)</u>	<u>(88,214)</u>
Total fixed assets	<u>346,423</u>	<u>309,529</u>	<u>318,250</u>
Other assets			
Investment In 35 Allen LLC (Note 6)	350,000	-	5,005
Prepaid rent	13,000	5,005	3,875
Capitalized R&D	3,874	-	-
Security deposits	<u>35,936</u>	<u>35,936</u>	<u>35,936</u>
Total other assets	<u>402,810</u>	<u>40,941</u>	<u>44,816</u>
TOTAL ASSETS	<u>\$ 959,774</u>	<u>\$ 876,789</u>	<u>\$ 854,886</u>
LIABILITIES AND PARTNERS EQUITY			
Current liabilities			
Account payable	\$ 46,125	\$ 34,885	\$ 43,089
Credit card payable	25,566	9,346	(3,168)
Tax payable	662	425	425
Interest payable	13,799	16,330	14,530
Loan to Member	21,000	-	-
Auto Loan Current (Note 7)	17,636	19,143	-
Payroll liabilities	<u>31,929</u>	<u>35,448</u>	<u>37,035</u>
Total current liabilities	<u>156,717</u>	<u>115,577</u>	<u>91,911</u>
Other liabilities			
Auto loan Long Term (Note 7)	23,646	41,177	78,373
SBA loan (Note 7)	147,219	147,219	149,269
Unearned revenues (Note 8)	-	-	45,000
Security deposit held	<u>13,691</u>	<u>13,691</u>	<u>13,691</u>
Total other liabilities	<u>184,556</u>	<u>202,087</u>	<u>286,333</u>
Total liabilities	<u>341,273</u>	<u>317,664</u>	<u>378,244</u>
Partners' equity	<u>618,501</u>	<u>559,125</u>	<u>476,642</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u>\$ 959,774</u>	<u>\$ 876,789</u>	<u>\$ 854,886</u>

MANGO FRANCHISE USA, LLC

STATEMENT OF OPERATION AND PARTNERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023	2022
Income			
Franchies Fee	\$ 1,260,892	\$ 1,218,912	\$ 838,928
Expenses			
Commission	56,389	41,296	52,285
Rent	156,030	96,060	84,060
Advertisement	152,071	130,665	97,351
Accounting	7,980	11,700	8,945
Auto Expenses	14,008	9,773	11,815
Bank Charges	1,861	885	725
Computer and Internet	4,836	5,829	15,105
Due and Sub	416	339	385
Insurance	58,454	41,441	4,069
Interest Expenses	11,668	12,655	8,807
License and Permits	9,296	1,306	1,579
Meals and Entertainment	18,530	36,810	19,613
Travel	24,977	40,385	13,188
Professional Fees	173,329	65,372	60,031
Payroll Expenses	428,195	257,680	154,998
Postage and Shipping	1,758	955	529
Repair and Maintenance	952	4,087	444
Telephone Expenses	8,101	5,903	5,000
Office Expense	31,759	12,791	2,039
Utilities	919	-	-
R&D Cost	1,320	3,874	34,871
Depreciation	28,383	8,807	19,945
Taxes	3,284	3,033	1,412
Parking and Tolls	3,397	6,339	6,917
Penalty and Fine	659	1,015	335
Total Expenses	<u>1,198,572</u>	<u>799,000</u>	<u>645,751</u>
Net Ordinary Income/Loss	62,320	419,912	193,177
Other Income	9,852	1,481	-
Net Income	<u>72,172</u>	<u>421,393</u>	<u>193,177</u>
Partner's Contribution	397,204	43,090	-
Partner's Drawing	(410,000)	(382,000)	(62,594)
Partners' Equity, Beginning of the year	559,125	476,642	346,059
PARTNER EQUITY, END OF THE YEAR	<u>\$ 618,501</u>	<u>\$ 559,125</u>	<u>476,642</u>

MANGO FRANCHISE USA, LLC

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses	\$ 72,172	\$ 421,393	\$ 193,177
Non cash item: Depreciation and Amortization	28,383	8,807	19,945
(Increase)Decrease in security deposits	21,000	-	-
(Increase)Decrease in prepaid rent	(13,000)	-	-
(Increase)Decrease in R&D	(3,874)	3,874	(3,875)
Increase(Decrease) in account payable	27,831	4,310	(6,891)
Increase(Decrease) in interest payable	2,531	2,531	5,947
Increase(Decrease) in unearned revenue	-	(45,000)	45,000
Increase(Decrease) in payroll liabilities	<u>(3,519)</u>	<u>(1,587)</u>	<u>25,095</u>
Net cash provided by operating activities	131,524	394,328	278,398
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment	(350,000)	-	-
Purchase	<u>(65,363)</u>	<u>(86)</u>	<u>(51,796)</u>
Net cash used by investing activities	(415,363)	(51,796)	(51,796)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for SBA Loan	-	(2,781)	(731)
Auto Loan	(19,143)	(18,052)	29,492
Contribution	397,204	43,090	-
Distribution	<u>(410,000)</u>	<u>(382,000)</u>	<u>(62,594)</u>
Auto Loan repayment			
Net cash used by fianacing activities	(31,939)	(402,833)	(33,833)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(315,778)	34,499	192,769
CASH - BEGINNING OF THE PERIOD	<u>525,956</u>	<u>491,457</u>	<u>298,688</u>
CASH - END OF THE PERIOD	\$ <u>210,178</u>	\$ <u>525,956</u>	<u>491,457</u>
Cash payment made for the Interest expense	11,668	10,124	-

MANGO FRANCHISE USA, LLC
FOOTNOTES ON FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1. THE COMPANY

Mango Franchise USA, LLC (the “Company”) doing business as Mango Mango was organized as a limited liability company under the laws of the State of New York on May 24, 2017. The Company sells franchises for the operation of Hong Kong inspired fusion dessert shops. Such shops will serve health-conscious fruits, sundaes, teas, and specialized offerings including waffles and crepes. The Franchise system includes a “Mango Mango system” focused on (a) branded product distribution; (b) franchise development of Mango Mango individual unit shops; and (c) franchise development of Mango Mango multi-unit locations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. The Company considers all demand deposits, money market mutual funds, and securities with original maturity of three months or less from the date of acquisition to be cash equivalents.

Property, plant, and equipment

Property, plant, and equipment are stated at cost. The cost of property, plant and equipment is depreciated over the estimated useful life of the related assets. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimate useful life is as follows:

Automobiles 5 years

Furniture and Fixtures 7 years

Improvements 5-15 years

The company is recording depreciation expenses on accelerated methods for income tax purposes.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

MANGO FRANCHISE USA, LLC

FOOTNOTES ON FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

Revenue Recognition

Adoption of New Accounting Standards: On January 1, 2020, the Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASC 606”), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. Most of the Company’s revenues are Franchise fees and Royalty fees, which are within the scope of ASC 606 and presented within Franchise fees. Franchise fees associated with **Distinct Performance Obligations or not tied to Franchise Contract** will be recognized as revenue when persuasive evidence of an arrangement exists, the transaction has occurred or the performance obligation is fulfilled, the fee is fixed or determinable, and collectability is reasonably assured. Franchise fees associated with **Non-distinct Performance Obligations or tied to Franchise Contract** will be recognized over the term of the contract. Royalty fees are recognized based upon franchise sale.

The Company adopted ASC 606 using the modified retrospective method applied to all contracts not completed as of January 1, 2020. Results for reporting periods beginning after January 1, 2020, are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The impact on revenues of adopting ASC 606 for the period ending 2024 and 2023 are outlined below:

	For the period ended December 31, 2024			For the period ended December 31, 2023		
	As Reported	Under Legacy	Impact of ASC 606	As Reported	Under Legacy	Impact of ASC 606
Franchise fee						
Royalty fees	\$ 958,392	\$ 958,392	\$ -	\$ 738,636	\$ 738,636	\$ -
Franchise fees (Distinct Performance)	302,500	302,500	-	480,276	480,276	-
Franchise fees (Non-Distinct Performance)	-	-	-	-	-	-
Total franchise fee	\$ 1,260,892	\$ 1,260,892	\$ -	\$ 1,218,912	\$ 1,218,912	\$ -

Income taxes

The Company is a limited liability company taxed as a partnership in which all elements of the income and deductions are included in the tax return of the members of the Company. The Company pays the applicable filing fees, unincorporated and related business taxes. The 2017 tax year is open and subject to examination by taxing authorities. The Company is not currently under audit, nor has it been contacted by any of the taxing authorities.

Fair Value of Financial Instruments

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, Fair Value Measurement, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement dates and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

MANGO FRANCHISE USA, LLC

FOOTNOTES ON FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

FASB ASC 820 specifies a hierarchy or valuation techniques based upon whether that inputs to those valuation techniques reflect assumptions other market participants would use based upon market data. obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

- Level 1 Inputs - Unadjusted quoted market price for identical assets and liabilities in an active market that the Company has the ability to access.
- Level 2 Inputs - Inputs other than the quoted prices in Level 1 that are observable directly or indirectly.
- Level 3 Inputs - Inputs based on price or valuation techniques that are both unobservable and significant to the overall fair value measurement.

As of December 31, 2024, none of the asset liabilities were required to be reported at fair value on a recurring basis. The carrying value of non-derivative financial instruments, including cash, accounts receivable, account payable, taxes payable and unearned revenue approximate fair value due to the short-term nature of these financial instruments.

NOTE 3. CONCENTRATION OF CREDIT RISK

The Company maintains cash accounts at a commercial bank. The Federal Deposit Insurance Corporation (“FDIC”) insures up to \$250,000 for the total cash balances in each financial institution. As of December 31, 2024, the Company does not have any account with a balance that exceeds the FDIC insured limits.

NOTE 4. PROPERTY AND EQUIPMENTS

Property, Plant, and Equipment on December 31, 2024, 2023 and 2022 consist of the following:

Description	12/31/2024	12/31/2023	12/31/2022
Automobiles	\$403,298	\$403,298	\$403,212
Furnitures	68,529	3,252	3,252
(Less Accumulated Depreciation)	(125,404)	(97,021)	(88,214)
Net amount	\$346,423	\$309,529	\$318,250

Depreciation expense of property, plant and equipment are charged to operation for the year ended December 31,2024.

NOTE 5. ACCOUNT RECEIVABLE

As of December 31, 2024, there is no balance in account receivable. No allowance for doubtful accounts was deemed necessary. 2024 account receivable balance is \$0.

MANGO FRANCHISE USA, LLC

FOOTNOTES ON FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6. INVESTMENT

On March 29, 2024, the company made an investment agreement with 35 Allen LLC to acquire 40% partnership interest in 35 Allen LLC. The total investment made to 35 Allen LLC during 2024 was \$350,000.

NOTE 7. LONG TERM DEBT

On June 29, 2020, the Company received a loan from U.S. Small Business Administration in amount of \$150,000 under Economic Injury Disaster Loans program (EIDL). The loan bears interest at a rate of 3.75% for 30 years. The first loan payment is payable one year from the date of the loan. The loan may be repaid at any time with no prepayment penalty. As of December 31, 2024, the Company has accrued \$13,799 interest expense related to U.S. Small Business Administration (SBA) Loan. SBA loan balances for 2023 and 2024 are \$149,219 and \$147,219.

The Five-year debt schedule is shown in the below:

	2024	2025	2026	2027	2028	2029
SBA Loan						
Opening Balance	147,219.00	147,219.00	147,219.00	147,219.00	147,219.00	147,219.00
Principal Repayment	-	-	-	-	-	-
Closing Balance	147,219.00	147,219.00	147,219.00	147,219.00	147,219.00	147,219.00
Interest Expense	8,772.00	8,772.00	8,772.00	8,772.00	8,772.00	8,772.00
Auto Loan						
Opening Balance	60,320.00	41,177.00	23,541.00	16,147.00	8,219.00	-
Principal Repayment	19,143.00	17,636.00	7,394.00	7,928.00	8,324.00	-
Closing Balance	41,177.00	23,541.00	16,147.00	8,219.00	(105.00)	-
Interest Expense	2,896.00	1,750.00	1,034.00	500.00	149.00	-

NOTE 8. UNEARNED REVENUE

During 2024, the Company signed multiple franchise agreements with new clients across the United State and received deposit of \$302,500 for pre-opening service and development territory fee for storefront units across the United State. In accordance with the agreement, development territory service do not extend company's obligation other than pre-opening service and assisting site selection of storefront unit; Therefore, such obligation is distinct and does not tie to the Franchise contract. The Company fulfilled all obligations in 2024 and recognized \$302,500 Franchise fee income. As of December 31, 2024, the Unearned Revenue balance for 2024 is \$0.

NOTE 9. LEASES

On August 1, 2023, the company renewed a twelve-month lease for the office space with 73-31 Realty Corp. Per lease agreement, monthly rent for \$3,000. The lease expired on July 31, 2024 and the Company renewed immediately in unchanged rent. On August 1, 2023, the Company entered a twelve-month lease for a rental space with 118 Allen Blvd LLC. Per lease agreement, monthly rent for \$5,005. The lease

MANGO FRANCHISE USA, LLC

FOOTNOTES ON FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2024

expired on July 31, 2024 and the Company renewed immediately in unchanged rent. On March 27, 2024, the company signed a twelve-month lease for the warehouse space with 35 Allen LLC. Per lease agreement, monthly rent for \$10,000 with minimum 3% increase each year upon renewal. The total accrued rent expense in 2023 and 2024 are \$96,060 and \$156,030 respectively.

NOTE 10. SUBSEQUENT EVENTS

The Company`s management has performed subsequent events procedures through February 7, 2025, which is the date financial statements were available to be issue. There were no subsequent events requiring adjustment to financial statements or disclosures as stated.

EXHIBIT E**DESSERT MANGO MANGO MANUAL
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Total	200

AGREEMENTS

MANGO FRANCHISE USA LLC
FRANCHISE DEPOSIT AGREEMENT

The Applicant's Name(s)

Date Submitted

Desired Geographic Area:

1. **Purpose of this Agreement.** This Agreement sets forth the terms and conditions upon which the undersigned applicant (the "Applicant") agrees to make an initial deposit to MANGO FRANCHISE USA LLC, a New York limited liability company ("Mango Franchise"), as part of the Applicant's application to become a Dessert Mango Mango franchisee (the "Application").

2. **Franchise Disclosure Document.** Mango Franchise will not accept any signed franchise deposit agreement or any payment under this agreement or otherwise until at least two calendar weeks shall have passed from the time that the Applicant shall have (i) received a currently effective franchise disclosure document (the "FDD") describing the Dessert Mango Mango franchise offering and (ii) delivered to Mango Franchise a signed and dated acknowledgment of receipt of the FDD in the form that appears on the last page of the FDD.

3. **Desired Geographic Area.** The geographic area in which the Applicant desires to establish a franchised Dessert Mango Mango restaurant is described above (the "Desired Area"). This description merely points to the area within which the parties will focus their consideration of a possible Dessert Mango Mango franchise. Mango Franchise makes no representation or assurance that any site the Applicant finds, whether within or outside of the desired area, will be acceptable to Mango Franchise or will be a location at which the Applicant is likely to be successful in operating a Franchise. Excluded from the Desired Area is any territory Mango Franchise shall have granted to any person under a Dessert Mango Mango franchise agreement in a non-traditional venue, such as an airport, hotel or resort, military installation, school or university campus, train station, subway station, casino, theme park, sports stadium or enclosed shopping mall.

4. **Deposit.** Together with this Agreement, the Applicant is submitting to Mango Franchise a deposit in the amount of \$10,000 (the "Deposit"), paid in a manner acceptable to Mango Franchise. The purpose of the Deposit is (a) to reserve the Desired Area as the area in which the Applicant will identify and establish a Dessert Mango Mango restaurant and (b) to cover Mango Franchise's costs in evaluating the Applicant's qualifications and suitability to become a Dessert Mango Mango franchisee within the Desired Area. In the event that the parties enter into a franchise agreement for a Dessert Mango Mango restaurant (a "Franchise Agreement"), the Deposit will be deemed to be a partial payment of the initial fee under the Franchise Agreement. The Deposit is fully earned when paid and is nonrefundable unless Mango Franchise rejects the Application for any reason before commencing its evaluation.

5. **No Obligation.** Although the parties agree to evaluate a possible Franchise Agreement in good faith, nothing in this Agreement will be deemed to obligate either party to enter into a Franchise Agreement. The Applicant agrees to submit to Mango Franchise or its agent as soon as practicable all information and materials reasonably requested by Mango Franchise or its agent in order to permit Mango Franchise to evaluate any site proposed by the Applicant, as well as to evaluate the Applicant's qualifications to be a Dessert Mango Mango franchisee. Mango Franchise agrees to submit its approval or disapproval of any proposed site within 30 days after Mango Franchise receives all such requested information and materials. Mango Franchise may in its reasonable business judgment disapprove any site proposed by the Applicant. Mango Franchise is not required to inform the Applicant of its reason or reasons for its rejection of any site.

6. **Term and Termination.** This Agreement will remain in effect for three months unless sooner terminated by either party. The Applicant may terminate this Agreement at any time and for any reason. Mango Franchise may terminate this Agreement in the course of its evaluation on any basis within Mango Franchise's reasonable business judgement. Mango Franchise is not required to inform the Applicant of its reason or reasons for termination.

7. **Exclusivity.** During the term of this Agreement, Mango Franchise agrees not to establish or grant rights to any other person or entity for a Dessert Mango Mango within the desired geographic area described above except as proved in Section 8 below.

8. **Right of First Refusal.** In the event that Mango Franchise decides to establish a Dessert Mango Mango restaurant at a particular location within in the Desired Area while this agreement is in effect, Mango Franchise will not offer or grant a franchise to any other person or entity for such location until Mango Franchise has first offered such location to the Applicant and given the Applicant at least 14 calendar days following the date of such offer to accept such offer by email or otherwise in writing.

9. **The Applicant's Representations.** The Applicant represents that all information submitted by the Applicant as part of the Application is true and correct, and that the financial information submitted as part of the Application fairly reflects the Applicant's financial position as of the date submitted.

10. **Confidentiality.** During the course of its evaluation of the Application, Mango Franchise may disclose to the Applicant certain confidential information of Mango Franchise. The Applicant agrees to maintain the confidentiality of such information and not to disclose any such information to anyone else, nor to use such information in the operation of any business other than a franchised Dessert Mango Mango, both during and after the evaluation. Upon the request of Mango Franchise made at any time, the Applicant agrees to deliver to Mango Franchise or to destroy, as directed by Mango Franchise, all copies of such information in the Applicant's possession or under its control and to erase all copies of such information held in any electronic format.

11. **Entire Agreement.** This Agreement constitutes the entire understanding of the parties and supersedes any prior oral or written agreements between the parties; provided, however, that nothing in this or any related agreement is intended to disclaim the representations Mango Franchise made in the latest franchise disclosure document that Mango Franchise furnished to the Applicant.

12. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to New York's conflict of laws principles.

MANGO FRANCHISE USA LLC

THE APPLICANT

By _____

Signature

Name and Title

Address

Date

Date



FRANCHISE AGREEMENT

FRANCHISEE:

FRANCHISE LOCATION:

DATE OF AGREEMENT:

DESSERT MANGO MANGO

FRANCHISE AGREEMENT

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DESSERT MANGO MANGO FRANCHISE AGREEMENT

AGREEMENT effective as of _____, 20____, between MANGO FRANCHISE USA LLC, a New York limited liability company (referred to in this Agreement as “we” or “us”), and _____, a _____ [indicate type of entity and state of formation] (referred to in this Agreement as “you” or “your company”).

We and our affiliated companies have developed a system (the “System”) for the operation of fast casual Hong Kong inspired restaurants serving freshly prepared Asian American fusion desserts featuring mango, fresh fruit bowls, cakes, juices, teas, and more (the “Dessert Mango Mango Restaurants”).

Dessert Mango Mango Restaurants operate under the trademark DESSERT MANGO MANGO and other trademarks described in our franchise disclosure document, and we may create, use and license additional trademarks or substitute different trademarks in the future in conjunction with the operation of Dessert Mango Mango Restaurants (collectively, the “Marks”).

You have applied for a franchise to own and operate a Dessert Mango Mango Restaurant and we are pleased to grant such franchise to you on the terms and conditions set forth below.

Accordingly, you and we agree as follows:

ARTICLE I – GRANT AND OPERATION OF THE FRANCHISE

Section 1.1 – *Grant of Rights*

1.1.1 *Grant of Rights.* We grant to you the right, and you undertake the obligation, to operate a franchised Dessert Mango Mango Restaurant (the “Franchised Business”) at the location stated in Schedule A (the “Site”) in accordance with the System Standards (as defined in Section 1.4.1 below) and the terms and conditions of this Agreement.

1.1.2 *Territory.* So long as you are not in default under this Agreement, we will not operate or grant others the right to operate a Dessert Mango Mango Restaurant within the geographic area surrounding the Site as described in Schedule A (the “Territory”) during the Term of this Agreement, except as set forth in Section 1.1.6.

1.1.3 *Single Site.* You must operate the Franchised Business only at the Site, or if the Site is not described in Schedule A, then at a location approved by us in writing that is within the geographic area described in Schedule A. You may not relocate the Franchised Business or operate the Franchised Business from any location other than the Site without our prior written approval in accordance with Section 1.2.11. You do not have the right to grant subfranchises of the rights granted under this Agreement. The grant of this franchise does not give you the right to receive additional franchises from us.

