

FRANCHISE DISCLOSURE DOCUMENT



Dumont Creamery and Café, LLC, a Texas limited liability company
6600 Paige Rd, Suite 223
The Colony, Texas 75056 Phone: (937) 708-9589
Website: www.dumont.us Email: franchises@dumont.us

As an area representative, you will support our unit franchisees in the establishment and operation of coffee, tea, and ice cream cafés and using the franchisor's proprietary methods, techniques, trade dress, trademarks and logos under the name "Dumont Creamery and CaféTM."

The total investment necessary to begin operation of a Dumont Creamery and CaféTM area representative business is between \$147,500 and \$291,000. This includes between \$78,000 and \$155,000 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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 Ajay Govada at 6600 Paige Rd, Suite 223, The Colony, Texas 75056, phone: (937) 708-9589, or email: franchises@dumont.us.

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, DC 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 July 1, 2025, as amended December 4, 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.
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 C 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 Dumont Creamery and Café™ area representative business 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 Dumont Creamery and Café™ area representative?	Item 20 lists current and former area representative 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 risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **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.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Unregistered Trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

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

MICHIGAN SPECIFIC-NOTICE

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 of 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 thirty (30) days, to cure each 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 your Area Representative Business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (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 six (6) months' 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 of Michigan. 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 transferee to meet the franchisor's then current reasonable qualification or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
 - (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 the subdivision.

(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.

(j) If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor 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.

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Area Representative Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
Item 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....	1
Item 2 BUSINESS EXPERIENCE.....	4
Item 3 LITIGATION	4
Item 4 BANKRUPTCY	4
Item 5 INITIAL FEES	5
Item 6 OTHER FEES.....	5
Item 7 ESTIMATED INITIAL INVESTMENT	7
Item 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	9
Item 9 FRANCHISEE’S OBLIGATIONS	12
Item 10 FINANCING	13
Item 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	14
Item 12 TERRITORY	19
Item 13 TRADEMARKS	20
Item 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	21
Item 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	23
Item 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	23
Item 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	24
Item 18 PUBLIC FIGURES	26
Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS	26
Item 20 OUTLETS AND FRANCHISEE INFORMATION	27
Item 21 FINANCIAL STATEMENTS	29
Item 22 CONTRACTS	29
Item 23 RECEIPTS	30

Exhibits

- A. State Administrators / Agents for Service of Process
- B. Area Representative Agreement
- C. Financial Statements
- D. State-Specific Addendum to Franchise Disclosure Document and Agreement
- E. Confidential Operations Manual Table of Contents
- F. Form of General Release
- G. Form of Confidentiality and Non-Compete Agreement
- H. State Effective Dates and Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, “we”, “us,” or “our” means Dumont Creamery and Café, LLC, the franchisor. “You” or “your” means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

The Franchisor

We are a Texas limited liability company. We were formed on August 27, 2024. Our principal business address is 6600 Paige Rd., Suite 223, The Colony, Texas 75056. Our telephone number is (937) 708-9589. We do business under the names “Dumont Creamery and Café™,” and other trademarks we designate (the “Marks”). We have offered Dumont Creamery and Café franchises since October 2024. As of May 2025, we have one operating Café. We may open additional Cafés directly or through affiliated companies. We began offering area representative franchises in April 2025. We do not conduct any business activities other than franchising. We have never offered franchises in any other line of business.

Our Parent, Predecessor and Affiliates

Our affiliate is Dessert Delight Foods, LLC (“Dessert Delight”), a Texas liability company that was formed on August 4, 2023. Dessert Delight’s principal business address is 6600 Paige Rd., Suite 222, The Colony, Texas 75056. Dessert Delight sells our franchisees certain food and other items that are used in Cafés. Dessert Delight has never offered franchises in any line of business.

We do not have any predecessors or parent. Other than as stated above, we do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Franchises We Offer

Unit and Multi-Unit Franchises

We offer franchises that are for the establishment and operation of “Cafés,” which offer ice cream, bubble tea and coffee beverages (the “System”). Cafés are operated under a system that includes our valuable know-how, information, trade secrets, training methods, Confidential Operations Manual, standards, designs, trademark usages, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Cafés, all of which may be changed, improved, and further developed from time to time (the “System”). A unit franchisee signs a “Unit Franchise Agreement” with us.

Each Café will typically be conducted through a retail location that is within a shopping center, multi-use development, lifestyle center or urban and suburban location. Cafés will typically be approximately 1,500 to 2,000 square feet in size.

We also grant the right to develop multiple Cafés under our multi-unit Development Agreement (“MUDA”). Under this program, a multi-unit franchisee (“Multi-Unit Franchisee”) operates within a development territory (the “Multi-Unit Territory”). We began selling multi-unit franchises in October 2024. Our Multi-Unit offering, and the MUDA, are disclosed in a separate Franchise Disclosure Document.

Our unit and multi-unit franchise offerings are disclosed in a separate Franchise Disclosure Document.

Area Representatives

As an area representative (an “Area Representative”), you will assist us in the finding and training of Unit Franchisees within the defined Development Area (your “Area Representative Business”). The Development Area may be one (1) or more counties, one (1) or more states, or some other geographically-defined area. You will sign an Area Representative Agreement (Exhibit B), which will describe the Development Area, sales schedule, and obligations in an area (or areas) we approve.

Under this offering, as an Area Representative, you will assist us in finding and training Unit Franchisees within the defined Development Area (your “Area Representative Business”). The Development Area may be one (1) or more counties, one (1) or more states, or some other geographically-defined area. You will sign an Area Representative Agreement (Exhibit B), which will describe the Development Area, sales schedule, and obligations in an area (or areas) we approve.

As an Area Representative, you will solicit prospective franchisees to ensure they meet our minimum qualifications and requirements. You will refer any qualified prospect to us, and we will determine, in our commercially reasonable judgment, whether to sign a franchise agreement with the prospect. You are not authorized to sign Unit Franchise Agreements, MUDAs, or other binding agreements with franchisees. However, you are responsible for complying with all franchise laws relating to your solicitation of franchisees, including providing a copy of our Franchise Disclosure Document in the time and manner required by applicable law (unless we choose to control the disclosure process ourselves). All Unit Franchise Agreements and MUDAs in any Development Area will be issued by us.

You will be required under the Area Representative Agreement to open and operate two Cafés yourself. You must use one of the Cafés you own as a training facility for training new franchisees. You will be required to offer the initial training program on a basis sufficient to meet your Development Obligation and comply with the opening timelines set forth in the Franchise Agreements.

In addition to these responsibilities, you will ensure franchisee compliance with our operational standards, facilitate initial and ongoing training for franchisees in your territory, and serve as the primary point of contact between us and franchisees. You will promote regional marketing efforts and oversee their implementation at the franchise level, conduct periodic audit processes, and provide performance feedback to franchisees. Furthermore, you will act as the point person for all new franchisee leads in your territory, explaining the brand vision and guiding them through the entire store setup and launch process.

You will be paid a management fee from the royalty fees collected from Unit Franchisees in your Development Area (“Management Fee”). The Management Fee will be equal to fifty percent (50%) of the net Royalty Fees actually collected from Franchisees in the Development Area. We will also pay you an opening fee (the “Opening Fee”) for each Franchisee or Multi-Unit Franchisee in your Development Area equal to fifty percent (50%) of the net Initial Fee paid to us by a Franchisee or Multi-Unit Franchisee. The “net” initial franchise fee means the total amount of the initial franchise fee that we collect less any amounts we must pay to third-party brokers, in-house commissioned salespeople, online lead generation service companies or other referral sources, relating to the sale. With our prior approval, you may engage other brokers, lead generation companies or referral sources to solicit and refer prospects to you. However, you are solely responsible for all brokerage and other fees owed to brokers, lead generation companies and referral sources that you engage, meaning that these fees will be paid by you directly out of the Opening Fee that we pay to you.

The relationship between you and us is a contractual one, and Area Representatives are not our agents unless we authorize them to be in writing. You have no rights to use our trademarks for any purpose other than advertising new franchise sales, or to grant franchises. You may not offer franchises in a franchise registration state unless we have applied for and obtained an effective registration of our franchise offering in that state.

Market and Competition

The market for our products and services generally is highly competitive and well-developed. You will have to compete with franchised operations, national chains and independently owned companies and independent sales associates, and other companies offering franchises. The market for franchise sales is not seasonal.

Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict.

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, your Area Representative Business will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

The Federal Trade Commission's Rule on Franchising (16 C.F.R. §436 et seq.) requires you to deliver a disclosure document in a prescribed form to prospective franchisees before they sign a Unit Franchise Agreement or MUDA in your Development Area. We will prepare the disclosure document and provide it to you. Depending on your state, there also may be regulations requiring you to provide audited financial statements, to register your disclosure documents with, and/or obtain licensure from, a particular state agency or authority to operate as a franchise broker or solicit prospective franchisees.

We will pay for the costs of registration and register the disclosure document if it is necessary to do so in your state. Additionally, Wisconsin may impose requirements on franchise brokers or area representatives, including licensure or registration. You are responsible for investigating and complying with any such requirements applicable to your activities in your Development Area.. You should investigate whether other regulations and requirements apply in the area you are interested in locating your Area Representative franchise, and should consider both their effect and cost of compliance.

You must investigate and comply with all applicable laws and regulations. You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.

Agents for Service of Process

Our agent for service of process in Texas is Ajay Govada, 6600 Paige Rd, Suite 222, The Colony Texas 75056. We list our agents for service of process for other states in Exhibit A to this Disclosure Document.

ITEM 2

BUSINESS EXPERIENCE

Ajay Govada – Chief Executive Officer

Mr. Govada has been our Chief Executive Officer since our formation in August 2024. Mr. Govada is also the Chief Executive Officer of our affiliate, Dessert Delight, and has been since its formation in August 2023. From March 2022 through the present, Mr. Govada was CEO of First Infra LLC in The Colony, Texas. From May 2020 to February 2022, Mr. Govada was Head of BI at MedeAnalytics in Richardson, Texas. From July 2010 to January 2020, Mr. Govada was Senior Director of Healthcare Service Corporation in Richardson, Texas.

Rohith Reddy Rallagudem – Chief Operations Officer

Mr. Rallagudem has been our Chief Operations Officer since our formation in August 2024. Mr. Rallagudem is also the Chief Operations Officer of our affiliate, Dessert Delight, and has been since its formation in August 2023. From June 2022 to the present, he also serves as Chief Engineer with Thermofisher Scientific, Inc. in Dallas Texas. Mr. Rallagudem was employed as BI Analytics Manager with The Hackett Group from November 2017 until May 2021, in Dallas, Texas.

Surendranath Duggirala – Chief Franchise Officer

Mr. Duggirala has been our Chief Franchise Officer since our formation in August 2024. Mr. Duggirala is also the Chief Franchise Officer of our affiliate, Dessert Delight, and has been since its formation in August 2023. From July 2012 to the present, he has served as Senior Engineer with Bank of America, in Plano, Texas.

Dhanunjaya Noothi – Chief Marketing Officer

Mr. Noothi has been our Chief Marketing Officer since our formation in August 2024. From September 2019 to the present, Mr. Noothi has been Principal Engineer with Dell Technology in Austin, Texas.

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.

[This Area is Intentionally Left Blank]

ITEM 5

INITIAL FEES

Development Rights Fee

If you sign an Area Representative Agreement, you must pay us a nonrefundable Development Rights Fee in a lump sum. Your Development Rights Fee for the Development Area consisting of the state of Wisconsin will be \$75,000.

Food Supplies

We require you to purchase from us, our affiliates, or approved suppliers certain food items (currently including brownies, cake box, cake jars, and cookie items) that you will then supply to franchisees in your Development Area. You must place an initial order for these items at least sixty (60) days prior to the anticipated opening date of the first Café in your Development Area. We estimate that the cost of the initial order will be between \$3,000 and \$5,000.

The fees in this Item 5 are uniform for all franchisees receiving this offering,

ITEM 6

OTHER FEES¹

Name of Fee	Amount	Due Date	Remarks
Unit Franchise Fees	Our then-current fees we charge at the time you sign a Unit Franchise Agreement.	As required under the Unit Franchise Agreement.	For any Unit Franchise you or your affiliate(s) purchase from us, you will be required to pay the unit-based fees for that Unit Franchise.
Fees Refunded to Unit Franchises	Your share of the royalty fee or initial franchise fee that was refunded to the Unit Franchise.	Within fifteen (15) days of our demand.	If we choose, or are required, to refund to a Unit Franchise all or a portion of the fees that they have paid to us, you must refund to us your proportionate share of those fees, or we will offset them against future compensation that we owe you.
Technology Subscription	Then-current fee charged by us, our Affiliates, or approved suppliers. We will not increase this fee by more than 20% in any twelve-month period (not currently charged).	First calendar day of the month, or other day(s) of the month or year required by us or our approved supplier(s).	You may be required to use specific technology products for communication and management purposes.
Consulting Fee	\$500 per person, per day, plus any travel, lodging, or living expenses.	Prior to our providing any such training or advice	Payable if you request our assistance.