1.1.4 *Products and Services Offered.* You must offer and sell in the Franchised Business all of the products, services and menu items we specify. You may not sell under the Marks or in the Franchised Business any products, services or menu items we do not specify or approve for use with the System. If you desire to sell any products, services or menu items that we have not specified or approved, you must request our approval in accordance with Section 1.3.4. All of your modifications or customizations of the products, services or menu items you offer or sell must first be approved by us and will become, in our discretion, part of the System Standards (as defined in Section 1.4.1). We may specify a new required product, service or menu item upon at least 30 days’ prior notice to you. Upon oral, email or written notice from us given at any time, you must discontinue offering for sale any product, service or menu item we

disapprove or discontinue. In addition to our right to terminate this Agreement, we have the right to assess our then current prohibited product or service fee in the event you continue offering unapproved products, services or menu items after you receive oral, email or written notice from us advising you to cease sales of such product or service.

1.1.5 *Manner of Sale.* In addition to your service to customers on-premises for consumption at the Site, you may also offer take-out, delivery and catering service within the Territory provided that all receipts from such sales are processed through the point-of-sale system described in Section 1.3.7. Any third-party delivery service that you use must be prescribed or approved by us. You may not sell any products to food wholesalers or retailers, such as convenience shops, grocery stores or others for resale. You may not supply product to charities or others for resale or discount the sale of unsold product that is not fresh.

1.1.6 *Rights We Reserve.* We and our affiliates retain all rights not specifically granted to you under this Agreement. These rights include, without limitation, the right:

1.1.6.1 to establish Dessert Mango Restaurants, whether franchised or company or affiliate owned, anywhere outside the Territory;

1.1.6.2 to establish Dessert Mango Restaurants in non-traditional venues, such as airports, hotels and resorts, military installations, school and university campuses, train stations and subway stations, casinos, theme parks, sports stadiums and enclosed shopping malls, within or outside the Territory (but not within the Territory if the Site is located in a non-traditional venue);

1.1.6.3 to sell any products, including Asian American fusion desserts featuring mango, fresh fruit bowls, cakes, juices and teas, under the Marks and any other trademarks at grocery stores, supermarkets and other channels of distribution anywhere and at any time, and directly to customers through our website; and

1.1.6.4 to acquire and operate or to commence and operate any business under a trademark other than the Marks at any location.

1.1.7 *Guaranty.* Our grant of this franchise is made in reliance on the personal attributes of your company's owners and managers named in Schedule A. Each person who now or later owns or acquires, either legally or beneficially, any equity or voting interest in your company (the "Guarantor" or "Guarantors"), must execute and deliver to us a guaranty and assumption of obligations agreement in a form acceptable to us (the "Guaranty"). We may require the spouse of any or all Guarantors to sign the Guaranty in our discretion. If any owner is an entity, we have the right to have the Guaranty executed by individuals who have an indirect ownership interest in your company and their spouses, if applicable. Transfers of interest are restricted in accordance with Article IV. Upon our request at any time, you will furnish to us a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and the percentage ownership, and the names, addresses, email addresses and telephone numbers of the owners, certified as correct in the manner we specify. If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within 10 days. Any breach of a Guaranty will be deemed to be a breach of this Agreement.

Section 1.2 – ***Site Selection and Development; Opening***

1.2.1 *Site Selection.* You are solely responsible for selecting the Site for the Franchised Business. We merely approve the Site if it is acceptable to us. Within 60 days after the date of this Agreement, you must, at your expense, complete the arrangements to lease or purchase the approved premises for the Franchised Business (the "Shop Premises").

1.2.2 *No Assurance.* You acknowledge that neither our recommendation nor our approval of the Site nor any information regarding the Site we communicate to you constitutes a guarantee, assurance, representation or warranty of any kind, express or implied, as to the suitability of the Site for a Dessert Mango Mango Restaurant or its successful operation or profitability. You acknowledge that your acceptance of the franchise is based on your own independent investigation of the suitability of the Site.

1.2.3 *Your Role as Property Owner or Tenant.* Except as you and we may otherwise agree in writing, each lease, purchase and loan agreement related to the development, opening and operation of the Franchised Business (i) will be entered into by and in the name of your company as tenant, purchaser or borrower and (ii) will not be entered into by or in the name of any of your affiliates or any other person or entity, as tenant, purchaser or borrower.

1.2.4 *Our Role as Landlord or Lease Assignor.* If we or any of our affiliates own the Shop Premises, we will lease the Shop Premises for the term of this Agreement (excluding renewals) at fair market value. If you sublease the Shop Premises from us or our affiliate, you agree to execute our then current form of sublease and if you are an entity, you agree to have each of your owners execute our then current form of guaranty. If we or one of our affiliates elects to assign an existing lease to you and you desire to obtain an assignment of the existing lease, unless we otherwise agree, you will arrange for our release or the release of our affiliate, as assignor, from all obligations under the assigned lease as of the date of the assignment.

1.2.5 *Lease from a Third Party Landlord.* If neither we nor any of our affiliates owns the Shop Premises and we have not assigned an existing lease to you, you must submit the proposed lease of the Shop Premises (the "Lease") to us for our prior written approval as to its form. Any Lease or Lease renewal must contain the following provisions:

1.2.5.1. The permitted use of the Shop Premises will be limited to the operation of a Dessert Mango Mango Restaurant.

1.2.5.2. You are permitted to use and install the trademarks, trade dress, signage and related features associated with the System that we may prescribe.

1.2.5.3. The landlord will provide us with copies of any written notice of default under the Lease sent to you concurrently with the landlord's delivery of such notice to you. Such notice must grant to us the right (but not the obligation) to cure any default under the Lease (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default.

1.2.5.4. You and the landlord will, at our request, execute a lease addendum in a form acceptable to us, consenting to the Collateral Assignment of Lease contained in Section 2.3.2, of this Agreement, granting to us or our assignee the right to succeed to your rights and obligations under the Lease in the event that this Agreement is terminated for any reason or it expires without a renewal agreement, or if you commit any breach of the Lease that could lead to termination of the Lease.

1.2.5.5. The landlord will grant to us the right (but will not delegate to us the obligation), to assume the Lease upon the expiration of this Agreement or its termination for any reason. In such event, we will give the landlord notice of our assumption of the Lease, and in exchange for the landlord's agreement to recognize us as the new tenant under the Lease we will agree thereafter to be bound by the terms of the Lease. We will have the right to assign our interest in the Lease to an approved franchisee and we will have no further liability or obligation under the Lease after such assignment. Unless and until we agree in writing to assume the Lease, we will have no liability or obligation under the Lease. In any event, you will be solely responsible to the landlord for all debts, payments and other obligations under the Lease that were incurred before we or another franchisee actually takes possession of the Shop Premises.

1.2.5.6. The landlord will not accept your voluntary surrender of the Lease without prior notice to us. You and the landlord will not renew or extend the term of the Lease, nor amend, modify or alter the Lease, without our written consent. You may not assign your interest in the Lease nor sublet all or any portion of the Shop Premises without our written consent.

We are not responsible for reviewing and negotiating the Lease on your behalf. You acknowledge that we have advised you to have an attorney review, evaluate and negotiate the Lease. If we do not have a copy of the signed Lease, you must deliver such copy to us within 14 days after it is signed by you and the landlord. Once signed, you agree not to terminate the Lease or modify or amend any of the provisions of the Lease without our prior written consent, which we may withhold in our discretion.

1.2.6 *Purchase of the Site.* If you propose to purchase the real property constituting the Site, the form of any purchase agreement with the seller and any related documents, and the form of any loan agreement or mortgage related to the Site must be approved by us before you sign them. If you already own the real property constituting the Site, the form of any loan agreement or mortgage related to the Site that you propose to sign on or after the date of this Agreement must be approved by us before you sign it. Our consent to such documents may be conditioned upon the inclusion of various terms and conditions, including a requirement that the lender or mortgagee will provide us with copies of any written notice of deficiency or default under the terms of the loan or mortgage sent to you concurrently with the lender's or mortgagee's delivery of such notice to you. Such notice must grant to us the right (but not the obligation) to cure any default under the loan or mortgage (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default. Once the purchase contract and loan agreement or mortgage is signed, you must deliver to us a copy of the signed documents within 14 days after they are signed.

1.2.7 *Site Development.* You are solely responsible, at your own expense, for obtaining any necessary financing and all permits and licenses required to operate the Franchised Business, and for constructing all required improvements to the Site and decorating the Shop Premises in compliance with plans and specifications we have prescribed or approved. We will furnish you with mandatory and suggested specifications and layouts for a Dessert Mango Mango Restaurant, including requirements for dimensions, design, image, interior layout, décor, equipment, fixtures, furnishings and signs, which items will be supplied either by us or by suppliers we specify or approve. You (or your landlord on your behalf) must engage an architect to prepare all required construction plans and specifications to comply with all applicable ordinances, building codes and permit requirements and with all lease or sublease requirements and restrictions, if any. You must submit construction plans and specifications to us for approval before construction of improvements to the Site commences. Such plans must include a three-dimensional rendering of the completed shop, acceptable to us, prepared by your architect or designer. We may require you to use specific suppliers for the floor plan and three-dimensional rendering of your franchised Dessert Mango Mango Restaurant. You understand that you may modify our mandatory specifications only to the extent required to comply with applicable ordinances, building codes and permit requirements, and only with our prior written approval. In addition, you must engage a qualified interior designer and you must submit all design plans to us for our approval in advance, unless, in our discretion, we decide to supply to you our own design package for your purchase. You must also submit to us proofs of all signage for the Franchised Business for our approval in accordance with Section 1.7.1 before you produce such signage.

1.2.8 *Menu Boards and Formats.* We have the right to prescribe and subsequently vary one or more menus and menu boards and formats to be used in the Franchised Business. The menu boards and formats may include requirements concerning organization, graphics, product descriptions, illustrations and other matters related to the menu. Prescribed menu boards and formats may vary depending on the region, market size or other factors we deem to be relevant.

1.2.9 *Conditions to Opening.* You may not begin commercial operations of the Franchised Business until:

1.2.9.1 all of your obligations pursuant to Sections 1.2.5, 1.2.6, 1.2.7 and 1.2.8, as applicable, are fulfilled;

1.2.9.2 we determine that the Shop Premises have been constructed, furnished, equipped and decorated in accordance with our requirements;

1.2.9.3 the Managing Owner and Operating Manager (described in Section 1.5) have completed the initial training to our satisfaction;

1.2.9.4 the initial franchise fee and all other amounts due to us and our affiliates have been paid in full;

1.2.9.5 you have furnished us with certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as we reasonably request, as well as with copies of all bonds that may be required under state or local law; and

1.2.9.6 we have given you our written approval to open.

1.2.10 *Time of Opening.* You agree to begin commercial operations of the Franchised Business no later than nine months after the date of this Agreement. You acknowledge that time is of the essence.

1.2.11 *Relocation.* If you need to relocate the Site, you must submit to us a written proposal identifying for our approval at least one potential Site in the Territory, in the format we require, together with any other information we request. Following receipt of your written site proposal, we may make an on-site visit to the proposed Site at our expense if we believe that such a visit is necessary or desirable, although we are not required to make an on-site visit. We do not charge for the initial on-site evaluation, but we may charge for each additional on-site evaluation a reasonable fee plus our reasonable costs. In evaluating potential sites, you agree to consider our site selection criteria, which we will provide to you at your request. We will not unreasonably withhold or delay our approval of any site that meets our standards. Relocation will require a new build-out, renovation to the then current standards and design, lease modification, franchise agreement changes and a fee (as stated in Section 2.1.7.1) to cover our costs and expenses.

Section 1.3 – ***Equipment; Supplies; Computer System***

1.3.1 *Affiliated Suppliers.* You acknowledge that two of our affiliated companies are suppliers of certain items to our franchisees. Our affiliate 31 Top Kitchen Inc. sells mainly pre-made commercial kitchen prepared pastries to our franchisees. Our affiliate BX Wholesales Trading Inc. sells the raw ingredients plus paper and plastic packaging goods to our franchisees. You must purchase such items as we direct exclusively from these suppliers and from other of our affiliated companies that we may designate as suppliers to our franchisees.

1.3.2 *Other Suppliers.* You may buy most perishables from local suppliers you select. However, we may require that you obtain equipment, fixtures, supplies, furniture, signs and other products and services only from suppliers we designate or approve suppliers. We may negotiate purchase agreements with suppliers for the benefit of franchisees, but we are under no obligation to do so. You must buy a reasonable variety of all products required to meet the demands of your customers.

1.3.3 *Approval of Supplies and Suppliers.* If you propose to purchase any brand or model of equipment, supplies, furniture, signs or other products or services other than those then designated or approved by us, or to purchase from any supplier that is not then designated or approved by us, you must

first notify us and submit to us sufficient written specifications, photographs, drawings, samples and other information we request to enable us to determine whether the proposed brand, model or supplier complies with our specifications and standards. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered either to us or to a third party designated by us for review and testing. We will use reasonable efforts to begin an investigation of the proposed supplier or product within 30 days of your request. We will notify you within 10 days after we complete our investigation whether we approve the proposed supplier or product. We are under no obligation to investigate or approve any supplies or supplier you request. If we do not approve the supplies or supplier within 60 days after your request, we will be deemed to have denied your request. We reserve the right to revoke our approval for any reason. We will not be required to approve any particular supplier nor to make available to you or to any prospective supplier any of our standards or specifications. In addition to our right to terminate this Agreement, we have the right to assess our then current prohibited product or service fee in the event you continue to purchase unapproved products or services after your receipt of oral, email or written notice from us advising you to cease your purchase of such products or services.

1.3.4 *Compensation from Suppliers.* We reserve the right to receive rebates, credits and other compensation from suppliers we designate or approve to provide goods or services to you based upon the purchases by you and other franchisees of goods and services from such suppliers. We may use such compensation for any purpose we deem appropriate, including to subsidize our operating costs.

1.3.5 *Purchasing or Distribution Cooperatives.* We may establish national or regional purchasing or distribution programs for the purchase or distribution of certain goods, materials or supplies at reduced prices. You agree to participate in any purchasing or distribution cooperatives that we may establish for the region where your Franchised Business is located.

1.3.6 *Point of Sale, Surveillance and Computer Systems.* You agree to install, maintain and use in the Franchised Business such computer hardware, software, point-of-sale, cash register and surveillance systems as we specify from time to time, using suppliers we specify or approve from time to time. We may require you to incur costs to purchase, lease and license computer hardware and software and to obtain service and support, and to maintain such systems and to upgrade and make such changes to such systems as we may specify in writing. We may manage the license with the point-of-sale provider we select for the system of Dessert Mango Mango Restaurants nationally, and you agree to pay such provider's fee for such license either to us or to the provider, as we specify. We may change the point-of-sale provider in our discretion. You must also be equipped to accept electronic payments wirelessly from customers using their cell phones and such app as we may require, which may allow customers to accumulate reward points each time they make a purchase. You acknowledge that we cannot estimate the future costs that other providers may charge for the computer hardware, software, or surveillance systems or their maintenance or upgrades, or additions or modifications to these systems, and that these costs may not be fully amortizable over the remaining term of this Agreement. We have the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that we license to you and other maintenance and support services that we or our affiliates furnish to you.

1.3.7 *Electronic Communications.* You agree to maintain adequate telephone service for the Franchised Business, including a dedicated telephone line with voicemail dedicated to the Franchised Business, and a high-speed Internet connection. You agree to use in the Franchised Business only such email addresses as we authorize and you will comply with such policies as we prescribe from time to time for email use. We have the right to establish requirements that will permit us, as often as we deem appropriate, to access your computer system and to retrieve all information relating to the Franchised Business.

1.3.8 *Operations Data.* We will have continuing access to and use of all operations data, including specific products sold and other sales data, customer lists (including the name, address, telephone number and email address of each customer), surveillance video and all other content and data you collect or store on your computer and surveillance systems. We will periodically establish policies with respect to the use

of such content and data, and you agree to comply with such policies. If we determine based on this data or any other evidence that you are using in the Franchised Business raw materials for the production of food products for sale to customers from any supplier other than one we require without our approval, we may instruct such supplier to begin supplying such raw materials to you in quantities generally equal to the demonstrated shortfall in your orders. We will inform you that we have so instructed any such supplier, and you agree to pay such supplier all amounts they invoice for such materials.

1.3.9 No Warranty. We disclaim all express and implied warranties concerning any approved goods, materials or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability.

Section 1.4 – System Standards

1.4.1 Manual. During the term of this Agreement, we will give you access to the confidential operations manual, training and other materials that we generally furnish to franchisees from time to time for use in operating a Dessert Mango Mango Restaurant (the “Manual”), in such media as we select, whether hard copy, through a secure Internet portal or otherwise. The Manual and the bulletins and other written materials we provide to you will contain mandatory and suggested specifications, standards, operating procedures, policies, methods and rules (“System Standards”) that we prescribe from time to time for the operation of a Dessert Mango Mango Restaurant and information relating to your other obligations under this Agreement. The Manual is and will remain at all times our sole property. You acknowledge that the Manual contains confidential information that is highly valuable to us. You will protect the confidentiality of such information in accordance with Section 3.2.

1.4.2 System Modifications by Us. We may modify or change the System Standards from time to time, and upon notice to you, we may make additions to, deletions from or revisions in the Manual to reflect such modifications or changes. Such modifications or changes may include, for example, the addition or discontinuation of products and services that you are required to sell at the Franchised Business and may obligate you to invest additional capital in the Franchised Business (“Capital Modifications”). No modification or change that we make will alter your rights or obligations under this Agreement. We will not obligate you to make any Capital Modification that you cannot reasonably amortize during the remaining term of this Agreement and with respect to leasehold improvements over the remaining term of the Lease unless we agree to extend the term of this Agreement or unless such investment is necessary in order to comply with applicable laws. You agree to adopt or comply with each new or changed procedure, policy, method and requirement as promptly as practicable after notice from us, and in any event within the time period we reasonably require.

1.4.3 System Modifications by You. You agree not to implement any modification or change in the System Standards or in the Franchised Business, other than modifications or changes we prescribe or recommend, without our prior written approval, which we may withhold in our discretion. If you or any of your employees makes an improvement to the System Standards or in the Franchised Business, such improvement will be our property. All recipe and menu changes you submit to us for our consideration and approval will become our property. We will have the right to use such improvements and recipe and menu changes anywhere and authorize our affiliates and other franchisees to use them. You assign to us all rights to such improvements and you agree to sign any documents and to require that your employees sign any documents that we may reasonably request from time to time to evidence such assignment.

Section 1.5 – Personnel; Training and Support

1.5.1 Managing Owner. The “Managing Owner” of your company is the person named as such in Schedule A. The Managing Owner is the primary person who will represent your company in your dealings with us and who will be responsible for overseeing and supervising the operation of the Franchised Business. The Managing Owner must be an owner of an equity interest in your business whom we approve.

You agree that a shareholder, member or partner will serve as your Managing Owner throughout the term of this Agreement. You may not replace the Managing Owner without our prior written approval, which we may condition on, among other things, attendance and satisfactory completion by the prospective new Managing Owner of our initial training program at your expense.

1.5.2 *Operating Manager.* You will appoint at least one “Operating Manager”. The Managing Owner and Operating Manager may be the same person. Your Operating Manager may but need not be an owner of your company. You will ensure that the day-to-day operation of the Franchised Business is always actively managed by an Operating Manager who has attended and successfully completed such training as we may require from time to time. The Operating Manager will actively devote his or her full working time, attention and effort to the Franchised Business and provide direct, day to-day supervision of the operation of the Franchised Business. The Operating Manager will ensure at all times the proper levels of customer service in accordance with the Manual and this Agreement.

1.5.3 *Initial Training.* Before you begin operating the Franchised Business, we will train your Managing Owner and Operating Manager in the operation of a Dessert Mango Mango Restaurant. We require this training only for your first franchise location. We charge for this training in accordance with Section 2.1.2. The Managing Owner and Operating Manager must complete the initial training to our satisfaction before the Franchised Business opens. At your request and if space is available, we will train additional personnel of your company at our then-current rate. You must pay the compensation and travel and living expenses of all of your personnel who attend our training, regardless of whether we charge you a fee for such training. The training program consists of approximately 120 hours of training at our headquarters in New York City. We will endeavor to time the commencement of your training program so that it is completed at least 15 days before the scheduled opening of the Franchised Business.

1.5.4 *Opening Assistance.* We will provide pre-opening and opening training, supervision and assistance at your Franchised Business by one of our representatives for a period in our discretion of approximately two weeks.

1.5.5 *Ongoing Training.* At your request, and if we agree, we will furnish additional training. We may charge our then-current fees and expenses for additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards. We do not charge for mandatory training other than initial training except as described in this Section 1.5.5. or in Section 1.5.6. Our fees and expenses will vary based on the staff, location, and type of training. If any inspection of the Franchised Business indicates noncompliance with any System Standards or if we receive negative customer feedback, we may require previously trained and experienced managers and employees to attend refresher training courses at such times and locations as we designate, and we may send our personnel to your Franchised Business to administer the training. In such event, you agree to pay our then current fees for training and travel and living expenses for our personnel.

1.5.6 *Replacement Manager.* If the Managing Owner or Operating Manager does not satisfactorily complete the initial training program or if we determine that such person cannot satisfactorily complete the training program, or if the Managing Owner or Operating Manager ceases to act as such, then we must train, at your expense, a qualified replacement (who must be reasonably acceptable to us) within 30 days. Pending the appointment and training of a new Managing Owner or Operating Manager or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to appoint a manager for the Franchised Business and require you to pay in the manner described in Section 4.2.8.

1.5.7 *Ongoing Support.* We will provide support and guidance from time to time in the operation of the Franchised Business, either in person, by telephone, by email or in writing, through newsletters, franchisee group meetings or other means. We will provide regular operational reviews and advise you from time to time regarding the operation of the Franchised Business based on reports you submit to us

and inspections or observations we make, to ensure compliance with the System Standards and to recommend improvements. At your request, and if we agree, we will furnish additional on-site guidance and assistance and, in such case, we may require you to pay our then-current fees and expenses. Your failure to implement any corrective action we require will constitute a material breach of this Agreement and may result in termination pursuant to Section 5.2.

1.5.8 Conferences. We may hold franchisee conferences from time to time to discuss ongoing changes in the industry, sales techniques, performance standards and other subjects. The Managing Owner of your company must attend these conferences. You will be responsible for the travel and living expenses of your Managing Owner and any other attendees from your company. We may charge you and other franchisees a fee sufficient to cover the reasonable costs of such conferences. These conferences will be held at a location we select.

1.5.9 Undertakings by Your Personnel. You agree to take appropriate steps to advise all of your employees and contractors of your obligations under this Agreement and to ensure compliance by all of your employees and contractors with our standards and our confidentiality and noncompete requirements. Each manager of the Franchised Business and each person who receives or otherwise has access to Confidential Information (as defined in Section 3.2.1) who has not signed the Guaranty described in Section 1.1.7 must sign a written confidentiality agreement with your company in a form acceptable to us before having access to Confidential Information. At our request, you will submit to us a copy of all such written agreements. You will ensure that each such person complies with the terms of such agreement during the period that he or she is employed by you. Any breach of such agreement by any such person will be deemed a breach of this Agreement.

1.5.10 Staff and Training. You will maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers in accordance with the System Standards. You will ensure that all members of your staff receive the training and any certification we require from sources we approve, at your expense. We may require or permit you to implement, at your expense, programs for the training of some or all of your managers and other employees. Before you implement any such program, we must certify that the program meets our standards. We may require you to obtain re-certification of your training programs from time to time, and we may withhold certification if we determine, in our discretion, that your training programs do not meet our standards.

1.5.11 Employer Obligations. You will have sole authority and control over the day-to-day operations of the Franchised Business and its employees. You will be solely responsible for recruiting and hiring the persons you employ to operate the Franchised Business. You will employ only persons of good character who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of the Dessert Mango Mango brand. You will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination. You agree to comply with all workplace related laws. At no time will you or your employees be deemed to be employees of ours or of any of our affiliates. We will have no right or obligation to direct your employees.

Section 1.6 – Operation of the Franchised Business

1.6.1 Compliance with System Standards. You agree to operate the Franchised Business in strict accordance with all System Standards in effect from time to time. You understand and acknowledge that every detail of the Franchised Business is important to you, to us and to other Dessert Mango Mango franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect the reputation and goodwill of the Dessert Mango Mango brand.

1.6.2 Customer Service. You will provide prompt, courteous and efficient service to all customers and treat all customers with respect. You will give prompt attention to all complaints from dissatisfied

customers, if any, and use your best efforts to resolve such complaints as quickly as practicable, giving the customer the benefit of the doubt whenever feasible. You will provide customer service training to your employees. If we determine in our discretion that our intervention is necessary or desirable to protect the goodwill associated with the Dessert Mango Mango brand, or if we believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you will pay us immediately on demand.

1.6.3 *Maintaining Goodwill.* You will do nothing that, in our reasonable opinion, might diminish or affect adversely our reputation or the goodwill of the Dessert Mango Mango brand. This obligation will survive this Agreement and continue in effect after the expiration or termination of this Agreement or your transfer in accordance with Article IV.

1.6.4 *Compliance with Laws.* You will comply with all applicable laws, rules and regulations in the operation of the Franchised Business and pay all taxes when due.

1.6.5 *Health and Safety Standards.* You will meet and maintain a high degree of sanitation and safety at the Shop Premises and the highest health standards and ratings applicable to the operation of the Franchised Business. In this connection you agree as follows:

1.6.5.1 If the municipality in which the Franchised Business is located maintains a rating system for or relating to the sanitary conditions of food establishments, you must maintain the highest rating possible for the Franchised Business. If you receive an inspection report or a warning, citation or notice that results in or may result in a lowering of such rating, you must provide us with a copy of such report, warning, citation or notice within 24 hours after you receive it. You agree to take immediate steps to restore the highest rating for the Franchised Business and to seek a reinspection or appeal as soon as possible in order to restore such rating.

1.6.5.2 If you receive an inspection report or a warning, citation, certificate or notice that requires you to repair, replace or further sanitize any item at the Shop Premises within 72 hours, you must provide us with a copy of such report, warning, citation, certificate or notice within 24 hours after you receive it.

1.6.5.3 In all cases not described in Sections 1.6.5.1 or 1.6.5.2, you will furnish us, within five days after you receive it, a copy of each inspection report, warning, citation, certificate, notice and rating resulting from an inspection conducted by any federal, state, county or municipal agency with jurisdiction over the Franchised Business.

1.6.5.4 You will notify us within 48 hours of the occurrence of any accident or injury that may adversely affect the operation of the Franchised Business or your financial condition, or that may give rise to liability or a claim against you or us.

1.6.6 *Maintaining the Premises.* You will at all times maintain the Shop Premises in excellent repair and condition. You will make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting and replacement of obsolete signs, furnishings, equipment and décor as we may reasonably direct.

1.6.7 *Remedial Work.* If we notify you of remedial work that is necessary to correct an unhealthy or unsafe condition and you fail to commence such work in good faith or to complete such work within the period specified in our notice, we will have the right, in addition to all other remedies, but not the obligation, to enter the Shop Premises and complete the required repair or corrective work on your behalf. We will have no liability to you for any work performed. If we perform such work, we may require that you pay us in accordance with Section 2.1.7.4.

1.6.8 *Remodeling*. In addition to the requirements of Sections 1.6.6 and 1.6.7, we will require you periodically to make reasonable capital expenditures to remodel, modernize and redecorate the Shop Premises so that such premises reflect the then-current image of Dessert Mango Mango Restaurants. All remodeling, modernization and redecoration will be deemed to be Capital Modifications as defined in Section 1.4.2, and they must be done in accordance with our standards as modified from time to time and with our prior written approval. We may require you to make additional Capital Modifications as a condition to renewal pursuant to Section 5.1.2.6. You will complete all required Capital Modifications within the time period we reasonably require in our written notice.

1.6.9 *Use of the Premises*. You will use the Shop Premises solely for the operation of the Franchised Business. You will not use the Shop Premises for any other purpose or activity during the term of this Agreement.

1.6.10 *Hours of Operation*. You agree to keep the Franchised Business operating during such hours and days as we may specify from time to time or, if different, during such hours as the Lease may require.

1.6.11 *Payment Cards*. You will honor all credit, charge, courtesy or cash cards or other credit devices we specify. You will also comply with the then current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org) or successor organization, including (i) implementing (at your expense) all security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit or debit cards, and (ii) participating in (at your expense) a standardized PCI/DSS compliance program that is provided by a PCI/DSS vendor, in each case, approved by us in our discretion. In the event you are unable to demonstrate full compliance, we may require you to engage the services of an approved vendor to assist you to maintain full compliance on an ongoing basis. Additionally, we may require you to use, and directly contract with, one or more approved third-party vendors for some or all of your managed firewall, other technology security compliance and card brand or government requirements related to the transmission and processing of credit card transactions and information. You will immediately notify us if you become aware of any breach, or suspected breach, of card holder data, Personally Identifiable Information (PII), confidential information, or trade secrets related to the Franchised Business, whether notice is provided by your credit card processor, by law enforcement or by any other party.

1.6.12 *Entity Requirements*. All certificates representing stock, membership or other ownership interests in your company must contain a legend stating that transfer of such stock, membership or other ownership interest is limited by the provisions of this Agreement. Your company's business must be confined to owning and operating the Franchised Business, and we may require you to include this restriction in your company's organizational documents. Upon our request, you will deliver to us copies of all organizational documents of your company, including articles of incorporation, by-laws, shareholders' agreement, limited liability company articles and operating agreement, partnership agreement, and any certificates we may request certifying any resolution of directors. Your company must remain in good standing throughout the term of this Agreement in its state of formation and, if different, in the state in which the Franchised Business is located.

1.6.13 *Franchisee Advisory Council*. We reserve the right to create one or more "Franchisee Advisory Councils" for the purpose of fostering communication among and between franchisees and us, and to advise us in establishing, modifying or discussing various policies applicable to Dessert Mango Mango franchisees. Franchisee Advisory Councils may also advise us with respect to advertising, public relations and marketing programs. If and when a Franchisee Advisory Council is created, we may require you to participate in its meetings and programs. A Franchisee Advisory Council may advise and make recommendations but will not act as a policy-making board and will have no authority whatsoever. We will

determine or approve the rules under which any Franchisee Advisory Council functions. We may change the rules at any time and we may dissolve any Franchisee Advisory Council at any time. We may require you to pay dues to a Franchisee Advisory Council and you will pay all costs and expenses you incur in connection with your participation in any Franchisee Advisory Council, including the costs of transportation, lodging and meals.

1.6.14 *Customer Evaluations.* We reserve the right to institute programs for auditing customer satisfaction and other quality control measures, and to require you to pay the cost of such programs. You agree to present to your customers such evaluation forms as we periodically prescribe and to participate and request your customers to participate in any surveys performed by us or on our behalf.

1.6.15 *Inspections.* During the term of this Agreement, we or our designated representatives will have the right, at any time during your regular business hours, without prior notice to you, to enter upon the Shop Premises to inspect the premises; observe, photograph and videotape the operations of the Franchised Business for such periods as we deem necessary; remove samples of any products, materials or supplies for review and analysis; and to interview your personnel and customers. You agree to cooperate fully with us and our representatives during all inspections, observations, photographing, videotaping, product sample removal and interviews; and to take all steps reasonably necessary to correct any deficiencies in your compliance with System Standards or this Agreement within the time we specify. Your failure to implement any corrective action we require or your failure to pass two sequential inspections will constitute a material breach of this Agreement and may result in termination pursuant to Section 5.2. In addition to our right to terminate this Agreement, we have the right to assess a fee equal to our then current prohibited product fee in the event you continue to be out of compliance with the System Standards after your receipt of oral, email or written notice from us advising you of the nature of your default and requesting you to comply.

1.6.16 *Prices.* We reserve the right to require you to comply with reasonable and lawful restrictions on prices of specific menu items or goods or services offered and sold by the Franchised Business as required in the Manual or as we otherwise reasonably direct in writing from time to time.

1.6.17 *Payments to Suppliers.* You agree to pay all of your suppliers promptly in accordance with their payment terms and to comply in all other respects with your contractual obligations to third parties.

Section 1.7 - Advertising, Promotion and Marketing

1.7.1 *Signage.* You will post prominent signage relating to the Franchised Business in easily seen locations both inside and outside the Shop Premises. We will prescribe or approve from time to time in writing the size, form, color scheme, content and location of all such signage. You agree to display and maintain signs reflecting the current image of Dessert Mango Mango Restaurants. You also agree to post any signs we designate to reflect the fact that you are a franchisee and the fact that franchise opportunities are available to others. You agree to discontinue the use of and destroy such signs as we declare to be obsolete within the reasonable time that we specify for such destruction, which will not be less than 30 days. Because of the importance of the Dessert Mango Mango Restaurant image, you grant to us the right to enter the Shop Premises to remove and destroy unapproved or obsolete signs in the event that you have failed to do so within the time we specify.

1.7.2 *Local Advertising.* We require you to spend not less than 1% of your Gross Sales (as defined in Section 2.1.5 below) each calendar quarter on local advertising. Before you open the Franchised Business, you agree to submit to us your grand opening marketing plan for our review and approval. You use only those portions of your grand opening marketing plan that we pre-approve and are consistent with our standards and specifications. Not less than 30 days before the grand opening of the Franchised Business, you agree to spend not less than \$5,000 to market and promote such grand opening. All local advertising, marketing and public relations programs and activities that you do, and all materials you use in such

programs and activities, must conform to such standards and requirements as we may specify from time to time. All such materials must be clear, factual and not misleading. You agree to submit to us, before you use them, samples of all materials you intend to use that we have not prepared or previously approved. We will endeavor to deliver to you our written approval or disapproval within 15 days after our receipt of such materials, but we will not be liable for any delay. If we have not notified you of disapproval within 15 days after your submission for approval, the materials will be considered approved. We may withdraw our approval at any time. If we withdraw our approval, you will immediately cease the use, distribution and dissemination of such material. Any advertising, marketing or sales concepts, programs or materials that you propose or develop for the Franchised Business and we approve may be used by us and by our affiliates and other franchisees without any compensation to you. You agree to use all point-of-sale materials that we may supply to you from time to time, in the manner we prescribe.

1.7.3 *National and Regional Advertising.* We or our designee will exclusively maintain and administer any national and regional advertising, public relations and marketing programs and market research, including without limitation the System Website described in Section 1.8.1 and all programs financed by the Marketing Fund, as described below. You agree to participate in all national and regional programs we specify from time to time in the manner we specify.

1.7.4 *Marketing Fund.* We have established a public relations and advertising fund, which we also call the brand development fund (the “Marketing Fund”), subsidized by fees paid by Dessert Mango Mango franchisees, for such advertising, promotion, marketing and public relations programs and materials as we deem necessary or appropriate. You agree to contribute to the Marketing Fund in accordance with Section 2.1.7. Dessert Mango Mango Restaurants that we or our affiliate own will not be required to contribute to the Marketing Fund.

1.7.5 *Use of the Marketing Fund.* The Marketing Fund will be used to enhance the recognition of the Marks and the patronage of Dessert Mango Mango Restaurants nationally or regionally. We or our designee will have sole discretion over all matters relating to the Marketing Fund, including without limitation the creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering national and regional advertising programs, and engaging advertising, promotion and marketing agencies to assist us; website development and maintenance; toll-free telephone costs; and supporting public relations, market research and other advertising, promotion and marketing activities as well as personnel costs attributable to advertising and marketing. The Marketing Fund will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing Fund. The Marketing Fund will not be used to sell franchises, although we may use materials financed by the Marketing Fund on the System Website (defined in Section 1.8.1), which may advertise the Dessert Mango Mango franchise opportunity. The source of the advertising may be our in-house advertising department or an outside advertising agency. If we or our affiliates provide in-house advertising department services, we or our affiliates may be compensated from the Marketing Fund provided that such compensation is reasonable.

1.7.6 *Accounting for the Marketing Fund.* We will separately account for the Marketing Fund monies, but we may commingle such monies with our other monies or maintain the Marketing Fund monies in one or more separate accounts, in our discretion. We may spend on behalf of the Marketing Fund in any fiscal year an amount greater or less than the aggregate contribution of all Dessert Mango Mango Restaurants to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others at reasonable interest rates to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing

Fund are expended. We will prepare annually, or cause to be prepared, a report or reports of the operations of the Marketing Fund. We will furnish such report to you for the most recent year upon your written request.

1.7.7 *Marketing Fund Entity.* We have the right, but not the obligation, to establish a separate entity to operate the Marketing Fund at any time. Any such entity will have all of the rights and duties with respect to the Marketing Fund that we have under this section. The Marketing Fund will not be deemed a trust, and we will have no fiduciary obligation to you in connection with the collection or administration of the Marketing Fund.

1.7.8 *Distribution of Advertising Expenditures.* Although we will endeavor to use the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Dessert Mango Mango Restaurants, we undertake no obligation to ensure that expenditures by the Marketing Fund will benefit all Dessert Mango Mango Restaurants equally nor in proportion to contributions.

1.7.9 *Termination of Marketing Fund.* We reserve the right to defer, reduce or suspend contributions to the Marketing Fund, and, upon 30 days' prior notice to you, to suspend operations of the Marketing Fund for one or more periods of any length, and to terminate (and, if terminated, to reinstate) the Marketing Fund (and, if suspended, deferred or reduced, to reinstate such contributions). If the Marketing Fund is terminated, all unspent monies, if any, on the date of termination will be distributed to Dessert Mango Mango Restaurants in proportion to their respective contributions to the Marketing Fund during the preceding twelve-month period.

1.7.10 *Cooperative Advertising.* We may establish and coordinate from time to time cooperative advertising, marketing and sales programs, customer satisfaction programs and other programs or activities among Dessert Mango Mango franchisees. These programs or activities may be on a local, regional or national basis. You will participate in such programs and activities as we may prescribe. Such programs and activities may (at our option) be paid for on any equitable basis by the participants.

1.7.11 *Internet Advertising.* Any Internet advertising you do must be submitted to us in advance for our approval in the manner described in Section 1.7.2. We may withhold our approval in our discretion. You may not own an Internet domain name that includes any of the Marks or variations of any of the Marks.

1.7.12 *Social Media.* You may promote the Franchised Business through social media and similar means provided that such promotion is consistent with the System Standards. If any of your employees, owners, officers, directors or managers posts objectionable content to a social media website, you will have 12 hours after notice from us to remove such content provided that it is capable of removal. If you fail to remove the objectionable content within this 12-hour period, we will have the right to terminate this Agreement. You agree to check for social media postings of your employees from time to time to be sure that any comments they write are permitted and are consistent with our policies.

1.7.13 *Customer Loyalty Apps, Gift Cards and Coupons.* You agree to participate in each customer loyalty app, gift card, discount coupon and similar program that we periodically establish or approve for use at Dessert Mango Mango Restaurants either in your area or nationally, for all franchised Dessert Mango Mango Restaurants that you or any affiliate of yours owns. You agree to timely execute and deliver such agreements and other documents as we may reasonably require to facilitate such programs. In this connection, you agree as follows:

1.7.13.1 You will not initiate any such program yourself without our prior written approval, which we may withhold in our discretion.

1.7.13.2 You will distribute customer loyalty cards and sell and issue gift cards and redeem them in accordance with procedures and policies we specify in the Manual or otherwise in writing.

17.13.3 You will honor purchases made by customers, all gift cards for Mango Mango restaurants, and other incentive and convenience programs that we may periodically institute, including but not limited to loyalty programs that we or an approved third party may operate, as well as mobile payment and customer affinity applications. For this purpose, you must purchase the software, hardware, and other equipment needed to facilitate the loyalty program, sell and process gift cards, and to maintain contact with the suppliers of gift cards and gift card processing services, as we may specify in writing in the Manual or otherwise. You will also pay such transaction fees as the vendors of the gift card system may require.

17.13.4 We will manage any customer loyalty mobile app or program with the provider we select for the system of Dessert Mango Mango Restaurants in your area or nationally. You will participate in each such program in accordance with procedures and policies we specify in the Manual or otherwise in writing. Either (i) we will remit to you a net payment after deducting the provider's fee for such service and for such reasonable additional fees for our services that are stated in the Manual or otherwise, or (ii) you will reimburse us for such fees. In the event that we establish an ACH payment system in which we or our affiliate receive payments from customers directly through loyalty apps or otherwise, we will pay you periodically such net amounts from a bank account of ours or an affiliate of ours, or from the service provider's account.

17.13.5 In any loyalty app, gift card or similar program in which we or our affiliate periodically remits payments for purchases made through the app to the franchisee at whose franchised shop the purchases were made, you are responsible for verifying the identity of the customer for their loyalty app identification, and you will bear the risk of fraudulent misuse of a customer's loyalty app identification. In the event that we learn that we have made a payment to you that is based on one or more fraudulent misuses of a customer's identification in a loyalty app or other program, you will bear the loss and reimburse us for the amounts of all such payments, including but not limited to amounts spent for investigation and pursuing legal remedies. In addition, we will have the right to deduct such losses from our payments to you and to recover them via ACH in those cases in which we have already remitted such amounts to you. You agree to take such steps that we specify in furtherance of our recovery via ACH, including but not limited to timely completing any affidavits and ACH return requests that we may send to you. We will cooperate with any internal and insurance investigations, criminal and civil legal proceedings, and other actions meant to reduce or eliminate fraud in the loyalty program that you may take on your behalf or on behalf of your defrauded customers, and you will do the same for us, if we in our sole discretion decide to take any such action.

1.7.14 *Advertising the Sale of Franchises.* We have the right to advertise the Dessert Mango Mango franchise opportunity on the menu and in your Franchised Business.

1.7.15 *Public Relations.* You agree to refer all inquiries from news reporters regarding the Franchised Business or the System to the person we designate as the public relations spokesperson for the Dessert Mango Mango brand. You may not discuss any aspect of the Franchised Business or the System with any news reporter without our prior written approval in each instance.

Section 1.8 – **Website**

1.8.1 *System Website.* We maintain one or more websites to advertise, market and promote Dessert Mango Mango Restaurants, the products sold at Dessert Mango Mango Restaurants and the Dessert Mango Mango franchise opportunity (the "System Website"). The System Website lists the locations of Dessert Mango Mango Restaurants. We own all intellectual property and other rights in the System Website and all information it contains.

1.8.2 *Promotion of the System Website.* All advertising, marketing and promotional materials that you develop for the Franchised Business must promote the System Website's URL in the manner we specify.

1.8.3 *Web Portal.* In addition to the System Website, we may (but we will not be obligated to) maintain a secure web portal, extranet or other system for all Dessert Mango Mango franchisees that will not be available to the general public. We may use this portal, extranet or system to provide support for franchisees and to allow for online franchise discussion groups. You agree both during and after the term of this Agreement not to disclose your means of access to such portal to any person or entity who is not under your direct supervision and who does not have a need to have access. You agree to inform all persons under your supervision of this obligation of confidentiality. You further agree to comply with all guidelines and policies we establish from time to time for the use of this portal, extranet or system.

ARTICLE II – FEES; PAYMENTS; RECORDS; INSPECTIONS

Section 2.1 – *Fees and Reports*

2.1.1 *Initial Fee.* Upon your signing of this Agreement, you will pay us an initial fee of \$30,000 for a standard Dessert Mango Restaurant (a "Standard Unit"). The amount of any deposit already paid will be credited toward the initial fee. The initial fee is fully earned at the time we grant the franchise and is not refundable under any circumstances.