Name of Fee	Amount	Due Date	Remarks
Costs and attorneys' fees (Note 2)	Will vary under circumstances.	Upon settlement or conclusion of a claim or action, or in resolution of our efforts to collect past-due fees from you	Due when you do not comply with the Area Representative Agreement
Insurance	Our cost of premiums, plus an administrative fee equal to 20% of the cost of the premiums.	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	10% of the total consideration you receive from the third party. "Total consideration" includes all forms of payment or value received, such as cash, stock, debt relief, or other benefits.	With transfer application.	Due only if you wish to transfer your Area Representative Agreement to a third party.
Costs, administrative expenses, and attorneys' fees	Will vary under circumstances (Note 3).	Upon settlement or conclusion of a claim or action; in resolution of our efforts to collect past-due fees from you; or when we take action against you in response to your default of the Area Representative Agreement.	Due when you do not comply with the Area Representative Agreement.
Indemnification	Will vary under circumstances.	As incurred	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Area Representative Business.
Liquidated Damages	50% of our then-current initial franchise fee we are charging new Cafés, multiplied by the difference between the number of open and operating Cafés in the Development Area and those remaining in your Development Obligation.	Upon the expiration or early termination of the Area Representative Agreement.	Due if: (i) we terminate the Area Representative Agreement before the end of the term, or (ii) you fail to open the required number of Cafés by the end of the initial term.
Shortfall Payment	\$15,000 multiplied by the difference between the number of open and operating Cafés in the Development Area and 10 (Note 3).	Within 30 days of our demand.	If you fail to open the required number of cafés by the end of Year 5, then in lieu of terminating the Area Representative Agreement we may charge a \$15,000 fee for each unopened Café. This does not limit our other legal rights or remedies.

1. All fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. All fees listed in this Item 6 are uniformly imposed by us as to all franchisees.

All fees or money that you owe to us or our affiliates must be paid by electronic transfer no later than on the date they are due.

2. If we prevail in any action against you to secure or protect our rights under the Area Representative Agreement, or to enforce the terms of the Area Representative Agreement, we will be entitled to recover from you reasonable attorneys' fees and court costs. In addition, if we become a party to any action or proceeding concerning the Area Representative Agreement, or any agreement between us and you, or your Area Representative Business, as a result of any claimed or actual act, error or omission of you or your Area Representative Business, then you will be liable for our reasonable attorneys' fees incurred by us in the action or proceeding.

3. Unless we have indicated otherwise, for any fee that is listed as our then-current fee in the table above, we have the right to increase fees by a maximum of 10% per year, calculated cumulatively over the term of the Area Representative Agreement. Additionally, we may also increase these fees by the amount of any increases in fees from third parties for the underlying products or services which will be added to the capped fee increase.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Investment	Amount- Range Estimated	Method of Payment	When Payable	To Whom Payment is Made
Development Rights Fee	\$75,000	Lump Sum	Upon signing of the Area Representative Agreement	Us
Area Representative Office Expenses (rent, security deposit and basic office furnishings) ¹	\$0 to \$7,000	As Arranged	As Incurred	Landlord and Suppliers
Training Travel and Living Expenses While Training	\$2,000 to \$4,000	As Arranged	During Training	Airlines, Hotels and Cafés
Insurance ²	\$15,000 to \$20,000	As Arranged	Before Beginning Operations	Insurance Company
Office Equipment and Supplies	\$500 to \$1,000	As Arranged	Before Beginning Operations	Suppliers
Computer Hardware and Software	\$1,000 to \$2,000	As Incurred	As Agreed	Approved Suppliers
Initial Marketing Expenses	\$5,000 to \$10,000	As Arranged	As Incurred	Suppliers
Initial Food Order	\$3,000 to \$5,000	As Arranged	As Incurred	Our Affiliates
Cold Food Storage ³	\$5,000 to \$15,000	As Arranged	As Incurred	Suppliers
Logistic Backbone ³	\$5,000 to \$15,000	As Arranged	As Incurred	Suppliers
Licenses and Permits	\$1,000 to \$3,000	As Arranged	Before Beginning Operations	Licensing Authorities

Investment	Amount- Range Estimated	Method of Payment	When Payable	To Whom Payment is Made
Professional Fees	\$0 to \$4,000	As Arranged	Before Beginning Operations	Attorney, Accountant
Additional Funds ⁵ (3 months)	\$5,000 to \$25,000	As Arranged	As Necessary	Employees, Utilities, Lessor and Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 6)	\$147,500 to \$291,000			

(Please see Notes below, which are an integral part of this Item)

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Area Representative Business. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

We do not know whether any of the money you pay to third parties will be refundable. The Initial Fee you pay us is not refundable under any circumstances. In compiling this chart, we relied on our experience as a franchisor.

1. Office Expenses. You are not required to operate your Area Representative Business from a leased or purchased office space. You can operate your Area Representative Business from your home. The low end of this figure assumes you will be operating your Area Representative Business from your home. At this time, we do not have any standards or specifications for offices used by Area Representatives. However, the office must be located in a standard business area and must present a professional appearance.

2. Insurance. You must purchase insurance as specified by us, in minimum amounts of coverage as specified by us. You must use an insurance carrier that has been approved by us. We may increase your insurance requirements during the term of the Area Representative Agreement, and you must comply with the new requirements. This amount should cover the initial semi-annual payment for general business liability insurance and workers' compensation insurance. The exact dollar amount of your insurance payment will be determined by the geographic location of your Area Representative Business and the number of employees you are covering. This figure is our best estimate of these costs. It is possible that your initial insurance costs would exceed the numbers listed in this Item 7.

3. Cold Food Storage. We require you to purchase from us (or our approved suppliers) certain food items (currently including ice cream, brownies, cake boxes, cake jars, and cookies) for you to supply to franchisees in your Development Area. You will also need to purchase from us and stock dry and non-food items like cups, lids, glasses. You must have adequate storage, including cold storage, space within your Development Area to warehouse and store these items.

4. Additional Funds. We recommend that you have additional money available to cover operating expenses, including rent, utilities and employees' salaries, for a minimum, of the first three (3) months that you operate your Area Representative Business. We cannot guarantee that this recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These figures are only rough estimates of the initial investment required to establish an Area Representative Business.

5. Total. The amounts shown are estimates only and may vary for many reasons, including the size and condition of your office, the capabilities of your management team, where you locate your office and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting your business.

6. Unit Franchise Investment Not Included. We require you to purchase and open two individual Unit Franchises for Cafés as a condition of obtaining an Area Representative Business. The estimated initial investment for new Unit Franchises is contained in our Unit Franchise Disclosure Document, which we will provide to you if we have not already done so.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must establish and operate your Area Representative Business in compliance with your Area Representative Agreement and the standards and specifications contained in our confidential operations manuals and other documents stating our policies and procedures (collectively, the “Confidential Operations Manual(s)”) loaned to you by us. We will communicate our standards and specifications to you in writing through the Confidential Operations Manual(s).

We do not require you to purchase any particular goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating your Area Representative Business either from us, our designee, or suppliers approved by us, except as listed below. We do issue specifications and standards to Unit Franchisees and approved suppliers. The requirements for Unit Franchises to purchase or lease items, real estate, goods or services from approved suppliers, or from us or our affiliates, are listed in our Unit Franchise Disclosure Document. We do not make our criteria for selecting approved suppliers available to our franchisees, nor do we make our specifications known to suppliers. Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, the supplier giving us a letter of indemnification or certificate of insurance; production and delivery capability; and dependability and general reputation and/or a supplier’s willingness to pay us or our affiliates for the right to do business with our System.

We formulate and modify our standards and specifications based on the market in general, as well as competitive and economic conditions, based on our operating experience.

Supplier Approvals

For products or services that we require you to purchase or lease according to our standards, if you want to obtain it from a supplier we have not previously approved you can ask us to do so. We will review your request and we will respond to you in writing (typically by e-mail) regarding our approval or disapproval of the supplier within 30 days after we have had the opportunity to review your request. We have no obligation to approve any request for a new supplier, product, or service, but we will not unreasonably withhold our approval. If you have not received our approval within 30 days, your request will be deemed to have been disapproved.

You may be required to pay our costs of testing. If the supplier proposed by you meets our criteria, we will permit you to contract with that approved supplier. We reserve the right to re-inspect the facilities and to retest the product of any approved supplier and to revoke any approval if the supplier fails to continue to meet our high standards. Our approval will be revoked if we determine, in our reasonable discretion, that an approved supplier has not continued to meet our standards. In that case, we will inform you in writing of our decision to revoke our approval, and you will be required to cease contracting with that supplier immediately after your receipt of our notice of revocation. Other than our costs of testing (if applicable), we do not charge a fee for approval.

The criteria and specifications that we use for evaluating approved suppliers will be available to our franchisees in our Confidential Operations Manual. The Confidential Operations Manual will include specifications and standards that we use to evaluate approved suppliers. Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliates for the right to do business with our System.

Required Purchases Or Leases

A list of the materials that you can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in our Confidential Operations Manual. We or our affiliates are the only approved suppliers of promotional materials, branded merchandise, and Mark-bearing items that you must buy for and use in your Café. Other than those items, neither we nor our affiliates are approved suppliers for products or services, but we reserve the right to become approved suppliers, or the only approved suppliers, of them in the future.

Baked Goods

We require you to purchase from us (or our approved suppliers) certain food items (currently including brownies, cake boxes, cake jars, and cookies) for you to supply to franchisees in your Development Area.

Interior Build-Out, Furniture, and Decor

We do not require you to have a separate office space for your Area Representative Business, but if you have one we will give you directions regarding the paint, tile, carpet, countertops, furniture, fixtures and equipment that you use in your Office. You may purchase these items from any supplier, so long as the items meet our quality standards. We and our affiliates are not approved suppliers of these items.

Insurance

For your protection and ours, you agree to maintain the following insurance policies: (i) "all risk" property insurance coverage on all assets, including furniture, fixtures, equipment, supplies and other property used in the operation of your business, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost; (ii) comprehensive general liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of your business, containing minimum liability protection of one million dollars (\$1,000,000) combined single limit per occurrence, and two million dollars (\$2,000,000) in the aggregate, with an endorsement specifically covering cyber liability risks; (iii) errors and omission insurance, containing minimum liability protection of one million dollars (\$1,000,000) combined single limit per occurrence, and two million dollars (\$2,000,000) in the aggregate (this is strongly recommended but not required); (iv) workers' compensation insurance and employer's liability

insurance as required by law; and (v) any other insurance that we specify in the Confidential Operations Manual(s) from time to time. You agree to provide us with proof of coverage on demand.

All policies must be in form and content satisfactory to us and must be issued by an insurer(s) rated A-VIII or better in Class X by Alfred M. Best and Company Inc., or comparably rated by Moody's and/or Standard and Poor's or similarly reliable rating services acceptable to us. We have the right to change the minimum acceptable rating requirement.

All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 10 days prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon ten (10) days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. You must also maintain all other insurance required by state or federal law, or as required by your landlord (if you have one).

Advertising and Promotional Materials

All of your marketing materials must comply with our standards and requirements. We must approve all of your marketing materials before you use them, including marketing materials that you use to solicit the sale of franchises. You must purchase all branded marketing materials only from us or other suppliers that we designate or approve.

Computer System

We do not require you to purchase any specific type of computer system or equipment, but you must have at least one computer capable of communicating with us and Unit Franchisees. We, or our third-party suppliers, will provide you with certain new software or technology products or updates as we require, and maintain technology services for the System. You may be required to enter into a hardware maintenance contract with a company of your choosing for other computers you use in your Area Representative Business, so long as you follow our procedures for approval of such outside supplier. We are not an approved supplier or the only approved supplier of the hardware maintenance contract.

We also require you to maintain an e-mail account and connect the Computer System to a dedicated telephone line (or other communications medium specified by us) at all times and be capable of accessing the Internet via a third party network designated by us in the Confidential Operations Manual or otherwise in writing. Neither we nor our affiliates are the only approved suppliers of any components of the Computer System.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the purchase or lease of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Area Representative Business, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 10% and 30% of your total cost to establish an Area Representative Business and between 20% percent and 50% of your total cost of operating an Area Representative Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on volume discounts from our purchase of products that we may re-sell to you. We reserve the right to negotiate prices for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees, but we currently do not do so.

There are no caps or limitations on the maximum amount of payments, rebates, commissions or other consideration that we may receive from our suppliers as the result of franchisee purchases. Some of our officers own an equity interest in us (the franchisor) and our affiliates, and we may be an approved supplier or the only approved supplier for certain products or services.

Our officers own an equity interest in us (the franchisor) and our affiliates, and we or our affiliates may be approved suppliers. During the fiscal year ending December 31, 2024, our affiliate Desert Delight Foods LLC made sales to our franchisees totaling \$62,455.55, or 100% of its revenue for 2024.

We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section In Agreement	Item In FDD
a	Site Selection & Acquisition/Lease	Articles 2 and 3, Addendum 1	Items 7, 8, 11, and 12
b	Pre-Opening Purchase/Leases	Not applicable.	Items 5, 7, 8, and 11
c	Site Development & Other Pre-Opening Requirements	Article 8	Items 7, 8, and 11
d	Initial & Ongoing Training	Articles 7 and 8	Items 6, 7, and 11
e	Opening	Articles 2 and 3	Item 11
f	Fees	Article 6	Items 5, 6, and 7
g	Compliance With Standards And Policies/Operating Confidential Operations Manual	Articles 8 and 9	Items 8 and 11
h	Trademarks & Proprietary Information	Article 14	Items 11, 13, 14, and 16
i	Restrictions On Products/Services Offered	Articles 2, 3, and 8	Items 8, 11, 12, and 16

	Obligation	Section In Agreement	Item In FDD
j	Warranty & Customer Service Requirements	Article 8	Item 11
k	Territorial Development & Sales Quotas	Articles 3 and 4	Item 12
I	Ongoing Product/Service Purchases	Article 6	Items 6 and 8
m	Maintenance, Appearance And Remodeling Requirements	Not applicable.	Items 8, 11, 16, and 17
n	Insurance	Article 15	Items 7 and 8
o	Advertising	Article 8	Items 6, 7, 8, and 11
p	Indemnification	Article 15	Item 6
q	Owner's Participation, Management, Staffing	Article 9	Items 11 and 15
r	Records and Reports	Article 8	Item 11
s	Inspections And Audits	Article 8	Items 6 and 11
t	Transfer	Article 10	Item 17
u	Renewal	Article 5	Item 17
v	Post-Termination Obligations	Articles 12, 13, and 14	Item 17
w	Non-Competition Covenants	Article 12	Items 15 and 17
x	Dispute Resolution	Article 16	Item 17
y	Liquidated Damages	Article 13	Item 6
y	Shortfall Payment	Article 13	Item 6

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

[This Area is Intentionally Left Blank]

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Dumont Creamery and Café, LLC is not required to provide you with any assistance.

Pre-Opening Assistance. Prior to the opening of your Area Representative Business, we will provide the following initial services:

1. Designate the Development Area in which you must operate your Area Representative Business. We do not require you to operate your Area Representative Business from a separate office (you can operate your Area Representative Business from your home office), and we will not give you any assistance in locating a formal office. (Area Representative Agreement, Section 2.1, Addendum 1)
2. Provide you our initial training program. We describe the initial training program later in this Item. (Area Representative Agreement, Section 7.1)
3. Provide to you, on loan, one copy of our Confidential Operations Manual(s) or provide you with access to an electronic copy of the Confidential Operations Manual(s). You must comply with all policies and procedures in the Confidential Operations Manual(s). We may modify them at any time. You must update your copy of the Confidential Operations Manual(s), as instructed by us. You may, at a time that is convenient to you and us, review the Confidential Operations Manual(s) at our headquarters before buying a franchise, but you cannot take them with you. Any required standards exist to protect our interests in the System and the Marks, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. (Area Representative Agreement, Section 8.8)

Time to Open.

We estimate that there will be zero (0) to thirty (30) days between the execution of the Area Representative Agreement and the opening of your Area Representative Business. The factors that may affect this length of time include time for obtaining permits; weather conditions; obtaining and installing equipment; training, obtaining marketing materials; hiring as needed; and obtaining financing arrangements. There is no deadline for beginning to operate your Area Representative Business, except that you must fulfill your development obligation within all applicable development periods. (Area Representative Agreement, Articles 2, 3, and 4 and Addendum 2)

Post-Opening Obligations. During the operation of your Area Representative Business, we will:

1. Pay you the Management Fee, based on your fulfilling the conditions to payment. These commissions will be paid by the fifteenth (15th) day of the month immediately following the month in which the fees clear our bank account. (Area Representative Agreement, Article 6)
2. Provide you with a copy of our then-current form of the Franchise Disclosure Document for the offer and sale of Cafés after we prepare it. (Area Representative Agreement, Articles 7 and 8)
3. Maintain, or cause an affiliate of ours to maintain, the corporate website, operating software, and exchanges that will fulfill a variety of functions, including the promotion of Cafés and the services they provide, as well as the solicitation of the purchase of Unit Franchises. (Area Representative Agreement, Article 7)

4. Provide you with reasonable levels of ongoing consultation, guidance, assistance, and support to enable you to market, develop and support Unit Franchises. (Area Representative Agreement, Article 7)

Post-Opening Optional Assistance. During the operation of your Area Representative Business, we may (but we are not required to):

5. Make available to you, at your expense, our representatives for operations assistance and ongoing training as we think necessary. (Area Representative Agreement, Section 7.1).

6. Coordinate the presence of the System on the Internet, including but not limited to e-commerce, web site use, social media and networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding Cafés and our franchisees. We will have sole discretion and control over the design and contents of any website. We may, in our discretion, provide to you a website or website template that is either contained in our separate from our primary website. We have the right to control all use of social media and social networking sites by you that mentions or uses the Marks. (Area Representative Agreement, Articles 7 and 8)

7. Provide periodic refresher or additional training programs for Area Representatives. (Area Representative Agreement, Section 7.1)

8. Hold periodic national conferences to discuss business and operational issues affecting. Attendance at these conferences is mandatory. We will not charge you a fee to attend. (Area Representative Agreement, Section 7.1.2)

9. Establish an online portal through which franchisees may communicate with each other and through which we can disseminate updates to the Confidential Operations Manual and other Confidential Information. You will be permitted to participate in any online portal so long as you are not in violation of the Area Representative Agreement. (Area Representative Agreement, Articles 8 and 14)

There is no specified date or period for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Area Representative Business.

Advertising and Promotion

Brand Fund

We do not have any advertising fund specific to Area Representatives. We do administer a fund for marketing the System, the Marks, and Cafés (the “Brand Fund”), which we describe in our Franchise Disclosure Document for Unit Franchisees. We do not require you to pay any money to the Brand Fund as an Area Representative, but you will be required to contribute money to the Brand Fund for each Café you operate.

Launch Marketing

You must conduct a launch marketing program for your Area Representative Business in accordance with our Manuals, utilizing the tools, timing, technologies, services, and products we authorize and direct. You and we will develop the budget and plan following the launch process described in the Confidential Operations Manuals. You must spend between \$5,000 and \$10,000 on a launch marketing program for the Area Representative Business during the launch time, which will continue for the first three to six

months after you sign the Area Representative Agreement. The launch marketing program will use the marketing, advertising and public relations programs, media, and materials we have developed or approved and is separate from your other marketing and advertising requirements. You must submit expenditure reports to us to confirm your compliance with this requirement.

Development Area Advertising

You will be required to conduct advertising and promotional efforts aimed at recruiting potential new franchisees within your Development Area. To this end, each month you must spend within the Development Area five percent (5%) of the total Opening Fees and Management Fees that you earned during the month just-ended.

All of your advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within fifteen (15) days after we receive the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved (Area Representative Agreement, Section 8.8)

Advertising Council

We do not have an advertising council comprised of franchisees. We do not have any local advertising cooperatives for Area Representatives.

Computer System.

You must obtain and use in your Area Representative Business a Computer System meeting our requirements. The Computer System will consist of the following: laptop or desktop computer, Microsoft Office Suite with Windows 11, high speed Internet access, and phone with mobile hotspot capability or a mobile hotspot device. The Computer System will generate reports on the sales and expenses of Cafés, will track Unit Franchisees and track your leads, maintain lead profiles, and track visit histories.

We estimate that the cost of purchasing or leasing the Computer System, including software and labor, will be between \$1,000 and \$2,000. If you lease your equipment, the monthly leasing fee will depend on factors such as lease term, lease rate, down payment, residual value, credit worthiness of lease.

We reserve the right to require you to upgrade or update the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation, except that we will not require you to make any changes, modifications, or upgrades to the Computer System that are not also made by Cafés owned by us or our affiliates. You will be responsible to upgrade or update the Computer System during the term of the franchise, to ensure the system adheres to the most current software versions and software license terms.

Neither we, nor any affiliate or third party, will be obligated to provide ongoing maintenance, repairs, upgrades or updates for your Computer System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the computer system, but we reserve the right to do so in the future. We anticipate that the annual cost of maintenance will be between \$1,000 and \$2,000. We need not reimburse you for any of these costs. We have independent, unlimited access to the information generated by the Computer System.

We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop and maintain, on your signing of a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights concerning, the software or technology.

You are required to use the Computer System to communicate with us, report and record all communications with prospective and existing Unit Franchisees, and to track prospective new Unit Franchisees. We will have the unlimited right to independently access all of the information that you collect or compile, or that is generated or stored on your Computer System. There are no limitations on the type of information we can access, or the times or frequency of when we access such information. No compatible equivalent component or program has been approved by us. (Area Representative Agreement, Article 11).

Confidential Operations Manual.

We will loan you a copy of our Confidential Operations Manual, which may include one or more manuals and other written materials for the operation of Cafés and Area Representative Businesses, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Area Representative Agreement. We have the right to add to, and otherwise modify, the Confidential Operations Manual to reflect changes in authorized products and services, changes in specifications, standards and operating procedures of an Area Representative Business. You must keep the Confidential Operations Manual confidential and current, and may not copy any part of the Confidential Operations Manual.

We will loan you one copy of the Confidential Operations Manual after you sign the Area Representative Agreement. We may provide this to you electronically. You must comply with all policies and procedures in the Confidential Operations Manual. We may modify them at any time. The total number of pages is 26. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. You must update your copy of the Confidential Operations Manual, as instructed by us. We disclose the Table of Contents to the Confidential Operations Manual as Exhibit E to this Franchise Disclosure Document. (Area Representative Agreement, Article 9)

Introductory Training Program and Ongoing Training

We provide you with an initial training program that covers material aspects of the operation of your Area Representative Business. The topics covered are listed in the chart below. We plan to hold training on an as-needed basis as we determine appropriate. The program will be held at our affiliate's restaurant in Coppell, Texas, and/or at your Area Representative Business immediately prior to your beginning to operate your Area Representative Business. The Introductory Training Program is free of charge to you and one additional person, except that you are responsible for costs associated with attending the program such as travel, lodging and meals. You and your designated attendee must complete the training program to our reasonable satisfaction, as determined by the specific program instructors listed in the training schedule below. Training is mandatory for you and your Operating Principal.

We expect that your attendees will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are an estimate of the time it will take to complete training. We estimate that the training will last approximately 140 hours, depending on your progress and performance. Your Area Representative Business must

always be under the day-to-day supervision of an Operating Principal who has satisfactorily completed our training program.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates, as our training program continues to evolve. This training schedule is fully detailed in the Confidential Operations Manual and will change from time to time (Area Representative Agreement, Articles 9 and 10).

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
ICE CREAM	1	8	Coppell, Texas
MILKSHAKES	1	8	Coppell, Texas
BOBA TEA	15	60	Coppell, Texas
COFFEE	15	60	Coppell, Texas
SPECIALITY DRINKS (NOT COFFEE/MILKSHAKES)	5	20	Coppell, Texas
FOOD	1	8	Coppell, Texas
TOTALS:	38	164	

The instructional materials used for all topics of training will consist of the Confidential Operations Manual. The online training will be offered to you after you sign the Area Representative Agreement and the training at our Coppell, Texas location will be offered as needed.

Our Trainers

Below is a list of our trainers as of the issuance date of this Franchise Disclosure Document. We may replace any or all of our trainers with qualified replacements. If a replacement trainer is used for training purposes, they will have adequate training and qualifications to provide all necessary training to your owners and managerial staff.

The Initial Training will be conducted primarily by Surendranath Duggirala, our Chief Operations Officer. He has 8 years of experience in our industry and 2 years of experience with us. Other trainers may include employees of our affiliates who have direct Café operational experience. The training materials for the classroom component will consist primarily of the Confidential Operations Manual.

We will provide you with periodic training programs regarding our latest products, techniques, methods, or processes. We will not charge you a fee for these programs, but you will be responsible for paying the living and travel expenses of you and those of your personnel who attend training.

[This Area is Intentionally Left Blank]

ITEM 12

TERRITORY

You will receive an exclusive territory for your Area Representative Business.

Development Area

Before you sign your Area Representative Agreement, we will designate the boundaries of the area in which you will solicit and service franchisees and operate your Area Representative Business (your “Development Area”). Your Development Area will be described in Addendum 1 to your Area Representative Agreement. We anticipate that most Development Areas will consist of a cluster of counties, or an entire State.

During the term of your Area Representative Agreement, your Development Area will be exclusive, meaning that we will not grant area representative rights to any other person for any portion of your Development Area. We reserve all other rights in the Development Area. We specifically reserve the following rights within the Development Area:

- (1) The right to establish, operate, or grant third parties the right to establish or operate Cafés, Unit Franchises or Multi-Unit Franchises anywhere, including within your Development Area. We will, however, pay you commissions on the terms described in Item 11 for Cafés introduced to us by you within the Development Area after you and we sign the Area Representative Agreement.
- (2) The right to directly solicit, screen, recruit, develop, service and/or support franchises that are located within your Development Area.
- (3) The right to engage the services of third-party franchise brokers, franchise sales companies, in-house commissioned salespeople and/or utilize any lead generation services that we desire to solicit, screen and/or recruit franchises that are located within your Development Area.
- (4) The right to offer services or sell products under the System, either using the Marks or using other names.
- (5) The right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Development Area using the Marks or using other names.

We are not required to pay you if we exercise any of these rights within your Development Area.