2.1.2 *Security Deposit.* When you sign this Agreement, you must pay us a security deposit of \$5,000. If you default in performance of any provision of this Agreement or any other agreement between with us or any of our affiliates, we may use the security deposit, or any portion of it, to cure the default or to compensate us for all damages or expenses we or our affiliate incurs because of your default. We may also use the security deposit to pay any late charges, interest, penalties, and fees and any costs and charges due to us that you do not pay in a timely manner. If we use all or any portion of the security deposit before the end of the term of this Agreement, you will restore the balance to \$5,000 upon your receipt of our invoice. If you are not in default in the performance under this Agreement or any other agreement with us or any of our affiliates on the date this Agreement expires or terminates, then we will return to you the remaining balance of the security deposit within 30 days after such expiration or termination.

2.1.3 *Initial Training Fee.* Before you begin initial training, you will pay us a training fee of \$300 for each person from your company, if any, who will attend our initial training other than your Managing Owner and Operating Manager.

2.1.4 *Royalty.* You agree to pay us a royalty ("Royalty") in the amount of 4% of the Gross Sales (as defined below) of the Franchised Business each Accounting Period (defined below).

2.1.5 *Definition of Gross Sales.* As used in this Agreement, the term "Gross Sales" or "Gross Sales of the Franchised Business" means all sales made in the operation of the Franchised Business, whether collected or not, including, but not limited to, all amounts you receive at or away from the Shop Premises, whether from cash, check, credit or debit card (with no deduction for card company charges), near field communications (such as Apple Pay or Google Pay), proceeds of any business interruption insurance policies, and revenue from any other source. It does not include sales taxes collected from customers for payment to the appropriate taxing authorities, or amounts refunded or credited to customers.

2.1.6 *Definition of Accounting Period.* "Accounting Period" means the specific period that we designate from time to time in the Manual or otherwise in writing for purposes of your financial reporting and payment obligations described in this Agreement. The Accounting Period may be a calendar month, but we may change the Accounting Period or designate different Accounting Periods for different purposes in our discretion as changes the System Standards pursuant to Section 1.4.2.

2.1.7 *Brand Development Fund Fee.* You agree to pay us a marketing fee each Accounting Period in the amount of 2% of the Gross Sales of the Franchised Business each Accounting Period (the "Brand Development Fund Fee"). The Brand Development Fund Fee finances the Marketing Fund described in Section 1.7.4.

2.1.8 *Customer Loyalty Programs.* For online ordering, customer rewards, gift card system and customer loyalty programs, you will pay to us, our affiliates or our designees on-going monthly fees in such reasonable amounts as we or they determine. The current such online ordering fee is \$185 per month.

2.1.9 *Technology Fee.* We may require you to pay us a monthly technology fee in such reasonable amount as we specify from time to time. The technology fee pays for your use of any app or service that enables customers to earn loyalty rewards and for any app or service used to support your reporting of Gross Sales. The technology fee will not exceed \$500 per month except to cover increases in the third-party cost of the technology and except for adjustments for inflation.

2.1.10 *Other Fees.* In addition to any fees described elsewhere in this Agreement, you agree to pay us the following fees upon the occurrence of the following events:

2.1.10.1 If you relocate the Franchised Business with our approval pursuant to Section 1.2.7, we will not charge you any relocation fee provided that you complete the relocation within 9 months after we grant to you our approval to relocate. If the relocation period extends longer than 9 months, we may charge you our reasonable expenses.

2.1.10.2 If we obtain insurance on your behalf in accordance with Section 6.3.7, you will pay us an amount equal to the premiums and related costs for the required insurance in full upon receipt of the invoice, plus a 25% service charge.

2.1.10.3 If we provide additional or remedial training that is not mandatory or that we require because your personnel are not meeting our standards, or if you request and we agree to furnish additional on-site training, guidance or assistance in accordance with Sections 1.5.5 or 1.5.7, we may charge our then-current fees and expenses.

2.1.10.4 If we provide customer service in accordance with Section 1.6.2 because of your failure adequately to address or resolve any customer complaints, we may charge you our reasonable costs and expenses in resolving such complaints;

2.1.10.5 If we perform work to correct an unhealthy or unsafe condition at your Dessert Mango Restaurant because you fail to perform the work after we notify you pursuant to Section 1.6.7, we may require you to pay for labor and materials plus a 5% service charge and an amount sufficient to reimburse us for our actual direct costs to supervise, perform and inspect the work and procure any replacement items, including labor, materials, transportation, lodging, meals, contractor fees and other direct expenses, all of which will be due and payable upon your receipt of our invoice.

2.1.10.6 If we perform an inspection or audit that is made necessary by your failure to furnish any information we require or if an audit or inspection reveals an understatement of Gross Sales greater than 2%, or if we engage a third party to perform periodic quality assurance audits or mystery shopper programs, then we may require you to reimburse us for the reasonable cost of such inspection, audit or program in accordance with Section 2.2.6.

2.1.10.7 If you transfer the Franchised Business with our consent pursuant to Section 4.2, you agree to pay us a transfer fee of \$15,000 plus a re-training fee of \$300 per person. The re-

training fee is for the 120 hour training course that we provide to the buyer of the Franchised Business.

2.1.10.8 If the Operating Manager ceases active management of the Franchised Business or if the Franchised Business is not being managed properly, then pending the appointment and training of a new Operating Manager, we may appoint a manager until you appoint a trained replacement manager and we may require you to pay in the manner described in Section 4.2.8.

2.1.10.9 If you renew the franchise pursuant to Section 5.1.2, you agree to pay us our then-current renewal fee, which will not exceed \$5,000.

2.1.10.10 If any required payment you make to us is rejected by your bank because of insufficient funds or you otherwise fail to process payment, you will pay us the greater of 5% of the amount due or \$150 for each occurrence, plus interest and the cost of collection, but not more than the maximum allowed by law.

2.1.10.11 If you fail to carry insurance we require and we purchase such insurance for you, you will pay us our actual costs of the premium for the period of coverage plus a 25% service charge.

2.1.10.11 If you continue to sell or purchase an unauthorized product or service or you continue to be out of compliance with the System Standards after we have notified you to cease such sales or purchases or to comply with the System Standards, you will pay us our then current fee pursuant to Section 1.1.4, 1.3.4 or 1.6.15. On the date of this Agreement, such fee is up to \$1,000 per occurrence plus the inspection and reinspection costs we incur.

2.1.10.12 If we hold franchisee conferences as described in Section 1.5.8, we may charge you a fee sufficient to cover our reasonable costs of such conferences. You are responsible for the travel costs of your personnel who will attend our conferences.

2.1.11 *Inflation.* Fees stated in this Section 2.1 as dollar amounts may be increased from time to time to reflect increases in the Metropolitan Area Consumer Price Index for All Urban Consumers from the date of this Agreement, as published by the U.S. Department of Labor, or a successor index.

2.1.12 *Reports.* You will submit to us an electronic report within three days after the end of each Accounting Period setting forth your true and correct Gross Sales for such Accounting Period in such detail and in such manner as we require from time to time. We have the right, upon notice to you, to require you to submit to us, in digital format, (i) monthly and annual balance sheets and income statements for the Franchised Business, prepared in accordance with generally accepted accounting principles consistently applied, in the format we prescribe, and verified as correct in the manner we prescribe from time to time; and (ii) reviewed financial statements prepared annually.

2.1.13 *Payment.* You will pay us the Royalty and Brand Development Fund Fee for each Accounting Period at the time you submit each report to us in accordance with Section 2.1.10, based on Gross Sales during the most recent Accounting Period, along with the technology fee described in Section 2.1.7. You will pay us for all other amounts upon your receipt of our invoice, including but not limited to reimbursements to us for amounts we spend on your behalf, amounts you incur for training, and purchases we make at your request or on your behalf. Time is of the essence with respect to all payments you are to make to us. You will pay all sums you owe to us or to any of our affiliates electronically through one or more depository transfer accounts or using such methods as we may designate in the Manual or otherwise in writing. At our request, you agree to execute such documents as we determine are necessary for us to process electronic funds transfers from your designated bank account for payment of the fees you owe to us. You will bear all costs to establish and maintain the required electronic payment system, and all bank service

charges. You will comply with our procedures for electronic payment, which we may modify from time to time, including the maintenance of such minimum bank account balance as we specify from time to time.

2.1.14 ACH Payment Authorization. Upon our request, and in no event later than 30 days before the franchised business begins, you will execute our ACH authorization form permitting us to withdraw sums from your designated business bank account for the ongoing payment of Royalties and other amounts due under this Agreement whenever we deem it appropriate, and you agree to comply with our payment instructions.

2.1.15 Interest on Late Payments. Any payment that is not made by the date it is due will be subject to interest at the rate of 1.5% per month or the highest rate allowed by law, whichever is less. If no due date is stated, interest begins to run 10 days after billing. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 5.2.2.4. Interest will accrue whether or not we exercise our right to terminate. You acknowledge that this subsection does not constitute our agreement to accept any delay in payments or our commitment to extend credit to you or otherwise finance your operation of the Franchised Business.

2.1.16 No Setoff. Your obligations to make payments in accordance with this Agreement and any other agreement with us or any of our affiliates with respect to the Franchised Business are not subject to any abatement, reduction, setoff, defense or counterclaim due or alleged to be due for any past, present or future claim that you have or may have against us or any of our affiliates.

2.1.17 Application of Payments. All payments you make to us will be applied in such order as we may designate from time to time, regardless of any designation you may make with respect to the application of such payments, even if you specifically make payment conditional on our acceptance of your designated application or instructions.

2.1.18 Taxes. In the event that we are required to collect and pay any sales or use tax from you for payment to any tax authority based on your purchase of the franchise or any items relating to the franchise, or based on any continuing payments you make to us under this Agreement, you will pay such amounts to us upon receipt of our invoice.

2.1.19 Failure to Report. If you fail to report your Gross Sales for any period, we may debit your account for 120% of the Royalty and Brand Development Fund Fee based on your Gross Sales that you last reported to us, for each late report and for each week or portion of a week past the due date. After we have determined the correct Gross Sales for such period, we will debit your account for any shortfall or credit your account against future payments if the amount paid exceeds the amount owed.

Section 2.2 – Records; Inspection

2.2.1 Records. You agree to maintain at the Shop Premises full, complete and accurate records of the Franchised Business. You will maintain bookkeeping, accounting and records retention systems conforming to the requirements that we prescribe from time to time, and such other records as we prescribe from time to time relating to the operations of the Franchised Business. You agree to maintain and to furnish to us upon request complete copies of all income, sales, value added, use and service tax returns, and employee withholding, workers' compensation and similar reports filed by you reflecting activities of the Franchised Business. You agree to preserve all records described in this Section 2.2.1 for a period of at least five years after their creation, or such longer period as may be required by law, during both the term and each renewal term of this Agreement and following the expiration or termination of this Agreement.

2.2.2 Access to Systems. We may use the computer and point-of-sale systems described in Section 1.3.7 to collect electronically the reports referred to in Section 2.1.10 and the records referred to in Section 2.2.1. We may use the content and data generated by the surveillance system described in Section

1.3.7 for any purpose, including to monitor customer service and the operation of the Franchised Business. We have the right to establish requirements that will permit us, as often as we deem appropriate, to access all cash registers, surveillance and computer terminals and your computer system and to retrieve all information relating to the Franchised Business.

2.2.3 Right to Inspect. During the term of this Agreement, we or our designated representatives will also have the right, at any time during your regular business hours, without prior notice to you, to enter upon the Shop Premises to inspect the books and records of the Franchised Business and take excerpts. You agree to cooperate fully with us and our representatives during all such inspections.

2.2.4 Right to Audit. We have the right at any time during your regular business hours, without prior notice to you, to inspect and audit the records of the Franchised Business, or to cause such records to be inspected and audited. This right includes the right to access your computer systems.

2.2.5 Discrepancies. If any inspection or audit demonstrates an understatement of Gross Sales, you will pay the deficiency to us within 15 days after you receive the inspection or audit report.

2.2.6 Cost. All inspections and audits will be at our expense; but if an inspection or audit is made necessary by your failure to furnish, or your delay in furnishing, reports, supporting records, other information or financial statements we require, or if an understatement of Gross Sales for the period of any audit or inspection is determined by any such audit or inspection to be greater than 2%, you agree, within 15 days after our request, to reimburse us for the cost of such inspection or audit, including, without limitation, legal and accounting fees, and the travel expenses, including lodging, meals and per diem charges of the inspecting or auditing personnel. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

2.2.7 Survival of Inspection and Audit Rights. Our rights to inspect the books and records of the Franchised Business and to take excerpts, and to audit the Franchised Business, will continue for a period of six months following the expiration or termination of this Agreement; but we may only inspect such books and records or perform any such audit following the expiration or termination of this Agreement upon at least 24 hours' prior notice to you.

2.2.8 Disclosure of Your Financial Information. We have the right to disclose data we receive from you regarding the Franchised Business without identifying you. If we are required by law to disclose any data we receive from you regarding the Franchised Business and such disclosure will identify you, we will notify you of the disclosure to be made and, if you request, endeavor to obtain legally binding assurance that those who receive such disclosure will be bound by an obligation of confidentiality. We also have the right to disclose data regarding the Franchised Business to any prospective transferee of the Franchised Business you identify to us.

Section 2.3 – Security Interest

2.3.1 Grant of Security Interest. As security for the payment of all amounts you owe us from time to time under this Agreement and all other agreements between you and us, and your performance of all of your obligations under such agreements, you hereby grant to us a security interest in all of the assets of the Franchised Business, including, without limitation, all inventory, equipment, furniture and fixtures, as well as all proceeds from their sale and the related insurance (the "Collateral"). You warrant and represent that the security interest granted hereby is prior to all other security interests in the Collateral except bona fide purchase money security interests, or security interests held by financial institutions, if any, each of which is subject to our prior approval. Our security interest will be subordinate to any security interest held by a bank pursuant to Small Business Administration (SBA) financing of the Franchised Business. You agree not to remove the Collateral, or any portion of the Collateral, from the Shop Premises without our prior written consent.

2.3.2 Collateral Assignment of Lease. In addition to granting us a security interest in the Collateral, pursuant to Section 2.3.1 above, you hereby grant to us a security interest in and to the Lease ("Collateral Assignment of Lease"), and all of your rights, title and interests in and to the Lease, as further security for the payment of all amounts you owe us from time to time under this Agreement and all other agreements between you and us. In the event of a breach or default by you under the terms of the Lease, or, in the event we make any payment to the landlord under the Lease as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option be deemed to be an immediate default under this Agreement, and we will be entitled to take possession of the Shop Premises and to assume all of your rights, title and interests in and to the Lease and to all other remedies described in this Agreement or at law or in equity, without prejudice to any other rights or remedies we might have under any other agreements or under other applicable law. This Collateral Assignment of Lease will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us. You agree to obtain the landlord's consent to this Collateral Assignment of Lease by having the landlord execute a lease addendum in the form contained in our franchise disclosure document.

2.3.3 Remedies.

2.3.3.1 Upon the occurrence of any event entitling us to terminate this Agreement or any other agreement between you and us, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the state in which the Franchised Business is located, including, without limitation, the right to take possession of the Collateral.

2.3.3.2 In addition to the remedies set forth in Section 2.3.3.1 above, in the event of a default by you under the terms of the Lease or under this Agreement, we will be entitled to exercise any one or more of the following additional remedies in our sole discretion:

- (i) without notice and with or without process of law, to enter upon and take and maintain possession of the Shop Premises, together with all Collateral and all of your books, records, papers and accounts and to assume all of your rights, title and interests in and to the Lease;
- (ii) as your attorney-in-fact, or in our own name, to hold, operate, manage and control the Franchised Business with full power to use such measures as we deem proper or necessary to cure such default;
- (iii) to cancel, terminate or disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, replacements, alterations, additions, and improvements to the Shop Premises;
- (iv) to insure and reinsure the same for all risks incidental to our possession, operation and management thereof; and
- (v) to terminate this Agreement as of the date of your default under the Lease.

2.3.4 Filings. You authorize us, without further notice to or consent by you, to file any records or other documents as we reasonably deem necessary to perfect, continue, amend or terminate our security interest in the Collateral. In connection with our security interest in the Lease, you agree to obtain the landlord's consent to the Collateral Assignment of Lease by having the landlord execute a Dessert Mango Lease Addendum in a form satisfactory to us.

2.3.5 Election of Remedies. The remedies set forth in this Section 2.3 do not exclude any of our other remedies under this Agreement or any other agreement between you and us. No exercise by us of any of our rights under this Section 2.3 will cure, waive or affect any default under this Agreement or any other agreement between you and us. No inaction or partial exercise by us of our rights will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies shall be construed as a waiver by us of any future rights and remedies.

2.3.6 Grants of Security Interests to Others. We must approve in advance and in writing any grant you make to any third party of a security interest in or encumbrance of any assets of the Franchised Business, including without limitation the Collateral or the Lease. We will not unreasonably withhold our consent to any such grant made in connection with financing for the development or operation of the Franchised Business or equipment leasing, if such financing satisfies our requirements, which may include execution of agreements by us, you and the secured creditor, in a form satisfactory to us, making any such security interest subordinate to the one you have granted to us pursuant to this Section 2.3.

2.3.7 Survival. The security interest created by this Section 2.3 will survive the termination or the expiration and nonrenewal of this Agreement and remain in effect until all of your monetary obligations to us are satisfied in full.

ARTICLE III - PROPRIETARY RIGHTS; CONFIDENTIALITY; NONCOMPETITION

Section 3.1 – *Our Copyrights, Design Patents and Trademarks*

3.1.1 Our Copyrights and Design Patents. We and our affiliates are the sole owners of all copyrights in the Manual and all supplemental materials, all logos or other materials that are the subject of design patents, and other materials identified as ours that we provide to you, and in all advertising and promotional material created by or for us. You may not copy any such materials, nor create derivative works of any such materials, except as we specifically authorize or permit.

3.1.2 Our Trademarks. Your right to use the Marks is derived solely from this Agreement and is limited to your operation of the Franchised Business at and from the Shop Premises pursuant to and in compliance with this Agreement and all System Standards. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business in compliance with this Agreement). You will not contest or assist others in contesting our right to use the Marks.

3.1.3 Proper Use of the Marks. You may not use the Marks except as authorized under this Agreement. You understand that any use of the Marks other than as expressly authorized by this Agreement, without our prior written consent, may constitute infringement and that your right to use the Marks does not extend beyond the expiration or termination of this Agreement. You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner of the Franchised Business in the manner we prescribe. You may not use any of the Marks or any word similar to any of the Marks as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form, nor may you use any Mark in connection with the performance or sale of any unauthorized products or services or in any other manner we have not expressly authorized in writing. You may not use any Mark as part of a domain name or electronic address of a website. You agree to display the Marks prominently in the manner we prescribe at the Franchised Business and on business forms and advertising materials. You agree to give such notices of trademark registrations and our ownership of the Marks as we specify from time to time and to obtain any fictitious or assumed business name registrations required under applicable law.

3.1.4 Modifying the Marks. We will have the right to modify or change the Marks from time to time upon written notice to you specifically referring to this Agreement and describing such modification or change. Such right will include the right to use a trademark that is entirely different from “Dessert Mango Mango Restaurant” and the right to require you to use one or more additional logos and marks; but we will make all such changes in the Marks only for good faith marketing, trademark or other reasons on a uniform

basis for all Dessert Mango Mango franchisees in the U.S. You agree, upon notice from us, to regard each such modified, changed, new or additional trademark as being within the definition of “Marks” under this Agreement, and to adopt and use each such trademark at your expense in accordance with the terms and conditions of this Agreement. We will not be obligated to reimburse you for any loss of revenue or expenses caused by any such modification or change.

3.1.5 Infringement. You agree to notify us of any apparent infringement of any Mark or of any of our copyrights or design patents, by any third party, as soon as such apparent infringement comes to your attention, and to notify us immediately of any challenge to your use of any Mark or of any of our copyrights or design patents and of any claim by any person of any rights in any Mark or any of our copyrights or design patents, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate with respect to such apparent infringement, challenge or claim and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark, our design patents or our copyrights. You agree not to initiate any such action or proceeding, but to cooperate with us in any such action or proceeding and sign any and all instruments and documents, render such assistance and do such acts and things as may be necessary or advisable, in the opinion of our attorneys, to protect and maintain our interests in any litigation or any proceeding at the Patent and Trademark Office, or otherwise to protect and maintain our interests in the Marks, design patents or copyrights. In the event any sum is recovered based on our claim of infringement, we will have the exclusive right to such recovery.

Section 3.2 – ***Confidentiality of Our Information***

3.2.1 Confidential Information. We possess and will continue to develop and acquire certain confidential information relating to the development and operation of Dessert Mango Mango Restaurants (“Confidential Information”). Confidential Information means information that is not generally available to the public and that has commercial value to us or to the Franchised Business, or that is personally identifiable information of customers. “Confidential Information” includes, without limitation:

- 3.2.1.1 product recipes, mixes and formulas;
- 3.2.1.2 the contents of the Manual and all supplemental materials;
- 3.2.1.3 the content of our training and assistance;
- 3.2.1.4 site selection criteria;
- 3.2.1.5 sales and marketing techniques;
- 3.2.1.6 customer lists;
- 3.2.1.7 planned advertising and marketing programs;
- 3.2.1.8 current, past and planned research, development and test programs for products, services and operations;
- 3.2.1.9 specifications for and suppliers of certain equipment, fixtures, furnishings, signs, materials and supplies;
- 3.2.1.10 the operating results and financial performance of Dessert Mango Mango Restaurants other than the Franchised Business;

3.2.1.11 the videos and images recorded by the surveillance system (except to the extent necessary to prove wrongful acts);

3.2.1.12 usernames and passwords allowing access to protected areas on our website or computer network; and

3.2.1.13 all improvements and modifications to the System Standards or in the Franchised Business developed by you or your personnel.