The Area Representative Agreement does not grant you any rights to operate a Café, that right being granted exclusively in the Unit Area Representative Agreement.

Restrictions on Your Sales and Marketing Activities

As an Area Representative, you are not permitted to market franchises through alternative channels or distribution such as over the Internet except with our written approval. You are permitted to market the sale of franchises inside and outside of your Development Area (there are no geographic restrictions on these marketing activities), but neither we nor any other area representative are obligated to pay you if your marketing activities result in the sale of franchise rights outside of your Development Area. Your marketing activities are also subject to the additional restrictions described in Item 11 under the section

titled “Local Advertising.” There are no other restrictions on your right to solicit prospective franchisees, whether from inside or outside of your Development Area.

Minimum Performance Requirements

Under your Area Representative Agreement, you are required to develop your Development Area according to the development schedule in your Area Representative Agreement. Specifically, you must ensure that the minimum number of Cafés are opened within the time periods described in the development schedule (see Addendum 1 to the Area Representative Agreement).

If your Area Representative Agreement is terminated or you do not fulfill the requirements and obtain a successor term to your Area Representative Agreement, you will have no further rights in the Development Area. If at the end of your fifth (5) year in operation the minimum number of Cafés is not open and operating in the Development Area, then in our sole discretion instead of terminating the Area Representative Agreement we may charge you \$15,000 for each Café not open and operating in the Development Area under the development schedule.

You will not be entitled to any commissions or have any rights or responsibilities with respect to any franchisee that signs a franchise agreement after the effective date of our termination of your territorial rights. We will not modify your Development Area during your first renewal period only if you have fully complied with the Area Representative Agreement and ensured that the minimum number of Cafés is open and operating within the time periods described in the development schedule.

Rights to Acquire Additional Franchises

The Area Representative Agreement gives you the right to purchase Unit Franchises for Cafés that you will own and operate in your Development Area. Otherwise, we will not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises.

Competitive Businesses Under Different Marks

Although we and our affiliates have the right to do so, neither we nor our affiliates have operated or franchised, and currently have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. If we or our affiliates purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities under marks different than the Marks in your Development Area.

ITEM 13

TRADEMARKS

Under the Area Representative Agreement, we grant you the nonexclusive right to use our Marks in connection with the operation of your Area Representative Business. You may also use our other current or future trademarks authorized by us to operate the Area Representative Business. We will grant a license to you to use the following Marks:

MARK	APPLICATION NO.	REGISTRATION DATE
DUMONT (Word Mark)	U.S. Ser. No. 99081074 U.S. Ser. No. 99081077	Pending
DUMONT CREAMERY & CAFÉ (Word Mark)	U.S. Ser. No. 99081084 U. S. Ser. No. 99081086	Pending

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, that materially limits your rights to use the Marks. There is currently no pending interference, opposition or cancellation proceeding, nor any pending material litigation, involving the Marks that is relevant to their use anywhere in the United States.

There are currently no pending agreements in effect that affect or limit our use or our ability to license others to use the marks in any manner or material to your franchise business.

You will have the right to use all our Marks in the operation of your Area Representative Business. However, you must use the Marks only for the operation of your Area Representative Business and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use our Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us.

You must notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Area Representative Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks. You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition resulting from that use.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions for such modification, discontinuance, or substitution within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to remove existing signs from your Area Representative Business, and to purchase and install new signs. We do not have to reimburse you for the costs you incur for making these changes.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents are material to the franchise.

We claim copyright protection of the Confidential Operations Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Area Representative Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Improvements

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications, or new processes (“Improvements”) in the operation of your Area Representative Business, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a “work-made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights to the item.

We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Area Representative Business, Confidential Operations Manual and the System for use by all franchisees, us or any affiliate. If we seek patent protection or copyright registration for any Improvements, we will do so at our own expense. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these Improvements. You will have each of your employees sign an agreement requiring employee cooperation with these requirements. You must obtain our express written consent before making any modification or derivative work.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the “Confidential Information”). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Confidential Operations Manual and in guidance furnished to you during the term of the Area Representative Agreement.

The Area Representative Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a Area Representative Business during the term of the Area Representative Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Area Representative Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of your Area Representative Business.

We may revise the Confidential Operations Manual, and you must comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Area Representative Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require you to be involved in the day-to-day operation of your Area Representative Business. However, the business must always be under the direct, full-time, day-to-day supervision of an Operating Principal who must always faithfully, honestly, and diligently perform the contractual obligations and use their best efforts to promote and enhance the Area Representative Business. The Operating Principal must attend and satisfactorily complete our initial training program. If you must replace the Operating Principal, your replacement(s) must attend and satisfactorily complete our initial training program. We require your Operating Principal to have an equity interest in your Area Representative Business.

If you are a legal entity, then all your directors, members, partners, and/or officers and any individual that owns an interest in you or the Area Representative Agreement must sign our Owner Agreement assuming and agreeing to be personally responsible for all of the obligations of the Area Representative Agreement, and agree to be bound by the confidentiality provisions and non-competition provisions of the Area Representative Agreement and agree to certain restrictions on their ownership interests. The required Owner Agreement is attached to the Area Representative Agreement as Addendum 2. If you are married, we require your spouse to sign the Owner Agreement.

You must take all necessary precautions to ensure that the persons listed in the Area Representative Agreement as owners of an equity interest, and any representatives and beneficial owners of the Area Representative Agreement, sign the Owner Agreement, and you must forward a copy of these signed agreements to us. You also must ensure that any of your employees that have access to our trade secrets and confidential information each sign the Confidentiality Agreement (Exhibit G), and you must forward a copy of these signed agreements to us.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are not permitted to sell any goods, products, or services to customers or third parties. You are only permitted solicit new Unit Franchises and Multi-Unit Franchises on our behalf. You are required to offer for sale only services that have been approved and specified by us in the Confidential Operations Manual(s) and any updates that are incorporated in the Confidential Operations Manual(s) from time to time. You may not offer for sale any services not specifically approved by us. We have the unrestricted right to change the services that you are required to sell from your Area Representative Business at any time in our sole discretion.

[This Area is Intentionally Left Blank]

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.

Area Representative Agreement

Provision	Section in Area Representative Agreement	Summary
a. Length of the franchise term	Section 5.1	The Agreement starts on date it is signed and ends 10 years later.
b. Renewal or extension of the term	Sections 5.2 and 5.3	You are permitted to acquire: one (1) additional term of ten (10) years if you meet the requirements listed in Article 5 of the Area Representative Agreement.
c. Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Have met or exceeded development obligations; advance written notice, not later than 90 days or earlier than 180 days, to renew; sign the most current form of Area Representative Agreement which may contain substantially different terms and conditions than your current Area Representative Agreement, including a smaller geographic Development Area and a new development obligation; have fully performed your obligations under the Area Representative Agreement, including the obligation to be current in payment of all monetary obligations to us, and not have committed two or more breaches of the Area Representative Agreement during any 12-month period during the term. If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 13.1	You may terminate the Area Representative Agreement by giving us written notice at least six (6) months before your desired termination date.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 13.2 – 13.3	We can terminate if you materially default under your Area Representative Agreement, an individual Unit Franchise Agreement, or any other agreement between you and us.
g. “Cause” defined - curable defaults	Section 13.3	You have fifteen (15) days to cure a failure to pay fees. You have sixty (60) days to cure any other default; but in the case of a breach or default in the performance of your obligations under any Unit Franchise Agreement or other agreement between you and us, the notice and cure provisions of the Unit Franchise Agreement or other agreement will control. You have one hundred and eight (180) days to cure any default for your failure to meet your development obligation.
h. “Cause” defined – non-curable defaults	Section 16.1	Non-curable defaults include: unapproved transfers; your (or a franchisee within your Development Area’s) opening a Café without

Provision	Section in Area Representative Agreement	Summary
		following our rules and procedures for doing so; your providing us untrue information in connection with your application to be an Area Representative; or your providing any breach of your non-competition and confidentiality obligations described in Article 12.
i. Franchisee's obligations on termination/non-renewal	Section 13.4	You will have no further right to solicit, recruit and support, or receive compensation for any Cafés in your Development Area. You will be required to pay us liquidated damages.
j. Assignment of contract by franchisor	Section 10.1	We may transfer all or any part of the System, the Area Representative Agreement, or the Marks without your consent.
k. "Transfer" by franchisee – defined	Section 10.3	Includes transfer of contract, premises of your Area Representative Business, assets, or change of your ownership (if you are a legal entity)
l. Franchisor approval of transfer by franchisee	Section 10.3	You cannot transfer the Area Representative Agreement without our consent.
m. Conditions for franchisor approval of transfer	Section 10.3	We have the right to condition our approval of any transfer proposed by you upon the following: (a) You must be in full compliance with the Area Representative Agreement and pay all outstanding fees owed to us or our its affiliates; (b) We must have declined our right of first refusal; (c) Your transferee must have completed the initial training program to our satisfaction; (d) Your transferee must execute our then-current form of area representative agreement, or assume your existing area representative agreement (at our option); (e) You must pay us a transfer fee equal to 10% of the total consideration received by you for the transfer; (f) You and your owners must execute a general release of all claims against us, our affiliates, and shareholders, officers, directors, employees, agents, successors, and assigns; (g) The transfer must be conducted in compliance with all applicable federal, state, and local laws and regulations; and (h) Your transferee must assume all your liabilities and obligations relating to your Area Representative Business.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 10.6	You must give us written notice of intent to sell or otherwise transfer the Area Representative Agreement. We have 30 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We can match any bona fide written offer for your Area Representative Business.
o. Franchisor's option to purchase franchisee's business	Not applicable.	Not applicable.
p. Death or disability of franchisee	Section 10.8	The deceased or incapacitated person must designate a successor to his or her interest in your Area Representative Business, which must be approved by us, within 6 months of death or incapacity. We have the right to approve all transfers.
q. Non-competition covenants during the term of the franchise	Section 12.1	Unless we agree otherwise in writing, you may have no involvement in any business that: (i) is similar to Cafés; (ii) has similar decor or similar menu items to a Café; or (iii) sells any products that are similar to or the same as those sold at Cafés (coffee, tea, and ice cream and related food and drink items) as a combined total of 20%

Provision	Section in Area Representative Agreement	Summary
		or more of all menu sales (a “Competitive Business”).
r. Non-competition covenants after the franchise is terminated or expires	Section 12.2	Unless we agree otherwise in writing, you may have no involvement in any Competitive Business, for three years anywhere within your Development Area or within 30 miles of any Café then-existing. Except with the operation of an Area Representative Business under a valid Area Representative Agreement, you may not use our Trade Secrets in any business or other endeavor after your Area Representative Agreement is terminated or expires. You must completely disassociate yourself from the Marks and return the Confidential Operations Manual and other confidential materials provided to you by us. You may not divert any business from us. You must also promptly cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 17.3	Changes to the Area Representative Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	Section 17.12	Only the terms of the Area Representative Agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Area Representative Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 16	Subject to federal and your state’s law, all disputes, except as explicitly listed in the Area Representative Agreement, must be submitted to non-binding mediation in accordance with the commercial arbitration rules of the American Arbitration Association.
v. Choice of forum	Section 16.10	Litigation must be in the federal or state courts of Texas and located in Texas in the city where our headquarters is located. (subject to your state’s law; see any state-specific addendum attached in Exhibit D).
w. Choice of law	Section 16.1	Federal law governs trademark issues. Texas law applies except where individual state laws supersede, as reflected in any state-specific attachment to the Area Representative Agreement, subject to state law.

ITEM 18

PUBLIC FIGURES

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

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.

We do not make any additional representations about a franchisee's future financial performance or the past financial performance of company-owned, company affiliated, or franchised outlets. We also do not authorize our employees or representatives to make any additional representations either orally or in writing. If you receive any additional financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ajay Govada, CEO, 6600 Paige Rd., Suite 222, The Colony, Texas 75056, (937) 708-9589, 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 through 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2022 through 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

TABLE NO. 3

Status of Franchised Outlets for Years 2022 through 2024

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Total Outlets	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

* Where we have a single Area Representative working in a Territory consisting of multiple states, we combine those states comprising the Territory into one line item.

TABLE NO. 4
Status of Company-Owned Outlets for 2022 through 2024

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

TABLE NO. 5
Projected Openings for 2025 as of December 31, 2024

State	Area Representative Agreements Signed But Not Opened	Projected New Area Representative Businesses in the next Fiscal Year	Projected New Company-Owned Area Representative Businesses in the Current Fiscal Year
Alabama, Louisiana, and Minnesota	0	1	0
Arizona, California, Nevada, Oregon, and Washington	0	1	0
Arkansas and Missouri	0	1	0
Colorado and Utah	0	1	0
Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont	0	1	0
Delaware, District of Columbia, and Maryland	0	1	0
Florida	0	1	0
Georgia, North Carolina, South	0	1	0
Wisconsin	0	1	0
Illinois	0	1	0
Iowa, Minnesota, and Nebraska	0	1	0
Indiana, Kentucky, and Tennessee	0	1	0
Kansas and Oklahoma	0	1	0
Michigan and Ohio	0	1	0

State	Area Representative Agreements Signed But Not Opened	Projected New Area Representative Businesses in the next Fiscal Year	Projected New Company-Owned Area Representative Businesses in the Current Fiscal Year
New Jersey, New York, and Pennsylvania	0	1	0
Texas	0	1	0
Totals	0	16	0

No area representatives had an agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our area representative agreement during our most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No area representatives have signed a confidentiality clause in a franchise agreement, settlement agreement or other contract within the last three years that would restrict their ability to speak openly with you about their experience with us.

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this FDD as Exhibit C are our audited financial statements for the period ending December 31, 2024. We have not been franchising for three years or more and cannot provide all financial statements as required by this item.

ITEM 22

CONTRACTS

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document. At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with its franchisees as its business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

Exhibit B: The Area Representative Agreement

Addenda to Area Representative Agreement:

1. Information Regarding Area Representative; Development Area
2. Owner Agreement

Exhibit F: Form of General Release

Exhibit G: Form of Confidentiality and Non-Compete Agreement

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit J. Please complete both copies, detach and return the copy marked “Our Copy” to us and keep the other copy in the Franchise Disclosure Document for your own records.

Dumont Creamery and Café, LLC, LLC

EXHIBIT A

List of State Administrators and Agent for Service of Process

EXHIBIT A
LIST OF STATE AGENTS FOR THE SERVICE OF PROCESS AND
STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	Agents for Service of Process	Administrators
Wisconsin	Commissioner of Securities 345 W. Washington Street, 4 th Floor Madison, WI 53703	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701
Federal Trade Commission		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6 th Street NW Washington, DC 20580 (202) 326-3128

Dumont Creamery and Café, LLC, LLC

EXHIBIT B

Area Representative Agreement



AREA REPRESENTATIVE AGREEMENT BETWEEN

Dumont Creamery and Café, LLC

6600 Paige Rd, Suite 223
The Colony, Texas 75056

and

TABLE OF CONTENTS

1. YOUR COVENANTS, UNDERSTANDINGS, AND REPRESENTATIONS	3
2. GRANT OF AREA REPRESENTATIVE RIGHT	5
3. YOUR DEVELOPMENT OBLIGATION	6
4. DEVELOPMENT AREA	6
5. TERM; RIGHT TO ACQUIRE A SUCCESSOR AGREEMENT	7
6. PAYMENTS	8
7. SUPPORT BY US	9
8. YOUR OBLIGATIONS	11
9. YOUR AREA REPRESENTATIVE BUSINESS	16
10. TRANSFERS	17
11. USE OF TECHNOLOGY; BOOKS AND RECORDS	19
12. NON-COMPETITION; CONFIDENTIALITY	21
13. TERMINATION	23
14. INTELLECTUAL PROPERTY	25
15. YOUR RELATIONSHIP WITH US; INDEMNIFICATION; INSURANCE	27
16. GOVERNING LAW; DISPUTE RESOLUTION	28
17. GENERAL PROVISIONS.....	32

APPENDIX

Glossary of Terms

ADDENDA

1. Information Regarding You and Your Area Representative Business
2. Owner Agreement

AREA REPRESENTATIVE AGREEMENT

This Area Representative Agreement (“**Agreement**”) is entered into on the Effective Date between Dumont Creamery and Café, LLC a Texas limited liability company (“**we**,” “**us**,” or “**our**”), and the person identified in **Addendum 1** to this Agreement (“**you**” or “**your**”). Capitalized terms are used in this Agreement with the meanings assigned in the Glossary of Terms attached as the **Appendix**.

Introduction: This Area Representative Agreement

This area representative agreement (“**Agreement**”) is written in a conversational tone to make it easier to read. In the context of the Agreement, Dumont Creamery and Café, LLC is referred to as “we,” or “us.” When we refer to things we own or obligations we have, we use the word “our.” The person, persons, or legal entity that sign this Agreement are collectively referred to as “you,” and the obligations you have or the things you own are referred to as “your.” When we refer to “you” or “your,” we are also referring to each and every one of your Owners and the obligations that each and every one of your Owners has to us. To further bind you and your Owners, we require each and every one of your Owners to sign the Owner Agreement, which is attached as **Addendum 2** to this Agreement.

In the Agreement, we sometimes capitalize the words we use. These are called “defined terms,” and whenever we use one of them, we are referring to the definition we have assigned to the word. When a word appears in parentheses, quotes, and bold, we are informing the reader that the word has been defined by the text surrounding the word where it appears. At the end of the Agreement, in the **Appendix**, we have included for ease of reference a Glossary of Terms to help you easily locate the definition of a defined term.

We will rely on all of the statements, representations, understandings, and promises you make to us in this Agreement and in the Compliance Questionnaire when we decide to counter-sign this Agreement with you.

RECITALS

- A. We own a System for the establishment and operation of Cafés.
- B. We want to expand and develop Cafés in the Development Area, and you want to find, train and supervise Cafés in the Development Area as our area representative, upon the terms and conditions as stated in this Agreement.

You and we therefore agree as follows:

1. YOUR COVENANTS, UNDERSTANDINGS, AND REPRESENTATIONS

You understand, represent to us, certify, and agree to the following:

1.1. **System Modifications**. You understand and agree that we may modify the System and any of its components from time to time in our sole discretion as often, and in the manner, that we believe, in our sole discretion, is necessary to best promote Cafés, as a chain, to the public. We shall give you written notice of all changes either by supplements to the System, in writing or electronically, or otherwise. You shall, at your own cost and expense, promptly adopt and use only those parts of the System specified by us and shall promptly discontinue the use of those parts of the System which we direct are to be discontinued. You shall not change, modify or alter the System in any way, except as we direct.

1.2. Capital Expenditures. You recognize that changes and modifications that we may make to the System may necessitate that you make capital expenditures during the Term in amounts that we cannot forecast. Nothing in this Agreement limits the frequency or cost of future changes to the System that we may require. You understand and agree that we have no ability to identify with specificity the nature of these future general improvements or their expected cost and accept the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the Effective Date and that cannot be fully amortized over the period of time then remaining in the Term.

1.3. System Variations. We may allow other franchisees to deviate from the System in individual cases in the exercise of our sole discretion. You understand and agree that you have no right to object to any variances that we may allow to ourselves, our affiliates, or other franchisees, and have no claim against us for not enforcing the standards of the System uniformly. You understand and agree that we have no obligation to waive, make any exceptions to, or permit you to deviate from, the uniform standards of the System. Any exception or deviation that we do allow you must be stated in writing and executed by us in order to be enforceable against us.

1.4. Accuracy of Information. You have ensured that all information you have submitted to us in connection with your application for this Agreement was complete and accurate when it was given to us. You represent to us that there have been no material changes in that information or other changes in material circumstances with respect to you between the time of the submittal and the Effective Date. You further acknowledge that the acknowledgments signed by you in Exhibit H to our Franchise Disclosure Document are truthful and accurate.

1.5. Your Ownership. If you are a Business Entity, you represent that:

1.5.1. Every one of your Owners has signed the Owner Agreement, attached as Addendum 2.

1.5.2. You are duly organized and validly existing under the laws of the state of your organization, and you are duly qualified to transact business in the state(s) in which your Area Representative Business is/are located.

1.5.3. You have the authority to execute and deliver this Agreement and all related agreements and to perform your obligations under all such agreements.

1.5.4. Your organizing documents state that your activities are restricted to those necessary solely for the development, ownership and operation of an Area Representative Business in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates.

1.5.5. The articles or certificate of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interests are restricted by the terms of this Agreement.

1.5.6. All certificates representing direct or indirect legal or beneficial ownership interests in you, now or later issued, do or will bear a legend that conforms with the Applicable Law reciting or referring to such restrictions.

1.5.7. In all public records, in relationships with other persons, and on letterhead and business forms, you must indicate you independently own and operate your business and that you are a franchisee of Dumont Creamery and Café, LLC

If you are an individual or sole proprietorship but later become a Business Entity, you must ensure that you comply with, and that your organizing documents are consistent with, each one of the above requirements and representations.

1.6. Disclosure of Ownership Interests. You and, if you are a Business Entity, each of your Owners represents, warrants and agrees that the provisions in Addendum 1 that pertain to your Business Entity and its ownership is current, complete and accurate. You agree that updates or changes to Addendum 1 will be furnished promptly to us, so that it (as revised and signed by you) is at all times current, complete and accurate.

1.7. Anti-Terrorism Laws. Neither you, nor your Owners, principals, employees or anyone associated with you are listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf>) You agree not to hire or have any dealings with any person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Owners, principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws. In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your Owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities in this Agreement pertain to your obligations under this Section.

1.8. Defined Terms. Capitalized terms are used in this Agreement with the meanings assigned in the Glossary of Terms attached as the Appendix.

2. GRANT OF AREA REPRESENTATIVE RIGHT

2.1. Grant of Area Representative Right. Subject to the terms and conditions of this Agreement, we grant to you, and you accept, the right and obligation to actively find and support Cafés solely in the Development Area. An increase or decrease in the size of the cities, counties or political subdivisions, if any, included within the Development Area will have no effect on the Development Area as it is described in Addendum 1.

2.2. Restrictions. Each Café opened within the Development Area, whether operated by you or a Franchisee, must be subject to a separate Franchise Agreement executed by us and either you or a Franchisee (as applicable). The form of each Franchise Agreement for each Café will be our Then-current Franchise Agreement for the ownership and operation of a single Café, as contained in our Then-current Franchise Disclosure Document.

2.3. No Right to Operate a Café. This Agreement is not a franchise or license agreement for a Café, and does not grant to you any rights to use the Marks to provide Authorized Services or Products to third parties or grant Franchises to others. Your rights to use the Marks to provide Authorized Services or Products to third parties will be given only under a separate Franchise Agreement between you and us.

2.4. Best Efforts. During the Term (and any renewal or additional development term), you must at all times faithfully, honestly and diligently perform your obligations under this Agreement, and you must continuously exert your best efforts to promote and enhance the development of Cafés in the Development Area.

3. YOUR DEVELOPMENT OBLIGATION

3.1. Development Obligation. Within each Development Period specified in **Addendum 1**, you are required to meet your Development Obligation, which requires you to ensure that the required number of Cafés are open and operating within the Development Area.

3.2. Our Delivery of the FDD. Subject to your continuing compliance with section, if you are unable to meet the Development Obligation for any Development Period solely as the result of our being unable to deliver an FDD to a Franchisee as required by Section 8.1 of this Agreement, which results in the inability of one (1) or more Franchisees to develop and operate a Café in the Development Area, the particular Development Period during which our inability to deliver a current FDD occurs will be extended by an amount of time equal to the time period during which the our inability to deliver a current FDD existed during that Development Period. Other than as stated above, any delay in our issuance of accepting a Franchisee or your failure to satisfy other conditions stated in Article 8 will not extend any Development Period.

3.3. Your Failure to Meet the Development Obligation. If you are in default under your Development Obligation, you will have one hundred eighty (180) days from receiving notice from us within which you will have an opportunity to cure that default before we terminate this Agreement pursuant to Section 13.3. You acknowledge and agree that, in the event that we exercise our right to terminate your exclusivity in the Development Area for your failure to meet your Development Obligation, you will not derive any financial benefits from this Agreement after the date we terminate this Agreement.

4. DEVELOPMENT AREA

4.1. Exclusivity. During the Term (and for so long as we have not terminated this Agreement), we and our Affiliates will not grant to any other person the area representative rights described in Section 2.1 within the Development Area, nor will we ourselves conduct the activities for which we grant you exclusivity in this Agreement without compensating you in the manner described in this Agreement. We expressly reserve all other rights within and outside of the Development Area including, by way of example and not limitation, the right to: (i) offer services or sell products under the System, either using the Marks or using other names; (ii) own and operate Cafés in the Development Area either directly or through Affiliates; or (iii) use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within the Development Area using the Marks, or using other names.

4.2. Our Sales and Support Activities. We reserve the right to: (i) establish, operate, or grant third parties the right to establish or operate Unit Franchises or Multi-Unit Franchises anywhere, including within your Development Area; (ii) directly solicit, screen, recruit, develop, service and/or support Franchisees that are located within your Development Area; (iii) engage the services of third party franchise brokers, franchise sales companies, and in-house commissioned salespeople; and/or (iv) utilize any lead generation services that we desire in order to solicit, screen and/or recruit Franchisees that are (or will be) located within your Development Area. If you are in full compliance with this Agreement, we will pay you the Management Fee described in Article 6 with respect to such Franchisees.

4.3. Our Development Rights. If we terminate the Agreement as set forth in Sections 13.2 or 13.3, we may directly or through any third party, conduct any and all activities within the Development Area without restriction.

5. TERM; ACQUIRING A SUCCESSOR AGREEMENT

5.1. Term. The Term of this Agreement commences on the Effective Date, and, unless sooner terminated in accordance with Article 13, will expire on the tenth (10th) anniversary of the Effective Date (the “**Term**”).

5.2. Right to Acquire Successor Agreement. After the expiration of the initial Term, you may, at your option, acquire a Successor Agreement for one (1) additional term of ten (10) years, unless you are signing this Agreement under a successor Area Representative Agreement for an existing Development Area, in which case your successor term will be governed by the term of your original Area Representative Agreement. To qualify for a Successor Agreement, we have the right to insist on your fulfilling any or all of the following conditions:

5.2.1. You must give us written notice of your election to acquire a successor agreement not less than ninety (90) days nor more than one hundred and eighty (180) days prior to the end of the Term.