You will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you to enable you to operate the Franchised Business during the term of this Agreement.

3.2.2 Nondisclosure and Non-Use. At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your employees, agents or representatives who have a legitimate need to know such information and who are informed of this obligation of confidentiality and have signed either a Guaranty as described in Section 1.1.7 or a written confidentiality agreement with your company in a form acceptable to us, and (ii) you will not use any Confidential Information except for the purpose of fulfilling your obligations under this Agreement. You will immediately notify us upon discovering any loss or unauthorized disclosure by any of your owners, managers, employees, contractors, agents or representatives of any Confidential Information.

3.2.3 Isolated Disclosures. Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his or her employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of Confidential information.

3.2.4 Exceptions. The obligations of confidentiality and non-use described above will not apply to information that: (i) you can clearly show was known to you on a non-confidential basis prior to its disclosure to you by us; (ii) is or becomes generally known among Competitive Businesses (as defined in Section 3.3.1) in the U.S. other than through disclosure by you or any of your employees, contractors, agents or representatives; or (iii) you can clearly show was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

3.2.5 Disclosures Required by Law. In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed.

3.2.6 Return of Information. Upon our request, you will promptly return to us all Confidential Information and all copies in your possession or under your control, and you will destroy all copies on your computers and other digital storage devices.

Section 3.3 – **Noncompetition**

3.3.1 Definition of Competitive Business. As used in this Agreement, the term “Competitive Business” means any business that sells, or grants franchises or licenses to others to operate, a dessert

restaurant that serves, freshly prepared Asian American fusion desserts featuring mango, fresh fruit bowls, dessert cakes, juices, teas, and related menu items to consumers for on-site consumption or carry-out or delivery that derives 5% or more of its revenues from such business (other than a Dessert Mango Mango Restaurant operated under a franchise agreement with us or our affiliate). The restrictions of this section will not apply to the ownership, solely as an investment, of publicly traded securities that constitute less than 1% of a class of ownership interests of the issuing company.

3.3.2 Noncompetition During the Term. You agree that during the term of this Agreement and any renewal of this Agreement, you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect interest in a Competitive Business located or operating anywhere in the U.S. or in any other country in which a Dessert Mango Mango Restaurant operates; (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating; or (iii) divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business in any manner.

3.3.3 Noncompetition After Termination. Upon the expiration and nonrenewal of this Agreement, your termination of this Agreement without cause, our termination of this Agreement in accordance with its terms and conditions, or your Transfer (as defined in Section 4.2.2), you and your company's owners agree for a period of two years following such expiration, termination or Transfer, that you will not, directly or indirectly (through one of your company's affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect ownership interest in a Competitive Business located or operating within 25 miles of the Site or of any Dessert Mango Mango Restaurant anywhere in the world at the time of such expiration, termination or Transfer; (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any such Competitive Business; or (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner.

3.3.4 Reasonableness of Restrictions. You acknowledge that the time and geographical limitations in Sections 3.3.2 and 3.3.3 are reasonable and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. If any of the limitation in such sections is held unreasonable or unenforceable by a court or governmental agency, then such limitation will be deemed to be reduced as necessary to enable the court or agency to enforce such limitation to the fullest extent permitted under applicable law.

ARTICLE IV - TRANSFER

Section 4.1 – ***Transfer by Us***

We may sell, assign or transfer our rights and obligations under this Agreement to any party, without your approval and without prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all of our obligations under this Agreement. We will not be liable for obligations of the transferee arising after the date of transfer.

Section 4.2 – ***Transfer by You***

4.2.1 No Transfer Without Our Approval. This Agreement is personal to you. We have granted the franchise to you in reliance upon our perceptions of your (or your company's owners') individual or collective character, skill, aptitude, business ability and financial capacity. Accordingly, you may make no Transfer (as defined below) without our prior written approval. Any purported Transfer without such approval will be a breach of this Agreement and will entitle us to terminate this Agreement as provided below. Our consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between you or your company's owners and the transferee, a guaranty of the successful operation of the Franchised

Business by the transferee or a waiver of any claims we may have against you or your company's owners or of our right to demand the transferee's compliance with any of the terms or conditions of this Agreement.

4.2.2 Definition of Transfer. As used in this Agreement, the term "Transfer" means your (or your company's owners') voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of: (i) any legal or beneficial ownership or voting interest in your company; (ii) this Agreement, (iii) any material asset of the Franchised Business; or (iv) the lease or ownership of the Shop Premises (unless we agree to a relocation or unless the transfer of ownership does not affect your leasehold rights and obligations). "Transfer" also includes (v) the merger or consolidation of your company; (vi) the issuance of additional securities or other ownership or voting interests of your company, and (vii) the admission or departure of a partner or owner; (viii) transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law; (ix) transfers resulting from divorce; and (x) any grant of a security interest to a third party without our approval.

4.2.3 Notice of Transfer. You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer. If we do not exercise our right of first refusal under Section 4.3, we agree not to unreasonably withhold our approval of a Transfer. If we approve the Transfer, then you will be free, for 90 days following such approval, to effect the Transfer to the person or persons approved by us.

4.2.4 Conditions to Transfer. The following conditions will apply with respect to any Transfer except as described in Section 4.2.5:

4.2.4.1 The proposed transferee, its managers, directors, officers and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Dessert Mango Mango franchisee.

4.2.4.2 The proposed transferee may not be or be owned directly or indirectly by a Competitive Business, nor may any of the proposed transferee's managers, directors, officers or owners perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

4.2.4.3 You will cure any default under this Agreement that we will have notified to you.

4.2.4.4 You will pay all fees and any other amounts then owed to us or our affiliates.

4.2.4.5 If the Lease requires it, the landlord must consent to the assignment of the Lease to the transferee.

4.2.4.6 You or the transferee will pay us a nonrefundable transfer fee described in Section 2.1.8.6.

4.2.4.7 We may require that the transferee or your company under ownership by the transferee, at the time of closing, enter into our then current form of franchise agreement amended to shorten the initial term to conform to the remaining term of this Agreement and to remove the requirement to pay the initial fee, and each Guarantor under the new franchise agreement will have signed our then-current form of guaranty.

4.2.4.8 You and we will execute a written Consent to Transfer Agreement terminating this Agreement or an amendment to this Agreement acknowledging a change in ownership. Any such agreement or amendment must be in a form satisfactory to us and may include a general release

of any claims against us and our affiliates and an acknowledgment of your obligations following the Transfer.

4.2.4.9 You will upgrade and remodel the Shop Premises as we may require to conform to the then-current standards and specifications of a new franchised business then being established, and you will complete the upgrading and remodeling within the time specified by us.

4.2.4.10 We will have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business.

4.2.4.11 If you or your owners finance any part of the sale price of the transferred interest, you or your owners will have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests are subordinate to the transferee's obligation to pay Royalties, Brand Development Fund Fees and other amounts due to us.

4.2.4.12 After our authorization of the Transfer and your compliance with all of the requirements listed above, you will give us not less than five business days' written notice of the date, time and place of the closing of such Transfer, and you will give us an opportunity to have a representative present at the closing.

4.2.4.13 If the transaction is brokered by a third-party or by one of our authorized sales representatives, you or the proposed transferee will be responsible for paying broker fees at the same commission rate that we pay such broker or sales representatives.

4.2.4.14 If the transaction is a securities offering as described in Section 4.2.9, you must pay us the greater of: (i) 50% of our then-current initial franchise fee; or (ii) our reasonable costs and expenses associated with reviewing the proposed offering.

4.2.5 *Transfer to a Company you Control.* Upon prior notice to us and the signing by the relevant parties of assignment documents acceptable to us, you may transfer this Agreement to an entity that conducts no business other than the Franchised Business in which you maintain management control and of which you or all of the owners of your company own and control 100% of the equity and voting power, provided that all assets of the Franchised Business are owned, and the entire Franchised Business is conducted by, a single entity. The requirements of Sections 4.2.4.6 through 4.2.4.13 will not apply to any such transfer. You will remain personally liable under this Agreement after such Transfer by signing a Guaranty as described in Section 1.1.7.

4.2.6 *Transfer Upon Death or Disability.* You or your executor or other personal representative must promptly notify us in the event of the death or disability of the Managing Owner. Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 4.2.1 through 4.2.4; but you or your executor or other personal representative will have a period of 12 months in which to effect a transfer acceptable to us in the event of death, and six months in the event of disability. The Managing Owner must be replaced with a new Managing Owner acceptable to us. As used in this Agreement, the term "disability" means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for more than 30 days. A person's disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal. We will pay the cost of the examination to the extent it is not covered by insurance.

4.2.7 Operation of the Franchised Business Upon Death or Disability. Upon the death or disability of the Managing Owner, you or such deceased or disabled owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a Managing Owner to operate the Franchised Business. Such Managing Owner will be required to complete our training at your expense. Pending the appointment and training of a Managing Owner or if, in our judgment, the Franchised Business is not being managed properly, we have the right, but not the obligation, to manage the Franchised Business ourselves or through another franchisee. You will pay us or such other franchisee for such services in accordance with our or such other franchisee's then current fees.

4.2.8 Transitional Management Costs. In the event that we appoint a manager for the Franchised Business pursuant to Section 4.2.7 or Section 1.5.6, all funds from the operation of the Franchised Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchised Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We will also have the right to charge a reasonable management fee (in addition to the Royalty and Brand Development Fund Fee and other fees payable under this Agreement) during the period that our appointed manager manages the Franchised Business. Operation of the Franchised Business during any such period will be on your behalf. We will not be liable to you or your company's owners for any debts, losses or obligations incurred by the Franchised Business or to any of your suppliers for any products, materials, supplies or services the Franchised Business purchased during any period it is managed by our appointed manager.

4.2.9 Securities Offerings. You agree to submit to us, for our review, all materials for an offering or exempt private placement of stock or partnership or other interests in your company or any of your affiliates that are required by federal or state law before such materials are filed with any government agency and before they are used. We may require that such materials contain a written statement, prescribed by us, indicating that we are not participating in such offering in any way. You and all other participants in the offering must fully indemnify us and our subsidiaries, affiliates, successors and assigns, and our and their respective members, managers, directors, officers, shareholders, partners, agents and representatives in connection with the offering. For each proposed offering, you will reimburse us for our reasonable costs and expenses (including legal and accounting fees) of reviewing the proposed offering. You will give us written notice at least 30 days before the date that any offering or other transaction described in this Section 4.2.9 commences. Any such offering will be subject to all of the other provisions of this Section 4.2.

Section 4.3 – *Our Right of First Refusal*

4.3.1 Notice of Third Party Offer. If you or any of your company's owners at any time desire to sell, assign or transfer for consideration this Agreement and the other assets of the Franchised Business or the ownership of your company to anyone other than as described in Section 4.3.4, you will obtain and immediately submit to us a true and complete copy of a bona fide written offer from the third party that desires to acquire your company or its assets (the "Third Party Offer"). The Third Party Offer must include the names of all owners of any entity offeror and the names of all partners of any partnership offeror or, in the case of a publicly-held entity, copies of the most current quarterly report and Form 10K. The Third Party Offer must contain details of the payment terms of the proposed sale and the source and terms of any financing of the proposed purchase price, and may not include or be contingent upon the purchase of assets other than those related to the Franchised Business.

4.3.2 Exercise of Our Right of First Refusal. We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within 30 days after the date of our receipt of a copy of the Third Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer; and (ii) we will have at least 60 days after giving notice of our

election to prepare for closing. If we exercise our right of first refusal, the seller and we will execute a written agreement, in a form satisfactory to us, acknowledging the seller's continuing obligations. We may require the seller to sign a general release of any claims against us and our affiliates. If you own the Shop Premises, we or our assignee or affiliate will only have a right to lease the Shop Premises for the remaining term of the Franchise Agreement, excluding renewals, at fair market value.

4.3.3 Consequence of Nonexercise of Our Right of First Refusal. If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 4.2; but if the sale to such purchaser is not completed within 120 days after delivery of the Third Party Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty day period following either the expiration of such 120-day period or the notice to us of the material changes in the terms of the sale, either on the terms originally offered (following such 120-day period) or the modified terms (following notice to us of material changes in the terms of the sale), at our option.

4.3.4 Exceptions. Our right of first refusal will not apply to transfers from one current owner of your company to another current owner unless the Managing Owner is transferring his or her ownership. In addition, our right of first refusal will not apply to any partial sale of your company or its assets. We will not have the right to become a partial owner of your company. You must nevertheless notify us before any transfer between owners or any partial transfer of ownership interest takes place.

ARTICLE V - TERM AND TERMINATION

Section 5.1 - *Term and Renewal*

5.1.1 Initial Term. This Agreement will be effective as of the date set forth in the opening paragraph of this Agreement. The initial term of this Agreement will expire on the date specified in Schedule A, but if no expiration date appears in Schedule A, then the initial term of this Agreement will expire 5 years after the date set forth in the opening paragraph of this Agreement, or in the case of a transfer from a prior Dessert Mango Mango franchisee, the initial term will expire upon the expiration date of the transferor's franchise agreement. If a current lease or sublease will expire before the expiration of this Agreement, you may attempt to obtain a replacement lease or sublease. We will have the right to approve any proposed replacement lease or sublease as otherwise provided in Section 1.2.5. If you are unable to obtain a replacement lease or sublease that meets our approval before the current lease or sublease expires, (i) you have the right to terminate this Agreement, subject to your compliance with all notice provisions and post-term obligations set forth in this Agreement, or (ii) we have the right to terminate this Agreement in accordance with Section 5.2. In addition, if the current lease or sublease is terminated for any reason before it expires, we have the right to terminate this Agreement in accordance with Section 5.2.

5.1.2 Renewal. You will have the right to acquire a successor franchise for a term of 5 years, provided that you comply with the following conditions:

5.1.2.1 you will have given us notice of your desire to acquire a successor franchise ("Renewal Notice") not less than twelve months nor more than eighteen months before the end of the then-current term;

5.1.2.2 you and your affiliated companies must not be in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, or if you are in default, you have cured such default in the manner described below;

5.1.2.3 you comply with our then-current financial qualifications and training requirements for new Dessert Mango Mango franchisees;

5.1.2.4 you must not have received more than three notices of default during any 24 month period during the term of this Agreement, whether or not such defaults have been cured;

5.1.2.5 you present evidence to us that you have the right to remain in possession of the Shop Premises for the duration of the term of the successor franchise agreement, or you obtain our approval of a new location for the Franchised Business for the duration of the successor franchise term;

5.1.2.6 to comply with our then-current standards in effect for new Dessert Mango Mango franchises, at your cost and expense, you remodel and refurbish the Shop Premises, and you repair or replace equipment (including electronic cash register or computer hardware or software systems), signs, interior and exterior decor items, fixtures, furnishings, catering or delivery vehicles, if applicable, supplies and other products and materials required for the operation of the Franchised Business as we may reasonably require, and you obtain any new or additional equipment, fixtures, supplies and other products and materials that we may reasonably require;

5.1.2.7 if we require, you execute a general release, in a form prescribed by us, of any and all claims against us and our affiliates and their respective members, managers, officers, directors, shareholders, partners, agents and employees; and

5.1.2.8 you execute our then-current standard form of franchise agreement, which agreement will supersede this Agreement in all respects; but you will not be required to pay the initial fee stated in the successor franchise agreement. Instead, you will pay us the renewal fee referred to in Section 2.1.8.8. You understand that the successor franchise agreement may contain materially different terms than this Agreement, including, but not limited to, increased fees.

If you or any of your affiliated companies are in default under this Agreement or any other agreement with us or any of our affiliates at the time you give your Renewal Notice, we will give you notice, not more than 30 days after receipt by us of your Renewal Notice, of such default, and we will give you 30 days to cure. In the event that you fail to cure in that period, or in the event that any other condition set forth in this Section 5.1.2 is not satisfied, your right to renew will terminate. Nothing in this Section 5.1.2 will limit our right to terminate this Agreement in accordance with Section 5.2.2 or 5.2.3.

5.1.3 *Hold Over.* If you do not sign a new franchise agreement before the term of this Agreement expires and you continue to accept the benefits of this Agreement after this Agreement expires, then at our option, we may treat this Agreement either as: (i) expired as of the date of expiration, with you then being deemed to be operating without a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Period") until either (A) both you and we sign a new franchise agreement or (B) either you or we give at least 30 days' prior written notice to the other party of your or our intention to terminate the Interim Period, in which case the Interim Period and this Agreement will terminate on the date specified in the notice, which will not be more than 60 days following the date of the notice unless both parties so agree. All of your obligations will remain in full force and effect during the Interim Period as if this Agreement had not expired.

Section 5.2 - **Termination**

5.2.1 *Termination by You.* You may terminate this Agreement upon at least 90 days' notice to us without cause, provided that you comply fully with your obligations under this Agreement during such 90-day period, you pay all amounts owing to us and our affiliates, including the payment of liquidated damages pursuant to Section 5.3.5, and you comply with your post-term obligations under Article III. In the event that you claim that we have materially breached this Agreement, you will provide us with written notice of such claim within twelve months of its occurrence, specifically enumerating all alleged deficiencies and providing

us with an opportunity to cure, which will in no event be less than 90 days from the date of our receipt of the notice. Your failure to give such notice will constitute a waiver of your right to terminate on the basis of such breach.

5.2.2 Termination by Us Upon Notice. We may terminate this Agreement upon written notice to you with immediate effect if:

5.2.2.1 you or any of your company's owners have made any material misrepresentation or omission in connection with your application for and purchase of the franchise;

5.2.2.2 your Managing Owner fails to complete the initial training to our satisfaction in accordance with Section 1.5.3;

5.2.2.3 you fail to find a Site for the Franchised Business acceptable to us within the time required by Section 1.2.1 or you fail to commence operation of the Franchised Business within the time required by Section 1.2.10;

5.2.2.4 you are more than five days late in your payment of any amount due to us under this Agreement or to any of the suppliers of the Franchised Business and you fail to make such payment within five days after we will have notified you that such payment is past due;

5.2.2.5 you or any of your affiliates default under the Lease and fail to cure such default within the time required under the Lease, or you lose the right to possession of the Shop Premises and have not relocated to another site approved by us;

5.2.2.6 you no longer have a competent, conscientious, trained staff in numbers sufficient to promptly service customers in accordance with the System Standards;

5.2.2.7 you or any of your company's owners use or disclose any Confidential Information in violation of the requirements of Section 3.2;

5.2.2.8 you or any of your company's owners make any unauthorized use of the Marks or challenge or seek to challenge the validity of any of the Marks;

5.2.2.9 you fail to maintain the insurance we require and do not correct the failure within ten days after we deliver written notice of that failure to you;

5.2.2.10 you refuse to permit us or our agent to enter upon the Shop Premises to conduct any periodic inspection in accordance with Section 1.6.15;

5.2.2.11 you fail to maintain the highest rating possible for the Franchised Business in accordance with the terms of Section 1.6.5, or you fail to notify us as required under Section 1.6.5, or you fail to correct in a timely manner any condition described in any inspection report or any warning, citation, certificate or notice relating to the Franchised Business;

5.2.2.12 a threat or danger to public health or safety results from the construction or maintenance of the Shop Premises or from the operation of the Franchised Business, or you violate any health, safety or sanitation law, ordinance or regulation and do not begin to correct such noncompliance or violation immediately, and completely correct such noncompliance or violation within 72 hours after written notice of such threat, danger, noncompliance or violation is delivered to you;

5.2.2.13 you fail to remove any objectionable content posted to a social media website within 12 hours after we request you to remove it pursuant to Section 1.7.12;

5.2.2.14 you knowingly maintain false books or records or submit to us a report that understates the Gross Sales of the Franchised Business three or more times during the term of this Agreement or by more than five percent on any one occasion;

5.2.2.15 you fail for a period of 15 days after notification by appropriate authority to comply with any other law or regulation applicable to the operation of the Franchised Business;

5.2.2.16 you or any of your company's owners effect or attempt to effect a Transfer without our approval and contrary to the provisions of Article IV;

5.2.2.17 you fail to meet the requirements of Section 1.6.11 including demonstrating full PCI/DSS compliance through means that we request in our reasonable discretion;

5.2.2.18 in the event of your death or disability or the death or disability of an owner of your company, this Agreement or such owner's interest is not assigned as required by Article IV;

5.2.2.19 you or any of your company's owners are or have been convicted of, or plead or have pleaded guilty or no contest to, a felony or any other crime or offense, or engage in any dishonest, deceptive or unethical conduct that may, in our opinion, adversely affect the reputation of the Franchised Business, other Dessert Mango Mango Restaurants or the goodwill associated with the Marks;

5.2.2.20 you fail to operate the Franchised Business for three consecutive business days, unless the Franchised Business has been closed for a purpose we have approved or because of casualty;

5.2.2.21 you fail to pay when due any federal or state income, service, sales, withholding or other taxes due in connection with the operation of the Franchised Business, unless you are contesting your liability for such taxes in good faith or you have received an extension from the applicable government agency of the time within which to make such payments;

5.2.2.22 you commit two or more defaults under this Agreement in any period of 12 consecutive months, whether or not each such default has been cured after notice was delivered to you;

5.2.2.23 your assets, property or interests or those of any of your owners are blocked under any law, rule or regulation relating to terrorist activities;

5.2.2.24 you become insolvent or make a general assignment for the benefit of creditors; or, unless prohibited by law, if a petition in bankruptcy is filed by you or filed against and consented to by you or not dismissed within 30 days; or if a proceeding for the appointment of a receiver or other custodian of your company, business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of all or any part of your business or assets is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement); or if execution is levied against your property or business; or if suit to foreclose any lien or mortgage against the Shop Premises or equipment of the Franchised Business developed hereunder is instituted against you and not dismissed within 30 days; or if the real or personal property of any restaurant developed under this Agreement is levied and sold at public auction by a sheriff or marshal; or if your company is dissolved;

5.2.2.25 you or any of your affiliates default under any financing agreement or arrangement with any party advancing funds to you in connection with the operation of the Franchised Business or the operation of another business under a franchise agreement with us; or

5.2.2.26 any other Dessert Mango Mango franchise agreement now or hereafter in effect between us and you or any of your affiliates is terminated due to a breach by you or your affiliate.