5.2.2. You must execute our then-current standard form of area representative agreement (the “**Successor Agreement**”), which may, in our sole discretion, include substantially different terms than those contained in this Agreement, including but not limited to a smaller Development Area and different or lower fees and commissions that we pay to you, but you will not have to pay a new Development Rights Fee.

5.2.3. You and each of your Owners must have executed a general release, in our then-current form (the current form is attached to our current FDD as **Exhibit F**), of any and all claims against us and our Affiliates and their respective officers, directors, shareholders, managers, members, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release you give us will not be inconsistent with any state law regulating franchising.

5.2.4. You must have fully performed all of your obligations under this Agreement and all other agreements between you and us (or our Affiliates).

5.2.5. You have opened all required Cafés by the end of the Term as required under your Development Obligation.

5.2.6. You must not be in material default of any provision of this Agreement or any other agreement with us or our Affiliates.

5.2.7. You must provide proof that you have all current licenses, insurance, and permits in compliance with Applicable Law for you to continue operating your Area Representative Business.

5.3. Effect of Expiration or Termination. Unless you and we have entered into a new area representative agreement based on Section 5.2 following the expiration of the Term or the sooner termination of this Agreement: (a) you will have no further right to solicit, recruit and support existing Cafés, or establish, open or operate additional Cafés which are not, at the time of such termination or expiration, the subject of a then-existing Franchise Agreement between you and us which is then in effect; and (b) we will no longer be obligated to pay you any fees.

6. PAYMENTS

6.1. Development Rights Fee. In consideration of the parties' promises and covenants to one another, you will pay us a lump-sum development rights fee equal to seventy-five thousand dollars (\$75,000) ("**Development Rights Fee**") upon execution of this Agreement.

6.2. Opening Fee. We will pay you an opening fee (the "**Opening Fee**") equal to fifty percent (50%) of the net Initial Fee paid to us by a Franchisee or Multi-Unit Franchisee in your Development Area under the circumstances described in this Section. Our payment to you of the Opening Fee is subject to the following:

6.2.1. The Franchisee or Multi-Unit Franchisee was located or found solely through your own efforts, and you have complied with each and every one of your obligations under this Agreement in procuring that Franchisee or Multi-Unit Franchisee. We are not obligated to pay you any Initial Fee that we receive from any Franchisee or Multi-Unit Franchisee in your Development Area if the contact with that Franchisee or Multi-Unit Franchisee was initiated by us, and not by you or if the Franchisee or Multi-Unit Franchisee signed the applicable Franchise Agreement or MUFA with us before the Effective Date. Notwithstanding the foregoing, we may in certain circumstances be willing to share with you a portion of the Initial Fee we receive from such a Franchisee or Multi-Unit Franchisee if you assist us in working with that person prior to their committing to purchase a Café from us. The circumstances (if any) under which we will share those Initial Fees with you will be detailed in the Confidential Operations Manual(s).

6.2.2. The Opening Fee will be due and payable only after we have received the funds, deposited them in our operating account, any financial assurance conditions or placed upon our entitlement to the funds by any federal or state government have expired, and we have recognized the revenue in our accounts.

6.2.3. The "net" Initial Fee is the total amount of the Initial Fee that we collect, less any amounts we must pay to third party brokers we hire, online lead generation service companies we hire, in-house commissioned salespeople or other referral sources relating to the sale (other than you). With our prior written approval, you may engage the services of third party brokers, online lead generation service companies or other referral sources. However, you are solely responsible for all fees owed to such brokers, companies and referral sources and you must pay them from the Opening Fee we pay you.

6.2.4. You understand that we have complete discretion to determine the amount of the Initial Fee that we charge and that we may: (i) negotiate reduced Initial Fees for particular transactions or classes of Franchisees or Multi-Unit Franchisees; and/or (ii) offer financing or installment payment plans with respect to the Initial Fee. If payment of Initial Fee for a franchise sold during the Term extends beyond the expiration of this Agreement, we will continue to pay you your commission in the time and manner specified in this Agreement with respect to such Initial Fee.

6.3. Management Fee. During the Term, and for so long as you are not in material default of the terms of this Agreement, we will pay a management fee to you in an amount equal to fifty percent (50%) of the net Royalty Fees actually collected from Franchisees in the Development Area (the "**Management Fee**"). We will pay the Management Fee on the fifteenth (15th) day of each month for the prior month's revenue of those Franchise Cafés, so long as we have received payment in full of those Royalty Fees by Franchisees in the Development Area. We are not obligated to pay a Management Fee to you upon Royalty Fees paid by any: (i) Franchise Café in the Development Area that is not current on its Royalty Fee payments as required by the Franchise Agreement; or (ii) any pre-existing Café in the Development Area that is serviced

by a former area representative. You understand that we have complete discretion to determine the amount of the Royalty Fee that we charge and that we may: (y) negotiate reduced Royalty Fees for particular transactions or classes of franchisees; and/or (z) increase or decrease the amount of the Royalty Fee from time to time. You are not entitled to any commission with respect to any Royalty Fee that we are unable to collect.

6.4. Technology Subscription. We anticipate that as the System grows, we may create or license specific technology products that we will require you to use to communicate with us, with Franchisees, and for overall Café and System management. You agree to pay us or, our Affiliates, or our Approved Supplier(s) for such products at their then-current rates, which may be charged at a monthly or other periodic basis. For any fee we require you to pay us or our Affiliates, we will not increase the fee by more than twenty percent (20%) in any twelve-month period.

6.5. Collections; Refunds; Return of Payments. We will collect all fees owed based on Franchise Agreements between us and Franchisees located within the Development Area and provide you with a monthly report on such day of the month that we select, along with the payments due to you from such amounts. We will have sole discretion as to the terms and conditions of collections from Franchisees, including the right to defer or refund Initial Fees or Royalty Fees. In the event we refund amounts collected, or if a Franchisee for any reason owes amounts to us, we will have the right, as we deem appropriate, to either deduct from any payments due to you your portion of any amount so refunded or any amount owed to us, or to require you to remit any such portion of the refunded amount or other amounts to us immediately upon request. We will have no liability to you for payments under this Article 6 in the event that any Franchisee, for any reason, fails to pay any fee owed to us. that triggers a related payment to you.

6.6. Taxes; Payments to Others. All payment obligations pertaining to your Café, including all trade payables and other indebtedness of every kind and all federal, provincial, state and municipal taxes and charges, including, but not limited to, any licensing or professional fees, are solely your obligations and not ours. We will not be liable for any sales, service, use, excise, income, gross receipts, property, payroll or other taxes levied against you or your assets, or against us, in connection with your Café, or any payments you make to us under this Agreement or any other agreement. You must reimburse us for any gross receipts, sales, income, use or other tax assessed by any taxing authority in the state where your Café is located, on any fees or other amounts payable by you to us under this Agreement. We will not be liable or responsible for your compliance (or failure to comply) with any and all Applicable Law.

6.7. Annual Increases. We have the right to increase our flat fees by a maximum of 10% per year, calculated cumulatively over the term of the Agreement. Additionally, we may also increase these fees by the amount of any increases in fees from third parties for the underlying products or services which will be added to the capped fee increase.

7. SUPPORT BY US

7.1. Training and Periodic Support. At no extra charge, we will provide persons selected by you (and acceptable to us) an initial area representative orientation program to familiarize them with our philosophies, concepts, site acceptance criteria, and recruitment process for Cafés in the Development Area. Said initial orientation program shall be one (1) or more days of training at a location in the United States, as determined by us. If you are a Business Entity, we require the trainees to include your Operating Principal, Owners, officers or representative selected by you and acceptable to, and approved by, us. We will bear our own costs of providing the initial orientation program, including our staff salaries, materials, and all technical training tools. You must pay all expenses, including travel, living, compensation, and other expenses, if any, incurred by the people you bring with you to training. We will not pay any compensation for any services performed by the people you bring with you to training in connection with these training programs.

7.1.1. Once your business has been established, we will provide you with reasonable levels of ongoing consultation, guidance, assistance and support to enable you to market, develop and support franchises, including in the areas of: (i) franchise solicitations and marketing; (ii) educational and training methods and techniques; (iii) franchise development and support; (iv) administrative matters; (v) accounting matters; and (vi) operating procedures. If you request our assistance and that assistance requires us to travel, you will pay us our then-current daily consulting fee for that assistance, plus all travel, lodging, meals, and other expenses we incur. We have the right to increase our consulting fee periodically, but we will not increase it by more than 20% in any 12-month period.

7.1.2. We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting our area representatives. We may hold these conferences separately or in conjunction with conferences for Café franchisees. Attendance at these conferences is mandatory.

7.1.3. From time to time, we may offer refresher or additional training courses for your Operating Principal and other employees relating to the operation of your business. Attendance is mandatory.

7.2. Franchise Agreements. All Franchise Agreements will be between us and the individual Franchisee(s) only. You have no authority to sign a Franchise Agreement on our behalf. You acknowledge that we must approve all Franchisees prior to entering into any Franchise Agreement. If we do not deliver written notice to you that we accept a particular Franchisee, within thirty (30) days of our receiving your written Franchisee approval request, or within five (5) days after our receiving from you additional information that we request (whichever is later), the Franchisee will be deemed rejected.

7.3. Marketing Materials. We will provide you with any and all marketing materials that we create, and those marketing materials will comply with state and federal franchise laws applicable to your Development Area.

7.4. Access to Documents. We will provide you with access to all documents provided to us by Franchisees in the Development Area.

7.5. Internet Presence, Social Media, and Software. We shall coordinate and maintain the presence of the System on the Internet, including but not limited to e-commerce, website use, social media, networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding Cafés and our franchisees. We shall have sole discretion and control over the design and contents of any website. We may, at our discretion, provide you with a website or website template that is either contained within or separate from our primary website. We shall have the right to control all use of social media and social networking sites by you that mentions or uses the Marks. Additionally, we shall maintain, or cause an affiliate to maintain, the corporate website, operating software, and exchanges that will fulfill a variety of functions, including the promotion of Cafés and the services they provide, as well as the solicitation of the purchase of franchises.

7.6. Privacy Laws. We will comply with all Privacy Laws now in effect or passed during the Term or any extended term that protect the information that Franchisees in the Development Area make available to us. We expect and require you to do the same.

7.7. Enforcement. We will use our reasonable judgment to enforce our Franchise Agreements, including the non-competition, confidentiality, and non-solicitation provisions in our Franchise

Agreements, and to enforce the Confidential Operations Manual(s) and other standards that we establish among all of our area representatives and franchisees.

7.8. Our Indemnification of You. We will protect, defend and indemnify you and your officers, directors, and employees, and hold you and them harmless from and against any losses, damages, attorney fees and court costs arising out of or in connection with: (i) our violation or breach of any federal, state or local franchise law, regulation or rule; (ii) our breach of any representation, warranty or provision of this Agreement, except to the extent that any of these losses or damages are caused by you, your officers, directors, employees or associates.

8. YOUR OBLIGATIONS

8.1. Recruiting. You will act as the point person for all new franchisee leads in your Development Area, including our brand vision to prospective franchisees. You are solely responsible for soliciting and recruiting prospective franchisees to open (and commit to opening) Cafés in the Development Area. Upon identifying a potential franchisee, you must promptly notify us and conduct a background check through means acceptable to us. In performing your obligations under this Agreement, you must adhere strictly to the highest standards of fair dealing and ethical business conduct and federal and state laws governing the selling of franchises, and you must refrain from any business practice, promotion, or advertising that may be injurious to the business or goodwill of us, the System, or the Marks. You agree that you will fully understand and use our Franchise Disclosure Document (“**FDD**”) as required by us and by Applicable Law. You agree that you will comply fully with all requirements concerning signed receipts and the timing of the delivery of the FDD to prospective franchisees. You further agree to follow our policies and procedures, and to utilize the marketing tools and materials prescribed by us, to conduct the recruitment process. You acknowledge and agree that you have no right to sign any contract for us or on our behalf. You may not make any representation to any prospective franchisee about us, you, the franchise, or otherwise, that is: (i) misleading, incomplete, fraudulent or untrue; or (ii) contradicted by the written material provided to such prospect, including the FDD. You agree that no sales information, earning claims or estimates or financial performance representation will be given to prospective franchisees by you or any person under your control or supervision unless such information is contained in our FDD, and in that case the only method you will provide that information by providing the FDD. Moreover, you agree that you will not provide any financial performance information to prospective franchisees regarding the operation of any of the Cafés operated by you or your Affiliates. With our prior written approval, you may hire the services of third party brokers or lead generation companies to assist you in soliciting prospective franchisees. However, you are solely responsible for all brokerage fees, commissions, and other fees you must pay these companies. You must ensure that any representatives of these companies that speak with prospective franchisees: (i) are listed on the FDD receipt pages; (ii) complete and file with the appropriate state agency any required sales agent disclosure form or franchise seller disclosure form; and (iii) obtain all required licenses and broker registrations that are necessary to perform services on your behalf.