5.2.3 *Termination After Cure Period.* Except as set forth in Section 5.2.2, you will have 30 days after receipt of written notice from us of a material default in which to remedy the default and provide evidence of that remedy to us. If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing.

5.2.4 *Relationship Laws.* Notwithstanding the provisions described in this Section 5.2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth in this Agreement, this Section 5.2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such law or regulation. We will not however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement.

Section 5.3 - ***Consequences of Termination***

5.3.1 *General Consequences.* Upon the expiration of this Agreement or its termination for any reason:

5.3.1.1 all rights and licenses granted to you under this Agreement will immediately terminate;

5.3.1.2 you will remit to us, within 15 days of such expiration or termination, or on such later date that the amounts due to us are determined, such Royalties and Brand Development Fund Fees, amounts owed for purchases from us, interest due and all other amounts owed to us that are then unpaid, and you will submit to us any reports and other information you may be required to submit to us with respect to the operation of the Franchised Business up to the date of expiration or termination;

5.3.1.3 you will deliver to us, within 15 days of such expiration or termination, a complete list of all customers in your possession or under your control, current as of the effective date of termination or expiration, including the name, address, telephone number and email address of each customer;

5.3.1.4 you will cease to use the Marks in any way, cease referring to or identifying yourself as a Dessert Mango Mango franchisee and remove all such identifying materials from the Shop Premises, unless we instruct you otherwise;

5.3.1.5 you will take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or domain name registrations relating to your use of any Marks;

5.3.1.6 you will promptly return to us or deliver to us or otherwise dispose of as we may instruct, the Manual, and all supplemental materials, amendments, revisions and copies of the Manual (including copies stored electronically), as well as all other Confidential Information and all copies of such information in your possession or under your control, and all printed materials containing any Mark, and you will remove and destroy all copies from your computers and other

electronic storage media, and you will allow us, without liability to you or to third parties, to remove all such items from the Franchised Business; and

5.3.1.7 you will assign to us or our designee all of your right, title and interest in and to your telephone numbers, websites, domain names and meta tags associated with the Mark (the “Listings”) and you will notify the telephone company and all listing agencies of the termination or expiration of your right to use any of the Listings, and that you authorize the transfer of the Listings to us or our designee.

5.3.2 *Right to Purchase Assets.* Upon the expiration of this Agreement or its termination for any reason, if we elect not to offer or you elect not to accept, a successor franchise, we will have the right, but not the obligation, to purchase some or all of the assets of the Franchised Business, including any furnishings, fixtures, equipment, signs, inventory, supplies and marketing materials and all other items, including the leasehold rights (subject to any rights of approval retained by the owner of the Shop Premises) to or ownership of the Shop Premises. The purchase price for such assets will be their fair market value as agreed by you and us or, if we are unable to agree, as determined in the manner described in Section 5.3.4. Before exercising our purchase right under this section, we will have the right to enter the Shop Premises during reasonable hours to inspect the assets. If we elect to exercise our purchase right under this section, we will give you written notice of our intent to do so within 30 days after the expiration or termination of this Agreement. We will have the right to offset all amounts you owe to us or our affiliates against any payment due to you under this section. We have the unrestricted right to assign this option to purchase the Franchised Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. This provision will also apply in the event of death or disability under Section 4.2.6.

5.3.3 *Leasehold Rights.* If we exercise our right to assume your lease, you agree at our election, (i) to assign your leasehold interest in the Shop Premises to us or (ii) if you are unable to assign your leasehold interest, to enter into a sublease at a fair market rental for the remainder of the lease term on the same terms (including renewal option) as the prime lease; or (iii) if you own the Shop Premises, to lease the premises to us at a reasonable commercial rent and according to terms comparable with rental terms for similar leased property in the marketplace where the Site is located.

5.3.4 *Purchase Price and Closing.* If we exercise our right to purchase substantially all of the assets of the Franchised Business:

5.3.4.1 the purchase price will be the fair market value of the assets of the Franchised Business, determined in a manner consistent with reasonable depreciation of the leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies. The fair market value of the Franchised Business will include the goodwill you have developed in the market that is independent of the goodwill of the Marks and the franchise system. The length of the remaining term of the lease or sublease of the Shop Premises, if any, and the age and condition of the improvements, equipment, fixtures, furnishings, décor and signs will also be considered in determining the fair market value. We may exclude from the assets purchased cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate to the operation of the Franchised Business or that we have not approved as meeting our standards, and the purchase price will reflect such exclusions.

5.3.4.2 If we and you are unable to agree on the fair market value of the assets of the Franchised Business or the Site, or the fair rental value of the Shop Premises, such fair market value or fair rental value will be determined by one independent appraiser agreed to by you and us. If we fail to agree on an appraiser within 30 days after our notice to you of our intent to purchase

such assets, then each party will name its own reputable appraiser within seven days thereafter, and the average of their determinations will be binding. If one appraiser is chosen, then the parties will share the cost of the appraiser equally. If two appraisers are used, each party will pay its own appraisal fees. You and we will instruct the appraiser or appraisers to complete their appraisal within 30 days after their appointment.

5.3.4.3 The closing of the purchase described in this section will take place not later than 90 days after the determination of the purchase price. We will pay the purchase price at the closing, but we have the right to set off against the purchase price any and all amounts you or your company's owners owe to us. At the closing, you agree to deliver instruments transferring to us (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and other transfer taxes paid by you; (ii) all licenses and permits of the Franchised Business that are assignable; and (iii) a leasehold interest in (or unencumbered title to) the Shop Premises and the improvements to such premises.

5.3.5 *Liquidated Damages.* The following provisions will apply if this Agreement is terminated before it expires pursuant to Section 5.2.1, 5.2.2 or 5.2.3 and we do not exercise our right to purchase substantially all of the assets of the Franchised Business pursuant to Section 5.3.4:

5.3.5.1 You agree that your termination of this Agreement before it expires pursuant to Section 5.2.1, or our termination based on your material breach pursuant to Section 5.2.2 or 5.2.3, will deprive us of the benefit of the bargain we are entitled to receive under this Agreement. As a result, if this Agreement is terminated after the Franchised Business opens, you must pay us, as liquidated damages and not as a penalty, a lump-sum equal to the average monthly Royalty you owed us during the 24 months before the termination date multiplied by the lesser of 36 or the number of months in the remainder of the term. If less than 24 months have lapsed between the date the Franchised Business opened and the effective date of termination, the liquidated damages will be the average monthly Royalty during the time between the opening date and the termination date, multiplied by 36 or such lesser number of months that remain in the term. If the termination occurs before the opening date, you will forfeit the initial fee paid and you will not owe us any liquidated damages.

5.3.5.2 You will pay all amounts stated in Section 5.3.5.1 within 30 days after the effective date of termination of this Agreement. You agree, and you direct any party construing this Agreement to conclusively presume, that the damages stated in Section 5.3.5.1: (i) are true liquidated damages; (ii) are intended to compensate us for the harm we will suffer; (iii) are not a penalty; (iv) are a reasonable estimate of our probable loss resulting from your default, viewed as of the termination date; and (v) will be in addition to all other rights we have to obtain legal or equitable relief.

ARTICLE VI - REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

Section 6.1 - *Representations and Warranties*

6.1.1 *Your Representations.* You represent and warrant as follows:

6.1.1.1 ALL STATEMENTS YOU HAVE MADE AND ALL MATERIALS YOU HAVE SUBMITTED TO US IN CONNECTION WITH YOUR APPLICATION FOR AND PURCHASE OF THE FRANCHISE ARE ACCURATE AND COMPLETE AND, IN THAT CONNECTION, YOU HAVE MADE NO MISREPRESENTATIONS TO US OR OMITTED DISCLOSING ANY MATERIAL INFORMATION TO US.

6.1.1.2 YOU ARE UNDER NO OBLIGATION OR RESTRICTION, NOR WILL YOU ASSUME ANY OBLIGATION OR RESTRICTION, THAT WOULD IN ANY WAY INTERFERE OR BE INCONSISTENT WITH, OR

PRESENT A CONFLICT OF INTEREST CONCERNING, YOUR RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT.

6.1.1.3 SCHEDULE A COMPLETELY AND ACCURATELY DESCRIBES ALL OF YOUR COMPANY'S OWNERS, DIRECTORS, OFFICERS, MEMBERS, PARTNERS AND MANAGERS AND THEIR OWNERSHIP INTERESTS AND MANAGEMENT POSITIONS IN YOUR COMPANY.

6.1.1.4 YOUR COMPANY HAS THE POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT AND TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT AND IS NOT RESTRICTED FROM DOING SO BY ANY AGREEMENT WITH ANY OTHER PARTY, AND THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF YOUR COMPANY HAS THE POWER AND AUTHORITY TO BIND YOUR COMPANY.

6.1.2 *Your Compliance with Laws.* You represent and warrant that neither you nor any person holding any ownership interest in your company or a company controlled by or under common control with your company, (i) is identified on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control, (ii) is designated under Executive Order 13224 as a person with whom we may not transact business, (iii) is affiliated with or supports any individual or entity engaged in, contemplating or supporting terrorist activity, or (iv) has violated any law prohibiting corrupt business practices or money laundering.

Section 6.2 - ***Indemnification***

6.2.1 *Your Indemnity.* You will indemnify and hold us and our affiliates, and the members, managers, stockholders, directors, officers, employees and agents of our company and our affiliates (the "Franchisor Indemnified Parties"), harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to: (i) the failure, or alleged failure, of any of your representations, warranties or covenants set forth in this Agreement, (ii) any act or omission, or alleged act or omission, of yours or anyone associated with or employed by or affiliated with you, except as described in Section 6.2.2 or (iii) any other third party claims against the Franchised Business or against the Franchisor Indemnified Parties concerning the Franchised Business. We will have the right to participate in the defense, with counsel of our own choice, of any action that may give rise to your obligation to indemnify the Franchisor Indemnified Parties, and to reject any settlement that might adversely affect us or any other Franchisor Indemnified Parties. We will have the right to seek reimbursement from you of any costs, including legal fees and costs, incurred by us as the result of the foregoing, as well reimbursement for amounts paid by us in connection with any settlement or judgment relating to such claims.

6.2.2 *Our Indemnity.* We will defend and indemnify and hold you and your affiliates, and the members, managers, stockholders, directors, officers, employees and agents of your company and its affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to: (i) your use of the Marks or any copyrights or design patents owned by us or our affiliate in full compliance with the terms and conditions of this Agreement; or (ii) advertising or promotion carried out by us or by agencies or media engaged by us relating to the Dessert Mango Mango brand, provided that you have timely notified us of each such claim or proceeding, have given us sole control of the defense and settlement, and have otherwise complied with this Agreement.

6.2.3 *Notice of Claim; Survival.* Each party will give the other notice of any claim that may require indemnification promptly after such party learns of such claim. The rights and obligations of the parties under this Section 6.2 will survive the expiration or termination of this Agreement.

Section 6.3 – ***Insurance***

6.3.1 ***Insuring the Franchised Business.*** During the term of this Agreement and any renewal, you will obtain and maintain, at your own expense, an insurance policy or policies protecting you against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring upon or in connection with the operation of the Franchised Business. Such policy or policies must

6.3.1.1 be written by an insurer licensed and admitted to write coverage the state in which the Franchised Business is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide;

6.3.1.2 be primary coverage without right of contribution from any general liability policy or auto liability policy or from any insurance of ours;

6.3.1.3 name Mango Franchise USA LLC as additional insured;

6.3.1.4 be provided on an Additional Insured Grantor of Franchise Endorsement form CG2029 (or an endorsement form with comparable wording acceptable to us; and

6.3.1.5 comply with our written requirements at the time such policies are obtained, and provide at least the types and minimum amounts of coverage specified below or as described in our written notice to you.

Your obligation to obtain and maintain such insurance will not be limited in any way by reason of any insurance that we may maintain.

6.3.2 ***Minimum Coverage.*** The policies referred to in Section 6.3.1 must include at least the following:

6.3.2.1 "all risk" or "special" property insurance covering all real and personal property and equipment on a replacement costs basis, including business interruption and extra expense insurance;

6.3.2.2 comprehensive general liability insurance, including products and completed operations, in an amount of not less than the following combined single limits: \$2,000,000 per occurrence, \$2,000,000 personal and advertising injury, \$2,000,000 completed operations/products aggregate, \$2,000,000 aggregate per location;

6.3.2.3 employment practices liability coverage with a limited \$100,000 per occurrence and in the aggregate;

6.3.2.4 automobile liability coverage, including coverage of owned, non-owned, rented or hired vehicles with coverage in amounts not less than \$1,000,000 combined single limit; and

6.3.2.5 workers' compensation insurance for statutory limits and employer's liability insurance in an amount not less than \$1,000,000.

6.3.3 ***Waiver of Subrogation.*** You and your insurers must agree to waive their rights of subrogation against us in connection with any and all insurance that you are required to maintain under this Section 6.3.

6.3.4 ***Changes in Coverage Requirements.*** Each year we may unilaterally modify the insurance minimum coverage requirements by delivery to you of written notice of the change, which may include an

increase to the minimum coverage requirements to reflect changes in inflation or as market conditions warrant.

6.3.5 **Negligence.** All public liability and property damage policies must contain a provision that Mango Franchise USA LLC, although named as additional insured, will nevertheless be entitled to recover under such policies on any loss occasioned to any such company by reason of your negligence.

6.3.6 **Certificates of Insurance.** At least ten days before you are first required to carry insurance, and thereafter at least thirty days before the expiration of any policy, you will deliver to us a certificate of insurance evidencing your compliance with this Section 6.3. Each certificate of insurance must expressly provide that we must receive at least thirty days' prior written notice in the event of material alteration to or cancellation or non-renewal of any coverage evidenced by the certificate.

6.3.7 **Our Remedies.** If you fail to obtain or maintain the required insurance in accordance with this Section 6.3, we or our designee will each have the right and authority (but not the obligation) to obtain such insurance on your behalf. Such right will be in addition to and not in lieu of any other rights or remedies available to us. If we obtain such insurance on your behalf, we may require you to pay us the charges described in Section 2.1.7.2.

6.3.8 **No Effect on Indemnity.** Nothing in this Section 6.3 will relieve you of liability under the indemnity provisions in Section 6.2.

ARTICLE VII - MISCELLANEOUS

Section 7.1 – **Relationship of the Parties.** You are an independent contractor and not an agent of ours. You will have no power or authority to make any commitment or enter into any contract or agreement obligating or purporting to obligate us, and you will not hold yourself out as having such power or authority. Nothing in this Agreement imposes a fiduciary duty upon us. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, your employees and others as the owner of an independent business under a franchise from us and to place such notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we require from time to time.

Section 7.2 – **Reasonable Business Judgment.** You acknowledge that the long-term interests of the network of Dessert Mango Mango Restaurants, and our company and its owners, taken together, require that we have the latitude to make business decisions with respect to the franchise system. The ultimate responsibility to make decisions with respect to the franchise system and the System Standards is vested in us because we, you and all Dessert Mango Mango franchisees have a collective interest in working within a franchise system that can quickly adjust to changing business conditions, including changes in the competitive environment, new laws and regulations, and emerging business opportunities. We have this right even if, at times, a particular decision adversely affects you. We will not be required to consider your particular economic or other circumstances or to disregard our own economic or other business interest when making decisions under this Agreement.

Section 7.3 – **Injunctive Relief.** You understand that your covenants set forth in Article III constitute essential elements of this Agreement. If you fail to comply strictly with any such covenants, we will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against you in a court of competent jurisdiction.

Section 7.4 – **Severability.** If any restrictive covenant in this Agreement is held to be invalid or unenforceable because its duration is too long or its scope is too broad, you and we agree that the court making such determination will have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable. Each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement

is prohibited by or invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision as long as the resulting provision remains consistent with the parties' original intent. If it is impossible to so modify the provision, such provision will be deleted from this Agreement. If any provision of this Agreement is declared invalid by a court of competent jurisdiction for any reason, the parties will continue to be bound by the remainder of this Agreement; provided, that if any provision of the Agreement that we, in our sole discretion, determine to be material, is declared invalid by a court of competent jurisdiction, we reserve the right to terminate this Agreement.

Section 7.5 – No Waiver of Rights. No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

Section 7.6 – Notices. All notices, requests, consents and other communications required or permitted by this Agreement (except oral or email notices for the purchase or sale of unauthorized products under Sections 1.1.4, 1.3.4 or 1.6.15) will be in writing and will be delivered by hand, overnight delivery service, or registered or certified first class mail, to the following address, or such other address as either party, by like notice, designates with respect to its own address:

If to us: Mango Franchise USA LLC
73-31 57th Avenue
Maspeth, NY 11378

If to you: The address indicated in Schedule A either in the
manner described above in this Section 7.6 or by
email or other method indicated in Schedule A
which shall include electronic confirmation of de-
livery.

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address.

Section 7.7 – Affiliates. As used in this Agreement, the term “affiliate” of party means a company directly or indirectly controlling, controlled by or under common control with such party. “Control” of another company, as used in this Agreement, means the ownership of or the power to vote, directly or indirectly through majority-owned companies, more than 50% of the voting stock or voting rights of such other company.

Section 7.8 – Limitation of Actions. Except as otherwise stated in this Section 7.8, any and all claims and actions arising out of or relating to this Agreement brought by either party against the other must be brought or asserted before the expiration of the earlier of (i) the time period for bringing an action under any applicable statute of limitations; (ii) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to the claim; or (iii) two years after the first act or omission giving rise to the alleged claim. Claims and actions not brought within such time period will be irrevocably barred. Claims by us of your underreporting of sales, claims for your failure to pay monies owed or for indemnification, and claims for your infringement of any Marks will be subject only to the applicable statute of limitations.

Section 7.9 – Waiver of Punitive Damages and Jury Trial. Except for your obligation to indemnify us for third party claims under Section 6.2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party, and we and you agree that any recovery in a dispute between us will be limited to equitable relief and to the recovery of actual

damages sustained. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim brought by either of us.

Section 7.10 – **No Class Actions.** Any litigation and any arbitration will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. No such proceeding will be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties.

Section 7.11 – **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York, without regard to New York's conflict of laws principles; but nothing in this Agreement will be deemed to extend the application of the New York Franchise Act to the sale of franchises outside of the State of New York.

Section 7.12 – **Jurisdiction and Venue.** You irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in the city in which our principal office is located at the time suit is filed (or a city within 25 miles of such office). If we assign or otherwise transfer this Agreement, all legal actions between the parties will be venued exclusively in a state or federal court in the judicial district in which the assignee's or transferee's principal offices are located at the time the suit is filed. You hereby waive, to the full extent permitted by law, defenses based on jurisdiction, venue and forum *non conveniens*. You further consent to service of process in any action by registered mail, return receipt requested, or by any other means permitted by law.

Section 7.13 – **Costs and Expenses.** In any legal action arising out of or pursuant to this Agreement or otherwise in connection with the relationship between us, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees). Attorneys' fees include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred in preparation for or in contemplation of the filing of a written demand or claim, or in the course of an action, hearing or proceeding to enforce the obligations of the parties under this Agreement.

Section 7.14 – **Renewal Release.** If this Agreement is a renewal of a prior agreement that has expired or is about to expire or a replacement of an earlier agreement between you and us, then you hereby release, discharge and hold harmless us and our past and present affiliated companies, successors, assignees and each of our and their past and present members, managers, directors, officers employees, agents, attorneys, owners, shareholders, partners, designees and representatives, from any and all debts, losses, damages, expenses, claims, demands, actions, causes of action, liabilities, costs or obligations arising from or in any way connected with the operation of your franchise up to the date of this Agreement, which you may have had, now have or may hereafter discover, whether known or unknown, foreseen or unforeseen, to the extent permitted by law.

Section 7.15 – **Entire Agreement.** This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties.

The parties have signed this Agreement on the dates set forth below, with effect as of the date stated in the opening paragraph of this Agreement.

MANGO FRANCHISE USA LLC

[Franchisee]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

SCHEDULE A

FRANCHISEE INFORMATION

See Sections 1.1.1, 1.1.2, 1.1.7, 1.5.1, 5.1.1, 6.1.1.7 and 7.6 of the Franchise Agreement

1. Approved location (the Site): _____
2. Territory: _____
3. Agreement expiration date: _____
4. Initial fee: _____
5. Managing Owner: _____
Operating Manager: _____
6. Type of shop (indicate one): Standard Unit _____
 Non-Traditional Unit _____
7. Address for notices: _____
[Cannot be a post office box address]
8. Ownership and management of the franchisee.

The franchisee is a _____ [state] _____ [limited liability company] [corporation].

The following persons are the [members and managers] [shareholders, officers and directors] of the franchisee:

<i>Name and Home Address</i>	<i>Positions</i>	<i>Percentage Ownership</i>

DESSERT MANGO MANGO

Guaranty and Assumption of Obligations

In order to induce MANGO FRANCHISE USA LLC, a New York limited liability company (the "Franchisor"), to enter into a Dessert Mango Mango franchise agreement dated as of _____ (the "Franchise Agreement") with _____, a _____ (the "Franchisee") for a Dessert Mango Mango Restaurant located at _____, each of the undersigned persons (the "Guarantors"), jointly, individually and severally, hereby agree as follows:

1. **Guaranty of Payment**

1.1 *Personal Guaranty.* Each Guarantor personally and unconditionally guarantees to the Franchisor and the Franchisor's successors and assigns the due, punctual and complete payment of all amounts that the Franchisee is obligated to pay to the Franchisor under the Franchise Agreement and under any modification of, amendment to or renewal of the Franchise Agreement.

1.2 *Waiver of Defenses.* Each Guarantor waives to the fullest extent permitted by law (a) any defense based upon any (i) legal disability or lack of authority of the Franchisee, (ii) legal or equitable discharge or limitation of the liability of the Franchisee, whether consensual or arising by operation of law, (iii) bankruptcy, insolvency, reorganization or other similar proceeding affecting a Guarantor or the Franchisee, or (iv) invalidity, irregularity or unenforceability of any or all of the provisions of this Guaranty or the Franchise Agreement; (b) presentment, demand, protest or notice of any other kind; (c) notice of acceptance of this Guaranty; (d) other defenses available to a Guarantor under applicable law; and (e) any requirement of diligence on the part of the Franchisor or any right a Guarantor may have to require the Franchisor to proceed first against the Franchisee.

1.3 *Guaranty of Payment.* This is a guaranty of payment and not of collection. The Franchisor may require payment from each Guarantor of any obligation of the Franchisee under the Franchise Agreement and may sue each Guarantor for damages without first seeking or taking any action against the Franchisee.

1.4 *No Modification or Release.* The liability of each Guarantor is unaffected by (a) any modification, amendment, termination or variation in or addition to the Franchise Agreement; (b) any extension of time for performance or any waiver of performance or any delay of the Franchisor in enforcing any right, remedy, power or privilege that the Franchisor may have against the Franchisee or any other person; (c) the release of the Franchisee, in whole or in part, from performance or observance of any of the agreements, covenants, terms or conditions contained in the Franchise Agreement, whether made with or without notice to the Guarantors; or (d) any other guaranty now or hereafter executed by anyone else in connection with the transactions contemplated by the Franchise Agreement.

2. **Proprietary Rights; Confidentiality; Noncompetition**

2.1 *Improvements.* Each Guarantor agrees that if a Guarantor makes an improvement to the Franchisor's business system or method, such improvement will be the property of the Franchisor pursuant to the terms of Section 1.4.3 of the Franchise Agreement and the Guarantor will promptly disclose such improvement to the Franchisee and to the Franchisor with reference to this undertaking. The Guarantor hereby assigns all rights in such improvements to the Franchisor and agrees to sign any documents that the Franchisor may reasonably request from time to time to evidence such assignment.

2.2 *Copyrights and Trademarks.* Each Guarantor acknowledges that the Franchisor's copyrights and trademarks may only be used by the Franchisee in accordance with Section 3.1 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.1 and not to use any of the Franchisor's copyrights or trademarks except on behalf of the

Franchisee in furtherance of the Franchisee's business, and each Guarantor agrees that any such use will be in compliance with the Franchisee's obligations under the Franchise Agreement as if the Guarantor were the Franchisee under the Franchise Agreement.

2.3 Confidentiality. Each Guarantor acknowledges the Franchisee's obligations of confidentiality under Section 3.2 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Section 3.2 and not to disclose or use any Confidential Information (as defined in Section 3.2.1 of the Franchise Agreement) except on behalf of the Franchisee in furtherance of the Franchisee's business in compliance with the Franchisee's obligations under the Franchise Agreement, and only to the extent that the Franchisee is permitted under the Franchise Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, each Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor's possession or under the Guarantor's control, and the Guarantor will destroy all copies on the Guarantor's computers, disks and other digital storage devices.

2.4 Noncompetition. Each Guarantor acknowledges the Franchisee's obligations under Section 3.3 of the Franchise Agreement not to compete with the Franchisor. Each Guarantor personally agrees to comply with and be bound by all of the Franchisee's obligations under Section 3.3 to the same extent that the Franchisee is bound by the obligations of Section 3.3, both during and after the term of the Franchise Agreement.

2.5 Remedies. If any Guarantor fails to comply strictly with any of the undertakings in Sections 2.1 through 2.4, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction. In the event this Guaranty and Assumption of Obligations is placed in the hands of an attorney for enforcement and the Franchisor is the prevailing party, the Guarantors will reimburse the Franchisor for all reasonable expenses incurred in the enforcement of the Franchisor's rights, including reasonable attorneys' fees and expenses.

3. Transfer

3.1 Transfer by the Franchisor. If the Franchisor transfers its rights and obligations under the Franchise Agreement pursuant to Section 4.1 of the Franchise Agreement, this Guaranty will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Guaranty vis-a-vis the Guarantors, and the obligations of the Guarantors will then accrue to the benefit of the transferee.

3.2 Transfer by the Franchisee. Each Guarantor acknowledges the Franchisee's transfer restrictions under Sections 4.2 and 4.3 of the Franchise Agreement. Each Guarantor personally agrees to comply with all of the Franchisee's obligations under Sections 4.2 and 4.3.

4. Miscellaneous

4.1 Waiver. No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

4.2 Governing Law. This Guaranty and Assumption of Obligations will be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York, without regard to that state's conflict of laws principles; but nothing in this Agreement will be deemed to extend the application of the New York Franchise Act to the sale of franchises outside of the State of New York.

4.3 Severability. In the event that any one or more provisions of this Guaranty and Assumption of Obligations are deemed unenforceable or void, the remaining provisions will continue to be valid and enforceable.

4.4 *Amendments*. This Guaranty and Assumption of Obligations may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment.

IN WITNESS WHEREOF, each Guarantor has signed this Guaranty as of the date of the Franchise Agreement.

[Insert name and home address
of the Guarantor below the line]

[Insert name and home address
of the Guarantor below the line]

Acknowledged and agreed:

MANGO FRANCHISE USA LLC

By _____

Title _____

Date _____



MANGO FRANCHISE USA LLC

MULTI-UNIT AGREEMENT

DEVELOPER:

TERRITORY:

DATE OF AGREEMENT:

MANGO FRANCHISE USA LLC

MULTI-UNIT AGREEMENT

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MANGO FRANCHISE USA LLC

MULTI-UNIT AGREEMENT

AGREEMENT effective as of _____, between MANGO FRANCHISE USA LLC, a New York limited liability company (referred to in this Agreement as “we” or “us”), and _____, a _____ [if entity, indicate type and state of formation] (referred to in this Agreement as “you” or “your company” or “Developer”).

We and our affiliated companies have developed an integrated system (the “System”) for the operation of fast casual Hong Kong inspired dessert shops serving freshly prepared Asian American fusion desserts featuring mango, fresh fruit bowls, cakes, juices, teas, and more (the “Dessert Mango Mango Restaurants”). Dessert Mango Mango Restaurants operate under the trademark DESSERT MANGO MANGO and other trademarks described in our franchise disclosure document, and we may create, use and license additional trademarks or substitute different trademarks in the future in conjunction with the operation of Dessert Mango Mango Restaurants (collectively, the “Marks”).

You desire to open and operate an agreed number of Dessert Mango Mango Restaurants in an agreed geographic area under an agreed timetable, and we desire to grant to you the right to do so on the terms and conditions set forth below.

Accordingly, you and we agree as follows:

ARTICLE I – GRANT OF RIGHTS TO YOU

Section 1.1 – **Grant of Rights.** We grant to you the right, and you undertake the obligation, under the terms and conditions contained in this Agreement, to open and operate Dessert Mango Mango Restaurants in the geographic area described in Schedule A (the “Territory”) in accordance with the development schedule contained in Schedule B (the “Development Schedule”). The rights granted by this Agreement are limited to the Territory. This Agreement does not confer any rights outside of the Territory.

Section 1.2 – **Development Schedule.** You agree to develop a total either four or five separate Mango Mango franchise agreements in the Territory in accordance with the Development Schedule. You agree to open or arrange for the opening of subsequent Dessert Mango Mango Restaurants in accordance with the Development Schedule. In this connection, you acknowledge that time is of the essence.

Section 1.3 – **Franchise Agreements.** Before you begin to develop any Dessert Mango Mango Restaurant under this Agreement, you or your Designated Affiliate will enter into our then-current standard form of franchise agreement setting forth the terms and conditions under which you or your Designated Affiliate will open and operate that restaurant. This standard form for the agreements following the first agreement may vary from the form we currently use. You will sign the first such agreement simultaneously with your signing of this Agreement.

Section 1.4 – **Designated Affiliates.** At your request, we will permit each franchise agreement for any Dessert Mango Mango Restaurant in the Territory within the scope of this Agreement to be executed by an entity formed by you to develop and operate the Dessert Mango Mango Restaurant (“Designated Affiliate”), provided that all of the following conditions are met: (a) you or your owners have management control of the Designated Affiliate; (b) you or your owners own (i) more than 50% of the voting securities of an Affiliate that is a corporation, (ii) more than a 50% membership interest in an Affiliate that is a limited liability company, or (iii) all of the general partnership interests of an Affiliate that is a partnership; (c) the Affiliate conducts no business other than the operation of the Dessert Mango Mango Restaurant; (d) you and your owners agree to assume full and unconditional liability for, and agree to perform all obligations

contained in the franchise agreement; and (e) all owners of the entity possess a good moral character, as determined by us, and you provide us all reasonably requested information to permit us to make such a determination.

Section 1.5 – **Exclusivity**. Because we reserve certain rights in the Territory as described in Section 1.8, your rights in the Territory are not exclusive. However, except as provided in Section 1.8 and unless we have modified your rights in accordance with Section 5.3.2, during the term of this Agreement, neither we nor any of our affiliates will (a) open or operate a Dessert Mango Mango Restaurant in the Territory, or (b) grant to any other person or entity the right to open or operate a Dessert Mango Mango Restaurant located in the Territory or the right to grant franchises to open and operate Dessert Mango Mango Restaurants located in the Territory.

Section 1.6 – **No Trademark License**. This grant of multi-unit rights is not a trademark license. This Agreement by itself does not permit you to own or operate a Dessert Mango Mango Restaurant. The right to own and operate a Dessert Mango Mango Restaurant is only granted pursuant to a signed franchise agreement. This Agreement also does not give you the right to offer, sell or negotiate the sale of Dessert Mango Mango franchises to any third party.

Section 1.7 – **Business Entity**. If you are a business entity, or if this Agreement is assigned to a business entity, such entity will conduct no business other than the business contemplated by this Agreement and under any executed franchise agreement. All owners of such business entity will represent and warrant their percentage ownership interest in the entity. The articles of incorporation, articles of organization, partnership agreement and other organizational documents of such business entity shall recite that the issuance and transfer of any interest in such entity is subject to the restrictions set forth in this Agreement. All issued and outstanding stock, share or membership certificates, if any, of such entity shall bear a legend referring to the restrictions in this Agreement. You will not conduct any public offering of such entity's securities unless we consent in writing to such offering.

Section 1.8 – **Rights We Reserve**. We retain all rights not specifically granted to you under this Agreement. These rights include the right:

1.8.1 to establish Dessert Mango Mango Restaurants, whether franchised or company owned, anywhere outside the Territory;

1.8.2 to establish Dessert Mango Mango Restaurants in non-traditional venues such as airports, hotels and resorts, military installations, school and university campuses, casinos, theme parks and sports stadiums and enclosed shopping malls, within or outside the Territory (but not in a non-traditional venue in which a Dessert Mango Mango Restaurant of yours is located);

1.8.3 to sell any products, including Asian American fusion desserts featuring mango, fresh fruit bowls, cakes, juices, teas, and more, under the Marks and any other trademarks to grocery stores, supermarkets or other channels of distribution at any time, and directly to customers anywhere through our website; and

1.8.4 to acquire and operate any business under a different trademark at any location and to continue to operate that business under trademarks other than the Marks.

Section 1.9 – **Personal Undertaking**. Our grant of rights under this Agreement is made in reliance on the personal attributes of your company's owners and managers named in Schedule C. If your company is a legal entity such as a corporation or limited liability company rather than a sole proprietorship or general partnership, then our grant of rights under this Agreement is made on the condition that each person who now or later owns or acquires, either legally or beneficially, any equity or voting interest in your company (the "Guarantor" or "Guarantors") must execute and deliver to us a personal guaranty of the obligations of

your companies that enter into franchise agreements pursuant to this multi-unit agreement. We may require the spouse of any or all Guarantors to sign the Guaranty in our discretion. Transfers of interest are restricted in accordance with Article VI. Upon our request at any time, you will furnish us with a list of all holders of legal and beneficial interests in your company, together with descriptions of the type of interests owned and the percentage ownership, and the names, addresses and telephone numbers of the owners, certified as correct in the manner we specify. If any of your company's general partners, managers, officers or directors ceases to serve as such or if any new person becomes a general partner, manager, officer or director after the date of this Agreement, you will notify us of such change within 10 days. Any breach of a Guaranty will be deemed to be a breach of this Agreement.

ARTICLE II – FEES

Section 2.1 – **Development Fee.** You will pay us a development fee (the “Development Fee”) at the time that you sign this Agreement. The amount of the Development Fee is \$100,000 for four franchises and \$125,000 for five franchises. This fee is payable in full by certified check or wire transfer upon your execution of this Agreement.

Section 2.2 – **No Initial Franchise Fee.** For each of the four or five unit franchise agreements that you sign with us pursuant to this Agreement we will waive the initial franchise fee provided that you are in compliance with the terms of this Agreement.

Section 2.3 – **No Refunds.** The Development Fee is fully earned when received by us and is not refundable under any circumstances. It compensates us for our expenses and administrative costs, and for our lost or deferred opportunity to grant rights to others for the Territory.

ARTICLE III – CONFIDENTIALITY; NONCOMPETITION

Section 3.1 – **Confidentiality of Our Information**

3.1.1 **Confidential Information.** We possess and will continue to develop and acquire certain confidential information relating to the development and operation of Dessert Mango Mango Restaurants (“Confidential Information”). Confidential Information means information that is not generally available to the public and that has commercial value to us or to the Franchised Business, or that is personally identifiable information of customers. Confidential Information includes, without limitation:

3.1.1.1 product recipes, mixes and formulas;

3.1.1.2 the contents of our operating manuals;

3.1.1.3 the content of our training and assistance;

3.1.1.4 site selection criteria;

3.1.1.5 sales and marketing techniques;

3.1.1.6 customer lists;

3.1.1.7 planned advertising and marketing programs;

3.1.1.8 current, past and planned research, development and test programs for products, services and operations;

3.1.1.9 specifications for and suppliers of certain equipment, fixtures, furnishings, signs, materials and supplies;

3.1.1.10 the operating results and financial performance of Dessert Mango Mango Restaurants other than those owned by you or your affiliates;

3.1.1.11 the videos and images recorded by the surveillance system (except to the extent necessary to prove wrongful acts);

3.1.1.12 user names and passwords allowing access to protected areas on our website or computer network; and

3.1.1.13 all improvements and modifications to the franchise system developed by you or your personnel.

You acknowledge and agree that you will not acquire any interest in any Confidential Information other than the right to use Confidential Information disclosed to you to enable you to operate your franchise business during the term of this Agreement.

3.1.2 *Nondisclosure and Non-Use.* At all times both during the term and after the expiration or termination of this Agreement, (i) you will keep all Confidential Information in the strictest confidence and you will not disclose any Confidential Information to any person other than your owners and managers who have signed and delivered to us the Guaranty or your employees, agents or representatives who have a legitimate need to know such information and who are informed of this obligation of confidentiality and have signed a comparable written agreement with your company, and (ii) you will not use any Confidential Information except for the purpose of fulfilling your obligations under this Agreement. You will immediately notify us upon discovering any loss or unauthorized disclosure by any of your owners, managers, employees, contractors, agents or representatives of any Confidential Information.

3.1.3 *Isolated Disclosures.* Notwithstanding the foregoing, we will not deem you to be in default of this Agreement as a result of isolated incidents of disclosure of Confidential Information by an employee other than an owner, provided that you have taken reasonable steps to prevent such disclosure, including but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of such Confidential information.

3.1.4 *Exceptions.* The obligations of confidentiality and non-use described above will not apply to information that: (i) you can clearly show was known to you on a non-confidential basis prior to its disclosure to you by us; (ii) is or becomes generally known among Competitive Businesses (as defined in Section 3.2.1 in the Territory other than through disclosure by you or any of your employees, contractors, agents or representatives; or (iii) you can clearly show was received by you on a nonconfidential basis from a third party that is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation.

3.1.5 *Disclosures Required by Law.* In the event that you become legally compelled to disclose any Confidential Information, you will (i) promptly notify us that such information is required to be disclosed, (ii) use your best efforts to obtain legally binding assurance that all those who receive disclosure of such information are bound by an obligation of confidentiality, and (iii) disclose only that portion of the Confidential Information that your legal counsel advises is legally required to be disclosed.

3.1.6 *Return of Information.* Upon our request, you will promptly return to us all Confidential Information and all copies thereof in your possession or under your control, and you will destroy all copies thereof on your computers, disks and other digital storage devices.

Section 3.2 – **Noncompetition**

3.2.1 Definition of Competitive Business. As used in this Agreement, the term “Competitive Business” means any business that sells, or grants franchises or licenses to others to operate, a dessert restaurant serves, freshly prepared Asian American fusion desserts featuring mango, fresh fruit bowls, dessert cakes, juices, teas, and related menu items to consumers for on-site consumption or carry-out or delivery that derives 5% or more of its revenues from such sales (other than a Dessert Mango Mango Restaurant operated under a franchise agreement with us or our affiliate). The restrictions of this section will not apply to the ownership, solely as an investment, of publicly traded securities that constitute less than 1% of a class of ownership interests of the issuing company.

3.2.2 Agreement Not to Compete. You agree that during the term of this Agreement (and thereafter pursuant to Section 3.2.3), you will not, directly or indirectly (through one of your company’s affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect interest in a Competitive Business located or operating anywhere in the U.S. or in any other country in which a Dessert Mango Mango Restaurant operates; (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located or operating; or (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner.

3.2.3 Noncompetition After Termination. Upon the expiration and nonrenewal of this Agreement, your termination of this Agreement without cause, our termination of this Agreement in accordance with its terms and conditions, or your transfer in accordance with Article IV, you and your company’s owners agree for a period of two years following such expiration, termination or transfer, that you will not, directly or indirectly (through one of your company’s affiliates or owners or a member of the immediate family of any owner), either (i) have a direct or indirect ownership interest in a Competitive Business located or operating within 5 miles of any Dessert Mango Mango Restaurant anywhere in the world at the time of such expiration, termination or transfer; (ii) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any such Competitive Business; or (iii) divert or attempt to divert any business or customer of the Franchised Business to any competitor in any manner.

3.2.4 Reasonableness of Restrictions. You acknowledge that the time and geographical limitations in Sections 3.2.2 and 3.2.3 are reasonable and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. If any of the limitation in such sections is held unreasonable or unenforceable by a court or governmental agency, then such limitation will be deemed to be reduced as necessary to enable the court or agency to enforce such limitation to the fullest extent permitted under applicable law.

ARTICLE IV – **TRANSFER**

Section 4.1 – Transfer by Us. We may sell, assign or transfer our rights and obligations under this Agreement to any party, without the approval of or prior notice to you, provided that the buyer, assignee or transferee agrees in writing to assume all of our obligations under this Agreement. We will not be liable for obligations of the transferee arising after the date of transfer.

Section 4.2 – **Transfer by You**

4.2.1 No Transfer Without Our Approval. This Agreement is personal to you. We have entered into this Agreement in reliance upon our perception of your (or your company’s owners’) individual or collective character, skill, aptitude, business ability and financial capacity. Accordingly, you may only transfer your rights and obligations under this Agreement if (i) at least 50% of the total number of Dessert Mango Mango Restaurants to be opened under this Agreement are open and operating at the time of the proposed

transfer, (ii) you obtain our prior written consent, and (iii) in the case of an asset transfer, (A) you transfer all of your rights and interests under all franchise agreements for Dessert Mango Mango Restaurants in the Territory in accordance with the terms of those agreements, and (B) the transferee, at our election, must sign the then-current franchise agreement for all transferred Dessert Mango Mango Restaurants. Our consent to a Transfer does not constitute a representation as to the fairness of the terms of any contract between you or your company's owners and the transferee, a guaranty of the success by the transferee or a waiver of any claims we may have against you or your company's owners or of our right to demand the transferee's compliance with any of the terms or conditions of this Agreement.

4.2.2 Definition of Transfer. As used in this Agreement, the term "Transfer" means your (or your company's owners') voluntary, involuntary, direct or indirect assignment, sale, gift, pledge or other disposition of any legal or beneficial interest in: (i) this Agreement, (ii) your company, whether in the form of equity or a voting interest, or (iii) franchise agreements for Dessert Mango Mango Restaurants in the Territory. "Transfer" also includes (i) the merger or consolidation of your company; (ii) the issuance of additional securities or other ownership interests of your company, and (iii) the admission or departure of a partner or owner. It includes transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from divorce.

4.2.3 Notice of Transfer. You agree to notify us of any planned Transfer, and to provide us with any information we may reasonably request in order to permit us to evaluate the planned Transfer. If we do not exercise our right of first refusal under Section 4.3, we agree not to unreasonably withhold our approval of a Transfer. If we approve the Transfer, then you will be free, for 90 days following such approval, to effect the Transfer to the person or persons approved by us.

4.2.4 Conditions to Transfer. The following conditions will apply with respect to any Transfer other than a Transfer described in Section 4.2.5:

4.2.4.1 The proposed transferee, its managers, directors, officers and owners, must be individuals of good character with sufficient business experience, aptitude, and financial resources to operate the Franchised Business and otherwise meet our then applicable standards for a new Kung Fu Tea developer.

4.2.4.2 The proposed transferee may not be or be owned directly or indirectly by a Competitive Business, nor may any of the proposed transferee's managers, directors, officers or owners perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business.