8.2. Screening Franchisees. You must assist us and aid in the screening of all prospective franchisees to ensure that they meet our minimum qualifications and requirements (the “**Minimum Qualifications**”). We may revise the Minimum Qualifications from time to time in our sole discretion.

8.3. Cafés Owned by You. Unless we agree otherwise in writing, you must operate at least two Cafés. One of these Cafés must be used as a training facility (“**Primary Business**”). Upon the expiration or termination of this Agreement, you may continue to operate each Café you own pursuant to the Franchise Agreements provided that you are not otherwise in default under the terms of the Franchise Agreements. For the avoidance of doubt, you and we acknowledge and agree that you may operate Cafés through multiple Business Entities, so long as each respective Business Entity enters into a Franchise Agreement with us. You must open your Primary Business within the timeframe set forth in our then-current Franchise Disclosure Document.

8.4. Site Selection; Opening Cafés. You are responsible for assisting and mentoring Franchisees in all aspects of making the Franchise Café operational, including site selection, build-out, and opening of the Café. You must assist us in assessing any site proposals, however you acknowledge that we have the sole right to approve or disapprove any proposed site, or terms of any lease agreement for that site as described in the Franchise Agreement. While we must approve any proposed site before a Franchisee commits to a lease or real estate purchase, the final decision and commitment to a proposed site will be the Franchisee's decision exclusively. You will not be required to incur any financial obligation to the Franchisee based on the results of any search or site review efforts. In particular, but without limiting the foregoing, you will be responsible for assisting each Franchisee with:

8.4.1. Preparing a site review for the proposed location of the Franchise Café;

8.4.2. Working with the Franchisee and its general contractor during the build-out of the Franchise Café;

8.4.3. Developing and equipping Cafés, including the sourcing of equipment, fixtures, furnishings, inventory, and supplies;

8.4.4. Assisting the Franchisee with its opening advertising activities; and

8.4.5. Facilitating all preparations for the Franchise Café opening.

8.5. Franchisee Training. You are responsible for training any and all Franchisees within the Development Area. You acknowledge that our standards for training may change from time to time, and you agree to comply with and follow all such changed standards in administering training.

8.5.1. *Initial Training.* You are responsible for training any and all Franchisees within the Development Area, according to our standards for the initial training program for new Franchisee Cafés.

8.5.2. *Ongoing Training.* You will be responsible for facilitating ongoing training for all Franchisees in your Development Area and procuring all materials used in connection with such training. You agree to offer and provide any and all training programs that we request, including refresher training, advanced training, remedial training, continuing education, manager training, and/or on-site training.

You agree to utilize the Primary Business or any other Café owned by you as the training facility. During the period before you open your Primary Business, you may make arrangements with one or more Franchisees to utilize their Café as the training facility. The training facility must be approved by us and meet our minimum standards, and you agree to upgrade the training facility at your sole cost and expense if we require you to offer new or different forms of training. Upon your request and at no additional charge, we will provide you with ongoing guidance and assistance relating to your training obligations.

8.6. Records and Reporting. You agree to keep complete records of your business activities. You must submit to us the following:

8.6.1. All financial and other information received from Franchisees in the Development Area based on their Franchise Agreements;

8.6.2. Within ninety (90) days after the end of each of your fiscal years during the Term, at your expense, a profit-and-loss statement showing the results of your operations during said fiscal year and a balance sheet as of the end of the fiscal year. Each financial statement must be accompanied by a sworn statement signed by you or your treasurer, chief financial officer or accountant attesting that the items contained in it are true and accurate, that they completely and fully describe and disclose the information sought in such statement, and that the person signing it has made diligent and careful efforts to ascertain the truth, accuracy and completeness of such information; and

8.6.3. Within five (5) calendar days of our request, provide to us such information about you, your Operating Principal, Owners, officers or representatives as we require for our FDD or to comply with Applicable Law.

8.7. Ongoing Support. You will serve as the primary point of contact between us and Franchisees. This involves maintaining open lines of communication, addressing any concerns or issues that arise, and ensuring that Franchisees receive timely and accurate information.

8.7.1. You will be responsible for monitoring the development and operational aspects of all Franchisees in the Development Area, and providing them with guidance, support, and other assistance as we direct.

8.7.2. You must give prompt, courteous and efficient service to Franchisees and operate your Area Representative Business in compliance with the Confidential Operations Manual to preserve and enhance the value and goodwill of the Marks and the System.

8.7.3. You must uphold, and take reasonable steps to ensure that your Operating Principal, Director of Operations and employees uphold high standards of honesty, integrity, and fair dealing in dealing with the general public, clients, other franchisees and us.

8.7.4. You must assist us in ensuring that all Franchisees within the Development Area comply with our operational standards.

8.7.5. You must assist us and, to the extent applicable, Franchisees, relating to the closure, relocation, renewal, and transfer of Cafés.

8.8. Inspections and Enforcement. You agree to conduct a thorough and complete inspection and evaluation of each Café in the Development Area on at least an annual basis in accordance with the standards and procedures that we prescribe from time to time; provided, however, that you agree to conduct inspections on a more frequent basis (as often as may reasonably be necessary or prudent) with respect to any Café that is underperforming and/or in default of the Franchise Agreement. In connection with such inspections, you will prepare and submit to us reports containing all information that we reasonably require within the period of time that we specify. During the inspections, you must also provide constructive performance feedback to Franchisees, identifying areas for improvement and offering guidance on how to enhance their operations according to our standards.

8.9. Supply and Storage of Food Products. You must purchase from us (or other Approved Suppliers), store, and supply food items approved by us to Franchisees within your Development Area, and maintain adequate cold storage facilities to ensure the proper warehousing of these food items. You must keep a sufficient supply of these products on hand to meet the needs of all Cafes operating within your Development Area.

8.9.1. You must obtain approval from us of each food item you wish to supply to Franchisees. If you want to supply a food item that we have not previously approved, or purchase a food item from a supplier we have not previously approved, you must first submit to us a written request to approve the proposed supplier, together with any documentation regarding that supplier that we reasonably request.

8.9.2. Within thirty (30) days after receiving a completed request, and completion of such evaluation and testing (if we require), we will notify you in writing of our approval or disapproval of the proposed supplier. We may revoke our approval at any time if we determine, in our sole discretion, that the supplier no longer meets our standards. You must stop purchasing from a disapproved supplier upon notification from us that it has been disapproved. You must reimburse us for the costs we incur in reviewing and evaluating proposed suppliers or proposed supplies.

8.10. Material Communications. You agree to: (i) send us copies of all correspondence and other communications between you and Franchisees; and (ii) prepare a written memorandum of all verbal communications (which may be in the form of an email), within three (3) days after such communication is made to, from, or with a Franchisee.

8.11. Approval of Advertising. All of your advertising, promotion and marketing must be completely clear and factual and not misleading, and must conform to the highest standards of ethical marketing and the policies which we prescribe from time to time, in the Confidential Operations Manual or otherwise. You may not use any advertising or promotional materials that we have disapproved at any time or for any purpose. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others. Upon our request, you will provide to us for our review samples of any and all advertising and promotional material bearing the Marks. With the exception of advertising materials created and provided to you by us, at least fifteen (15) days before using them, you must submit to us all advertising materials you intend to use, which approval will be in our sole discretion. You will not use such materials until they have been approved by us, and you must promptly discontinue use of any advertising material upon our request. Any materials submitted by you to us which have not been disapproved by us in writing within fifteen (15) days of our receipt of them are deemed disapproved. Similarly, you must use reasonable best efforts to ensure that the advertising materials used by Franchisees within your Development Area are approved by us prior to their using them, in accordance with the terms of the Franchisees' respective Franchise Agreements. At your request, we will provide to you advertising and promotional materials that we have pre-approved for you to use in marketing Cafés in your Development Area.

8.12. Launch Marketing. You agree to conduct launch marketing program within your Development Area ("**Launch Marketing**"). During the period beginning on the Effective Date and ending between three (3) and six (6) months after Effective Date, you must spend between five thousand (\$5,000) and ten thousand (\$10,000) dollars on such Launch Marketing. You must use any particular media and advertising agencies we designate in connection with such Launch Marketing efforts.. We agree to furnish you with such advice and guidance as we deem appropriate with respect to your Launch Marketing efforts. All of your Launch Marketing must utilize marketing and public relations programs and media and advertising materials we have approved. At our request, you must submit documentation to verify that you have spent required amount.

8.13. Ongoing Marketing. After the Launch Marketing period ends and during each and every month of the Term, you must spend within the Development Area five percent (5%) of the Opening Fees and Management Fees that you earned during the month just-ended for marketing, public relations efforts, advertising, and promotion of (i) the Marks and Cafés within the Development Area; and (ii) the franchise opportunity. You will make the expenditures directly, subject to our approval (as stated in Section 8.11).

The medium in which you choose to advertise is within your reasonable business judgment. Within thirty (30) days of the end of each calendar quarter, you must furnish to us, in a manner approved by us, an accounting of your expenditures on local marketing and promotion for the preceding calendar quarter. We will measure your compliance with the advertising requirement on a quarterly basis, meaning that as long as your average monthly expenditure on local advertising over the quarter equals or exceeds the applicable minimum monthly amount, you will be deemed in compliance even if your expenditure in any given month is less than the minimum monthly amount that we specify.

8.14. Online Marketing. You may market the franchise opportunity and Cafés only through approved media channels, including social media, in accordance with our advertising policies. You may not maintain your own website or solicit franchisees on the Internet or on any social media site or through any other electronic, mobile or digital device, method or system without our prior approval. Specifically, you may not maintain a website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network (including social media sites) in connection with your business except as we specifically approve or require. We may impose mandatory marketing requirements that involve the use of the Internet or social media sites from time to time. If we do so, you agree to comply with all policies and procedures we specify from time to time. You agree to comply with any social media policy that we may develop. If the System website produces a lead from within your Development Area, we will refer the lead to you.

8.15. Confidential Operations Manuals. We may provide you with mandatory instructions and/or optional recommendations relating to the specific methods, policies, procedures and quality standards by which you will perform your obligations under this Agreement. All such information, regardless of form (including written or electronic materials, videos, tutorials, pictures, recordings, etc.) will be part of the Confidential Operations Manual(s). You agree to comply with all mandatory provisions of the Confidential Operations Manual(s). The Confidential Operations Manual(s) may contain, among other things, policies and procedures, service and support functions, training requirements, sourcing requirements and supplier information, reporting and accounting requirements, marketing and promotional requirements, brand enforcement requirements, and any other information that we deem relevant and that is not inconsistent with the terms of this Agreement. You understand that we have the right to modify the System from time to time and that the flexibility to make such modifications is critical to the success of the System. Accordingly, you agree that we may modify the Confidential Operations Manual(s) from time to time and you agree to comply with all such modifications. You must comply with all mandatory provisions in the Confidential Operations Manual(s). While the Confidential Operations Manual(s) are designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of your Area Representative Business.

8.16. Franchise Seller / Broker Obligations. You agree you will promptly (within 5 calendar days of our request) provide us with all information that we request from time to time for purposes of preparing our Franchise Disclosure Document and filing any required franchise seller disclosure form, sales agent disclosure form, franchise broker registration or other comparable report or filing required under applicable franchise laws. You agree that it is your responsibility to obtain any required franchise broker registration or license at your cost. You further agree that you will promptly notify us in writing of any material change to the information previously submitted to us and/or filed with the state pertaining to you, such as new litigation, employment or bankruptcies.

8.17. Compliance With Applicable Law. You agree to comply with all Applicable Law and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct your Area Representative Business in any jurisdiction in which it operates. You acknowledge that you alone are responsible for complying with Applicable Law and that we have no obligation to you or any other person for your compliance with Applicable Law. As between us and you, you are solely responsible

for the safety and well-being of your employees. You acknowledge and agree that your indemnification responsibilities under this Agreement include your obligations under this Section 8.17.

8.18. Improvement(s). If you, your Operating Principal, Director of Operations, employees, or Owners develop any new concept, process or improvement in the operation or promotion of your Café or Café generally (an “**Improvement**”), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement will become our sole property and we will be the sole owner of all related copyrights, trademarks, patents, patent applications, and other intellectual property rights. You must fully disclose the Improvement(s) to us, without disclosing the Improvement(s) to others, and you must obtain our written approval prior to using such Improvement(s). You and your Owners agree to assign to us any rights you or your Owners may have or acquire in the Improvement(s), including the right to modify the Improvement, and you and your Owners waive and/or release all rights of restraint and moral rights in and to the Improvement. You and your Owners agree to assist us in obtaining and enforcing the intellectual property rights to any Improvement. In the event that the foregoing provisions of this Section 8.18 are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners’ rights to the Improvement.

9. YOUR AREA REPRESENTATIVE BUSINESS

9.1. Operating Principal. If you are a Business Entity, you must at all times have appointed an Operating Principal acceptable to us. The Operating Principal must be an Owner and must be principally responsible for communicating and coordinating with us regarding business, operational and other ongoing matters concerning this Agreement and the Cafés developed under it. The Operating Principal will have the full authority to act on your behalf in regard to performing, administering or amending this Agreement and all Franchise Agreements executed under this Agreement. We may, but are not required to, deal exclusively with the Operating Principal unless and until our actual receipt of written notice from you of the appointment of a successor Operating Principal. Our approval is necessary for any successor Operating Principal.