4.2.4.3 You will cure any default under this Agreement and each franchise agreement entered into pursuant to this Agreement that we will have notified to you.

4.2.4.4 You will pay all fees and any other amounts then owed to us and our affiliates under this Agreement and each franchise agreement entered into pursuant to this Agreement.

4.2.4.5 You or the transferee will pay us a nonrefundable transfer fee of \$10,000.

4.2.4.6 The transferee or its designated personnel will have completed such training as we may require, to our satisfaction.

4.2.4.7 Each transferor will sign an agreement, in a form acceptable to us, acknowledging a continuing obligation after such transfer to comply with the requirements of Section 3.2.3.

4.2.4.8 We will have approved the material terms and conditions of such transfer, and we may require you to sign a general release of any claims against us and our affiliates.

4.2.4.9 After our authorization of the Transfer and your compliance with all of the requirements listed above, you will give us not less than five business days' written notice of the date, time and place of the closing of such Transfer, and you will give us an opportunity to have a representative present.

4.2.4.10 If the transaction is brokered by a third-party or by one of our authorized sales representatives, you or the proposed transferee will be responsible for paying broker fees at the same commission rate that we pay such broker or sales representatives.

4.2.4.11 If the transaction is a securities offering as described in Section 4.2.7, you must pay us the greater of: (i) 50% of our then-current initial franchise fee; or (ii) our reasonable costs and expenses associated with reviewing the proposed offering.

4.2.5 *Transfer to a Company you Control.* Upon prior notice to us and the signing by the relevant parties of assignment documents acceptable to us, you may transfer this Agreement to an entity (i) that conducts no business other than the business described in this Agreement and (ii) in which you maintain management control and (iii) of which you own and control 100% of the equity and voting power. The requirements of Sections 4.2.4(v) through 4.2.4(viii) will not apply to any such transfer. You will remain personally liable under this Agreement after such Transfer by signing a Guaranty as described in Section 1.9.

4.2.6 *Transfer Upon Death or Disability.* You or your executor or other personal representative must promptly notify us in the event of your death or disability or, if your company is an entity, the death or disability of the owner of a 10% or greater interest in your company. Any transfer upon death or disability will be subject to the same terms and conditions as those that apply to other transfers, as described in Sections 4.2.1 through 4.2.4; but you or your executor or other personal representative will have a period of 12 months in which to effect a transfer acceptable to us in the event of death, and six months in the event of disability. As used in this Agreement, the term "disability" means a mental, emotional or physical injury, illness, incapacity, disability or impairment that is reasonably expected to prevent or actually does prevent a person from performing the obligations set forth in this Agreement for at least six consecutive months. A person's disability for purposes of this section will be determined by a licensed practicing physician selected by us upon examination of such person or, if such person refuses to be examined, then such person will automatically be deemed disabled for purposes of this section as of the date of refusal. We will pay the cost of the examination.

4.2.7 *Securities Offerings.* You agree to submit to us, for our review, all materials for an offering or exempt private placement of stock or partnership or other interests in your company or any of your affiliates that are required by federal or state law before such materials are filed with any government agency and before they are used. We may require such materials to contain a written statement, prescribed by us, indicating that we are not participating in such offering in any way. You and all other participants in the offering must fully indemnify us and our subsidiaries, affiliates, successors and assigns, and our and their respective directors, officers, shareholders, partners, agents and representatives in connection with the offering. For each proposed offering, you will reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. You will give us written notice at least 30 days before the date that any offering or other transaction described in this Section 4.2.7 commences. Any such offering will be subject to all of the other provisions of this Section 4.2.

Section 4.3 – *Our Right of First Refusal.*

4.3.1 *Notice of Third Party Offer.* If you or any of your company's owners at any time desire to sell, assign or transfer for consideration this Agreement or the ownership of your company to anyone other than as described in Section 4.3.4, you will obtain and immediately submit to us a true and complete copy of a

bona fide written offer from the third party that desires to acquire your company or its assets (the "Third Party Offer"). The Third Party Offer must include lists of the record and beneficial owners of any entity offeror and all partners of any partnership offeror and, in the case of a publicly-held entity, copies of the most current annual and quarterly reports and Form 10K. The Third Party Offer must contain details of the payment terms of the proposed sale and the source and terms of any financing of the proposed purchase price, and may not include or be contingent upon the purchase of assets of yours or your company's owner other than those related to the business described in this Agreement.

4.3.2 Exercise of Our Right of First Refusal. We will have the right, exercisable by notice delivered to you or your company's selling owner or owners within 30 days after the date of our receipt of a copy of the Third Party Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Third Party Offer, provided that (i) we may substitute cash for any form of payment proposed in such offer; and (ii) we will have at least 60 days after giving notice of our election to prepare for closing. If we exercise our right of first refusal, the seller and we will execute a written agreement, in a form satisfactory to us, acknowledging the seller's continuing obligations. We may require the seller to sign a general release of any claims against us and our affiliates.

4.3.3 Consequence of Nonexercise of Our Right of First Refusal. If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as provided in Section 4.2; but if the sale to such purchaser is not completed within 120 days after delivery of the Third Party Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty day period following either the expiration of such 120-day period or the notice to us of the material changes in the terms of the sale, either on the terms originally offered or the modified terms, at our option.

4.3.4 Exceptions. Our right of first refusal will not apply to transfers from one current owner of your company to another current owner. In addition, our right of first refusal will not apply to any partial sale of your company or its assets. We will not have the right to become a partial owner of your company.

ARTICLE V – TERM AND TERMINATION

Section 5.1 – Term. This Agreement will be effective as of the date first above written and, unless sooner terminated as provided in this Agreement, will continue in effect for a term of ten years. This Agreement has no renewal term.

Section 5.2 – Termination.

5.2.1 Termination by Us Upon Notice. We may terminate this Agreement and your right to develop Dessert Mango Mango Restaurants in the Territory, effective upon notice to you with immediate effect, if:

5.2.1.1 you or any of your company's owners have made any material misrepresentation or omission in connection with your application to enter into this Agreement;

5.2.1.2 you fail to meet your obligations under the Development Schedule;

5.2.1.3 you or any of your company's owners or Designated Affiliates or their owners materially breaches any obligation under Articles III or IV;

5.2.1.4 you or your Designated Affiliate remains in default beyond the applicable cure period under any franchise agreement for a Dessert Mango Mango Restaurant or any such agreement is terminated for any reason;

5.2.1.5 you or your Designated Affiliate or the owners of your company or your Designated Affiliate are or have been convicted by a trial court of, or plead guilty or have pleaded no contest to, a felony or any other crime or offense, or engage in any dishonest or unethical conduct, that may adversely affect the reputation of the business, the Dessert Mango Mango Restaurants or the goodwill associated with our trademarks; or

5.2.1.6 you or any of your Designated Affiliates make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of your property; or any order appointing a receiver, trustee or liquidator of your company is not vacated within 30 days following the entry of such order.

5.2.2 *Termination After Cure Period.* Except as set forth in Section 5.2.1, you will have 30 days after receipt of written notice of default from us in which to remedy the default and provide evidence of that remedy to us. If any such default is not cured within that time, this Agreement will terminate without further notice to you effective immediately upon expiration of that time unless we notify you otherwise in writing.

5.2.3 *Relationship Laws.* Notwithstanding the provisions described in this Section 5.2, if any valid, applicable law or regulation limits our right to terminate this Agreement or requires different or longer notice periods than those set forth herein, Section 5.2 is deemed amended to conform to the minimum notice periods or restrictions upon termination required by such rules and regulations. We will not however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination of this Agreement.

Section 5.3 – ***Consequences of and Alternatives to Termination.***

5.3.1 *Consequences of Termination.* Upon the expiration of this Agreement or its termination for any reason, all rights granted to you under this Agreement will immediately terminate; and you will have no further right to develop or open Dessert Mango Mango Restaurants in the Territory. A default under this Agreement is not a default under any individual Mango Mango franchise agreement.

5.3.2. *Other Remedies.* If we are entitled to terminate this Agreement in accordance with Section 5.2, we will have the unrestricted right, in our discretion, to undertake any one or more of the following actions upon notice to you with immediate effect instead of terminating this Agreement:

5.3.2.1 we may reduce the size of the Territory in a manner determined solely by us;

5.3.2.2 we may modify the Development Schedule by reducing the number of Dessert Mango Mango Restaurants to be opened or changing the time periods for opening, or both, as determined solely by us; and

5.3.2.3 we may end your exclusive rights in the Territory described in Section 1.5.

Any such action will be without prejudice to our right to terminate this Agreement in accordance with Section 5.2.

ARTICLE VI - **REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION**

Section 6.1 – ***Representations and Warranties.*** You represent and warrant as follows:

6.1.1 *Accuracy.* All statements you have made and all materials you have submitted to us in connection with your application to become a franchisee are accurate and you have made no misrepresentations or material omissions.

6.1.2 *No Conflicts.* You are under no obligation or restriction, nor will you assume any obligation or restriction, that would in any way interfere or be inconsistent with, or present a conflict of interest concerning, the services that are the subject of this Agreement or the rights and obligations of the parties.

6.1.3 *Good Standing.* Your company is duly incorporated, organized or formed and in good standing under the laws of the jurisdiction of its formation.

6.1.4 *Authority.* Your company has the power and authority to enter into this Agreement and to perform its obligations under this Agreement.

6.1.5 *Owners and Managers.* Schedule C completely and accurately describes all of your company's owners, directors, officers, partners and managers and their ownership interests and management positions in your company.

Section 6.2 - **Indemnification**

6.2.1 *Indemnification.* You will indemnify and hold us and our affiliates, and the members, managers, stockholders, directors, officers, employees and agents of us and our affiliates, harmless from and against all costs, expenses, liabilities and losses, including reasonable attorneys' fees and disbursements, directly or indirectly relating to: (i) the failure of any of your representations, warranties or covenants set forth in this Agreement and in the schedules; (ii) any act or conduct of yours that is not in compliance with any of your requirements under this Agreement; or (iii) any act or omission of yours or anyone associated with or employed by or affiliated with you. We will have the right to participate in the defense, with counsel of our own choice and at our own expense, of any action that may give rise to your obligation to indemnify, and to reject any settlement that might adversely affect us.

6.2.2 *Notice of Claim; Survival.* We will give you notice of any claim that may require indemnification promptly after we learn of such claim. The rights and obligations of the parties under this Section 6.2 will survive the expiration or termination of this Agreement and remain in effect for a period of three years thereafter.

ARTICLE VII - **MISCELLANEOUS**

Section 7.1 – *Injunctive Relief.* You understand that your covenants set forth in Article III constitute essential elements of this Agreement. If you fail to comply strictly with any such covenants, we will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against you in a court of competent jurisdiction.

Section 7.2 – *Severability.* If any restrictive covenant in this Agreement is held to be invalid or unenforceable because its duration is too long or its scope is too broad, you and we agree that the court making such determination will have the power to reduce the duration or scope in such a manner that the remaining revised covenant will be valid and enforceable. Each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement is prohibited by or invalid under applicable law, such prohibition or invalidity will not invalidate the remainder of such provision as long as the resulting provision remains consistent with the parties' original intent. If it is impossible to so modify the provision, such provision will be deleted from this Agreement. If any provision of this Agreement is declared invalid by a court of competent jurisdiction for any reason, the parties will continue to be bound by the remainder of this Agreement; provided, that if any provision of the Agreement that we, in our sole discretion, determine to be material, is declared invalid by a court of competent jurisdiction, we reserve the right to terminate this Agreement.

Section 7.3 – **No Waiver of Rights.** No delay or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy. No waiver will be binding unless contained in a writing signed by the party waiving its rights. Any waiver is limited to the specific situation in which it is given and no waiver of any breach or default under this Agreement will be construed as a waiver of any earlier or succeeding breach or default.

Section 7.4 – **Notices.** All notices, requests, consents and other communications required or permitted by this Agreement will be in writing and will be delivered by hand or overnight delivery service to the following address, or such other address as either party, by like notice, designates with respect to its own address:

If to us: Mango Franchise USA LLC
73-31 57th Avenue
Maspeth, NY 11378

If to you: The address indicated in Schedule C either in the manner described above in this Section 7.4 or by email or other method indicated in Schedule A which shall include electronic confirmation of delivery.

Any such notice, request, consent or other communication will be deemed given and be effective upon receipt at such address.

Section 7.5 – **Limitation of Actions.** Any and all claims and actions arising out of or relating to this Agreement brought by either party against the other must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable statute of limitations; (b) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to the claim; or (c) two years after the first act or omission giving rise to the alleged claim. Claims and actions not brought within such time period will be irrevocably barred.

Section 7.6 – **Waiver of Punitive Damages and Jury Trial.** Except for your obligation to indemnify us for third party claims under Section 6.2, we and you each waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other party, and agree that any recovery in a dispute between us will be limited to equitable relief and to the recovery of actual damages sustained. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim brought by either of us.

Section 7.7 – **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York, without regard to New York's conflict of laws principles; but nothing in this Agreement will be deemed to extend the application of the New York Franchise Act to the sale of franchises outside of the State of New York.

Section 7.8 – **Jurisdiction and Venue.** You irrevocably consent to the non-exclusive jurisdiction of the federal and state courts located in the city in which our principal office is located at the time suit is filed (or a city within 25 miles of such office). If we assign or otherwise transfer this Agreement, all legal actions between the parties will be venued exclusively in a state or federal court in the judicial district in which the assignee's or transferee's principal offices are located at the time the suit is filed. You hereby waive, to the full extent permitted by law, defenses based on jurisdiction, venue and forum *non conveniens*. You further consent to service of process in any action by any means permitted by law.

Section 7.9 – **Costs and Expenses.** In any legal action arising out of or pursuant to this Agreement or otherwise in connection with the relationship between us, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees). Attorneys' fees include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred in preparation for or in contemplation of the filing of a written demand or claim, or in the course of an action, hearing or proceeding to enforce the obligations of the parties under this Agreement.

Section 7.10 – **Entire Agreement.** This Agreement and all ancillary agreements executed simultaneously with this Agreement, constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between you and us on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. Except for changes permitted under this Agreement to be made unilaterally by us, no amendment to this Agreement will be binding unless such amendment is in writing and executed by the parties.

The parties have signed this Agreement on the dates set forth below, with effect as of the effective date as stated in the opening paragraph of this Agreement.

MANGO FRANCHISE USA LLC

[Developer]

By _____

By _____

Title _____

Title _____

Date _____

Date _____

TERRITORY

SCHEDULE B

DEVELOPMENT SCHEDULE

You agree to open and operate Dessert Mango Mango Restaurants in the Territory in accordance with the following development schedule:

Time periods following the date of this Agreement	Minimum number of Dessert Mango Mango Restaurants to be opened in the Territory during each period	Minimum cumulative number of Dessert Mango Mango Restaurants to be open and operating in the Territory in good standing at the end of each period and during the remainder of the term of this Agreement
First 6-month period	1	1
Second 6-month period	1	2
Third 6-month period	1	3
Fourth 6-month period	1	4
Fifth 6-month period	1	5

Any Dessert Mango Mango Restaurants opened in excess of minimum in any period will be counted toward the minimum commitment for the next period.

ENTITY INFORMATION OF THE DEVELOPER
Sections 1.9, 6.1.5 and 7.4

1. Ownership and management of the Developer:

The Developer is a _____ [state] _____ [limited liability company] [corporation].

The following persons are the [members and managers] [shareholders, officers and directors] of the Developer:

<i>Name and Home Address</i>	<i>Positions</i>	<i>Percentage Ownership</i>

2. Address for notices (Section 7.4):

SCHEDULE D

SEE SECTION 1.9 OF THE MULTI-UNIT AGREEMENT

DESSERT MANGO MANGO

Personal Undertaking

In order to induce MANGO FRANCHISE USA LLC, a Delaware limited liability company (the “Franchisor”) to enter into a Kung Fu Tea Multi-Unit Agreement dated as of _____ (the “Multi-Unit Agreement”) with _____, a _____ (the “Developer”) for the development of Kung Fu Tea franchises in a territory encompassing _____, each of the undersigned persons (the “Guarantors”), jointly, individually and severally, hereby agrees as follows

1. **Confidentiality.** Each Guarantor acknowledges the Developer’s obligations of confidentiality under Section 3.1 of the Multi-Unit Agreement. Each Guarantor personally agrees to comply with all of the Developer’s obligations under Section 3.1 and not to disclose or use any Confidential Information (as defined in Section 3.1.1 of the Multi-Unit Agreement except on behalf of the Developer in furtherance of the Developer’s business in compliance the Developer’s obligations under the Multi-Unit Agreement, and only to the extent that the Developer is permitted under the Multi-Unit Agreement to disclose and use Confidential Information. Upon the request of the Franchisor, the Guarantor will promptly return to the Franchisor all Confidential Information and all copies in the Guarantor’s possession or under the Guarantor’s control, and the Guarantor will destroy all copies on the Guarantor’s computers, disks and other digital storage devices.

2. **Noncompetition.** Each Guarantor acknowledges the Developer’s obligations under Section 3.2 of the Multi-Unit Agreement not to compete with the Franchisor. Each Guarantor personally agrees to comply with and be bound by all of the Developer’s obligations under Section 3.2 to the same extent that the Developer is bound by the obligations of Section 3.2 both during and after the term of the Multi-Unit Agreement.

3. **Remedies.** Each Guarantor acknowledges that if such Guarantor fails to comply strictly with any of the undertakings in Sections 1 or 2, the Franchisor will suffer irreparable harm and will have a cause of action for damages or injunctive relief or both against such Guarantor in a court of competent jurisdiction. In the event that the Franchisor prevails in any such litigation, the Guarantor will reimburse the Franchisor for all costs, attorneys’ fees and other expenses incurred by the Franchisor in connection with such litigation.

4. **Transfer by the Franchisor.** If the Franchisor transfers its rights and obligations under the Multi-Unit Agreement pursuant to Section 4.1 of the Multi-Unit Agreement, this Agreement will be deemed to be transferred automatically to the transferee who, upon such transfer, will have all of the rights granted to the Franchisor under this Agreement vis-a-vis the Guarantors, and the obligations of the Guarantors will then accrue to the benefit of the transferee.

5. **Notices.** All notices and other communications required or permitted by this Agreement will be in writing and will be delivered by hand, fax, overnight delivery service, or registered or certified first class mail, to the then-current address of the Guarantor known by the sender. Any such notice or other communication will be deemed given and be effective upon receipt at such address.

6. **Waiver.** No delay, omission or failure to exercise any right or remedy provided for in this Agreement will be deemed to be a waiver of such right or remedy or acquiescence in the event giving rise to such right or remedy.

7. **Governing Law.** This Agreement will be construed and enforced in accordance with the laws of the state in which the Territory under the Multi-Unit Agreement is located, without regard to that state's conflict of laws principles.

8. **Amendments.** This Agreement may not be modified or amended except in writing signed by the Franchisor and the Guarantor to be bound by such modification or amendment. No waiver or discharge will be valid unless in writing and approved by the Franchisor.

IN WITNESS WHEREOF, each Guarantor has signed this Agreement as of the date of the Multi-Unit Agreement.

Signature

Print Name

Signature

Print Name

Signature

Print Name

Acknowledged and agreed:

MANGO FRANCHISE USA LLC

By _____

Title _____

Date _____

STATE ADDENDA

MICHIGAN ADDENDUM

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed franchisee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or

to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attention: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone: (517) 373-7117

NEW YORK ADDENDUM

The state of New York requires us to disclose the following information:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3 - LITIGATION

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business

activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following is added to the end of the “Summary” sections of Item 17(c) (entitled “Requirements for franchisee to renew or extend”) and 17(m) (entitled “Conditions for franchisor approval of transfer”):

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the “Summary” section of Item 17(d) (titled “Termination by franchisee”):

You may terminate the agreement on any grounds available by law.

The following is added to the end of the “Summary” sections of Item 17(v) (titled “Choice of Forum”) and 17(w) (titled “Choice of Law”):

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

EXHIBIT H

STATE EFFECTIVE DATES

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

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

<i>State</i>	<i>Effective Date</i>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPTS

When you receive this Franchise Disclosure Document, please sign and return one copy of the receipt page to our headquarters office. We cannot process your application until we receive a properly signed receipt.

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 Mango Franchise USA LLC offers you a franchise, it must provide this disclosure document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting to discuss the sale of a franchise or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Mango Franchise USA LLC 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A, which also includes a list of our agents authorized to receive service of process.

The name, principal business address and telephone number of each seller offering the franchise is indicated below:

<i>Name</i>	<i>Address</i>	<i>Telephone Number</i>
Tiffany Tong	Mango Franchise USA LLC	718-666-1622
Blake Chen	73-31 57th Avenue	
Xiao (Sean) Chen	Maspeth, NY 11378	

Other: _____

Date of Issuance: April 21, 2025

I have received the Dessert Mango Mango franchise disclosure document dated April 21, 2025. This disclosure document includes the following Exhibits:

- | | |
|---|---|
| A State Administrators and Agents
for Service of Process | F Agreements and Forms
Franchise Deposit Agreement |
| B List of Franchisees | Franchise Agreement |
| C Franchisee Organizations | Guaranty |
| D Financial Statements | Multi-Unit Agreement |
| E Table of Contents of Manual | G State Addenda |
| | H State Effective Dates |

_____ Signature	_____ Print name	_____ Date
--------------------	---------------------	---------------

Please sign, date and return this receipt to: management@mangomangodessert.com

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The name, principal business address and telephone number of each seller offering the franchise is indicated below:

<i>Name</i>	<i>Address</i>	<i>Telephone Number</i>
Tiffany Tong	Mango Franchise USA LLC	718-666-1622
Blake Chen	73-31 57th Avenue	
Xiao (Sean) Chen	Maspeth, NY 11378	

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