9.2. Director of Operations. Commencing on the date which the **fifth (5th)** Café in the Development Area is opened, and at all times throughout the Term and the term of each Franchise Agreement executed under this Agreement after such date, you must appoint or employ and retain an individual (the “**Director of Operations**”) who must be vested with the authority and responsibility for the day-to-day operations of your Café in the Development Area and the supervision of all Cafés in the Development Area.

9.2.1. The Director of Operations must, during the entire period he or she serves as such: (i) devote his or her reasonable efforts to the supervision of all Cafés in the Development Area; (ii) meet our educational, experience, financial and such other reasonable criteria for such individual, as stated in the Confidential Operations Manual(s) as defined in this Agreement or otherwise in writing by us; and (iii) be an individual acceptable to us. The Director of Operations may be the same individual as the Operating Principal. The Director of Operations will be responsible to use whatever reasonable actions are appropriate to help ensure that all Cafés in the Development Area are operated in compliance with this Agreement, all Franchise Agreements executed under this Agreement and the Confidential Operations Manual(s).

9.2.2. If, during the Term or of any Franchise Agreement executed under this Agreement, the Director of Operations is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section (including our subsequent disapproval of such person), you must promptly notify us and designate a replacement within thirty (30) days after the Director of Operations ceases to serve, such replacement being subject to our approval.

9.3. Notify Us of Your Director of Operations. You must notify us in writing at least ten (10) days prior to employing the Director of Operations setting forth in reasonable detail all information reasonably requested by us. Our acceptance of the Operating Principal will not constitute our endorsement of such individual or a guarantee by us that such individual will perform adequately for you or your Affiliates, nor will we be estopped from subsequently disapproving or otherwise challenging such person's qualifications or performance.

9.4. Your Name. You must operate solely under the name identified on **Addendum 1** and may use "Dumont Creamery and CaféTM" or our other Marks **only** as a "doing business as" (d/b/a) designation. You may not use other name in connection with any advertising or operation of your Area Representative Business. We have the right to review and require changes to any display of your name or the Marks. You may not include "Dumont Creamery and CaféTM" or any of the Marks in your legal name.

10. **TRANSFERS**

10.1. Transfer by Us. This Agreement is fully transferable by us, in whole or in part, without the consent of you or of any Franchisee, and will inure to the benefit of any transferee or their legal successor to our interests in this Agreement; provided, however, that such transferee and successor must expressly agree to assume our obligations under this Agreement. We will be permitted to perform such actions without liability or obligation to you, and you expressly and specifically waive any claims, demands or damages arising from or related to any or all of the above actions (or variations of them).

10.2. No Subfranchising by You. You must offer and facilitate the sale of Dumont Creamery and CaféTM franchises to potential franchisees on our behalf, but you may not offer, sell or negotiate the sale of any Dumont Creamery and CaféTM franchises in your own name or otherwise subfranchise, subcontract, sublicense, share, divide or partition this Agreement. You may not execute any Franchise Agreement on our behalf of or behalf of any Franchisee.

10.3. Transfer by You. This Agreement has been entered into by us in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence reposed in you. Therefore, subject to our right of first refusal under Section 10.6, neither your interest in this Agreement nor any of your rights or privileges hereunder may be assigned or transferred, voluntarily or involuntarily, in whole or in part, by operation of Applicable Law or otherwise ("**Transfer**"), in any manner without our prior written consent, which consent may be withheld for any reason whatsoever in our judgment. Any transfer without our approval will be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed transfer, provided that the following conditions are all satisfied:

10.3.1. The proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, qualifications, credentials, aptitude and financial resources to own and operate an Area Representative Business and otherwise meets all of our other then-applicable standards for area representatives;

10.3.2. You and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our Affiliates (including all Franchise Agreements that you sign with us);

10.3.3. All of the owners of the transferee have successfully completed, or made arrangements to attend, our initial training program for area representatives;

10.3.4. The transferee and its owners and employees, to the extent necessary, have obtained all licenses and permits required by Applicable Law in order to own and operate the area representative business;

10.3.5. The transferee and its owners sign our then-current form of area representative agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (a) the Term will be the Term remaining under this Agreement; and (b) the transferee need not pay a separate development fee;

10.3.6. You or the transferee pay us a transfer fee equal to ten percent (10%) of the total consideration you receive from the transferee upon Transfer. "Total consideration" includes all forms of payment or value received, such as cash, stock, debt relief, or other benefits;

10.3.7. You and your Owners sign a general release of any and all claims against us and our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the business you conduct pursuant to this Agreement or any other matter that may have been made to the transferee by you. This general release must be on our Then-current form (the current form is attached to our FDD as **Exhibit F**);

10.3.8. Unless we agree to the contrary, you assign all Franchise Agreements you (and your Affiliates) have entered into with us to the same transferee (or at our option the transferee signs our then-current form of franchise agreement for each transferred Café) and you (and your Affiliates) comply with all of the conditions for transfer set forth in such Franchise Agreements;

10.3.9. We do not elect to exercise our right of first refusal described below;

10.3.10. You and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer; and

10.3.11. You or all of your Owners have signed a non-competition agreement with your transferee with covenants that are the same as the ones contained in this Agreement.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against you, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

10.4. **Security Interest.** You may not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever without our prior express written consent. To the extent that the foregoing prohibition is ineffective under Applicable Law, you must provide not less than ten (10) days prior written notice (which notice must contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

10.5. **Sale of Securities or Ownership Interests.** Securities, partnership or other ownership interests in you may not be offered to the public under the Securities Act of 1933, as amended, nor may they be registered under the Securities Exchange Act of 1934, as amended, or any comparable federal, state or foreign law, rule or regulation. Such interests may be offered by private offering or otherwise only with our prior written consent, which consent will not be unreasonably withheld. All materials required for any such private offering by federal or state law shall be submitted to us for a limited review as discussed below prior to being filed with any governmental agency; and any materials to be used in any exempt offering must be submitted to us for such review prior to their use. No such offering by you may imply that we are participating in an underwriting, issuance or offering of securities of you, and our review of any offering materials will be limited solely to the subject of the relationship between you and us and our Affiliates. We

may, at our option, require your offering materials to contain a written statement prescribed by us concerning the limitations described in the preceding sentence. You, your Owners and the other participants in the offering must fully defend and indemnify us, and our Affiliates, their respective partners and the officers, directors, manager(s) (if a limited liability company), shareholders, members, partners, agents, representatives, independent contractors, and employees of each of them, from and against any and all losses, costs and liability in connection with the offering and must execute any additional documentation required by us to further evidence this indemnity. For each proposed offering, you must pay to us a non-refundable fee of five thousand dollars (\$5,000.00), which will be in addition to any Transfer Fee under any Franchise Agreement or such greater amount as is necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including without limitation, legal and accounting fees. You must give us written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Section, and you must not commence such offering or other transaction until our written consent is given.

10.6. Our Right of First Refusal. Your written request for consent to any Transfer must be accompanied by an offer to us of a right of first refusal to purchase the interest which is proposed to be transferred, on the same terms and conditions offered by the third party; provided that we may substitute cash for any non-cash consideration proposed to be given by such third party (in an amount determined by us reasonably and in good faith as the approximate equivalent value of said non-cash consideration); and provided further that you must make representations and warranties to us customary for transactions of the type proposed (the “**Purchase Option**”). If we elect to exercise the Purchase Option, we or our nominee, as applicable, will send written notice of such election to you within thirty (30) days of receipt of your request. If we accept such offer, the closing of the transaction will occur within one hundred twenty (120) days following the date of our acceptance. Any material change in the terms of an offer prior to closing or the failure to close the transaction within one hundred twenty (120) days following the written notice provided by you will cause it to be deemed a new offer, subject to the same right of first refusal by us, or our third-party designee, as in the case of the initial offer. Our failure to exercise such option will not constitute consent to the Transfer or a waiver of any other provision of this Agreement, including any of the requirements of this Article with respect to the proposed Transfer.

10.7. Resignation, Change, Death or Disability of Operating Principal. If, due to termination, resignation, change, death, or disability, no one is able to perform management or training supervisory duties relating to your Area Representative Business, you must, within a reasonable time not to exceed fifteen (15) days from the date of termination, resignation, death, or disability, appoint a new Operating Principal (as the case may be). Each new Operating Principal must, at your expense, be trained by you or attend and complete our training program for area representatives within thirty (30) days of their appointment as your new Operating Principal.

11. USE OF TECHNOLOGY; BOOKS AND RECORDS

11.1. Computer System. You must purchase and install a computer system meeting our specifications (the “**Computer System**”). You must make all improvements to the Computer System in the manner, and when, specified by us in writing, even if such improvements require you to spend additional money on the Computer System. You have sole and complete responsibility for the manner in which your Computer System interfaces with other systems, including those of us and other third parties, as well as any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.

11.1.1. You must lease or purchase equipment and software for the Computer System only from Approved Suppliers. You may not install, or permit to be installed, any devices, software or other programs not approved by us for use with the Computer System. You may not authorize the use of the software by anyone else and will not configure, program or change any software programs.

11.1.2. We may from time-to-time designate, develop, or authorize others to develop proprietary or non-proprietary computer applications for use as part of the Computer System, which you may be required to purchase and/or license and use in the operation of your Café. You must execute any license, sublicense or maintenance agreement required by us or any other Approved Supplier of proprietary or non-proprietary computer applications designated by us.

11.1.3. Any and all data collected or provided by you, downloaded from your Computer System, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you. During the Term, you are licensed, without additional compensation, to use such data solely for the purpose of operating your Café. This license will automatically and irrevocably expire and terminate, without additional notice or action by us, when this Agreement terminates or expires.

11.2. Ownership of Information and Goodwill. You agree to use reasonable efforts to obtain and capture Lead Information, with permission, consistent with any lead tracking program we may establish from time-to-time. We have the right to use the Lead Information in any way we choose. You also agree that any goodwill resulting from your activities under this Agreement is our sole property.

11.3. Customer Information. All Lead Information that we obtain from you, and all Customer Information that we obtain from you or Franchisees, and all revenues we derive from such Customer Information will be our property and our Confidential Information that we may use for any reason without compensation to you, including making a financial performance representation in our franchise disclosure documents. You assign and will be deemed to have assigned all rights in Lead Information and Customer Information to us.

11.3.1. You agree to input Lead Information and Customer Information into the Computer System, or other system or method of retention specified in the Confidential Operations Manual, if we direct you to do so. You must not export Lead Information or Customer Information from the Computer System or software.

11.3.2. At your sole risk and responsibility, we grant you the right to use such Customer Information and Lead Information that you acquire solely in connection with operating the Area Representative Business at any time during the Term of this Agreement, to the extent that your use is permitted by Applicable Law. Upon expiration of the Term, all copies of Customer and Lead Information must be returned to us and removed from your Computer System.

11.4. Privacy and Data Protection. You will take all necessary actions to independently: (i) learn and comply with all applicable Privacy Laws; (ii) learn and comply with our brand standards as they relate to Privacy Laws and the privacy and security of Customer and Lead Information; (iii) learn and comply with any posted privacy policy and other representations made to the individual identified by Customer and Lead Information that you process, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (iv) refrain from any action or inaction that could cause us or our Affiliates to breach any Privacy Laws; (v) maintain, and cause adherence by your personnel to all reasonable physical, technical, and administrative safeguards and related policies for Customer and Lead Information that is in your possession or control in order to protect such information from unauthorized processing, destruction, modification, or use that would violate this Agreement, the Brand Standards, or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document, and thing we deem necessary in our business judgment to keep us and our Affiliates in compliance with the Privacy Laws; and (vii) immediately report to us any breach of requirements in this Agreement or the Brand Standards regarding Customer and Lead Information or any Privacy Law, or any theft or loss (or any apparent or alleged theft or loss) of Customer and Lead Information (other than the information of your own officers, directors, shareholders, employees, or service providers).

11.4.1. You will, upon request, provide us with information, reports, and the results of any audits performed regarding your data security policies, security procedures, or security technical controls related to Customer and Lead Information.

11.4.2. You will, upon our request, provide us or our representatives with access to your Computer System, records, processes, and practices that involve processing of Customer and Lead Information in order to mitigate a security incident or so that an audit may be conducted. You will indemnify, defend, and hold us and our Affiliates, and our respective officers, directors, shareholders, members, managers, partners, employees, servants, independent contractors, attorneys, representatives, agents, and associates harmless in connection with any claim or action arising out of or relating to: (i) any theft, loss, or misuse (including any apparent or alleged theft, loss, or misuse) of Customer and Lead Information; and (ii) your breach of any of the terms, conditions, or obligations relating to data security, Privacy Laws, or Customer and Lead Information set forth in this Agreement.

11.4.3. You will immediately notify us upon discovering or otherwise learning of any theft, loss, or misuse of Customer and Lead Information. You will, at our direction but at your sole expense, (i) undertake remediation efforts on your own in concert with our directions, (ii) reasonably cooperate with any remediation efforts undertaken by us, and (iii) undertake efforts to prevent the recurrence of the same type of incident, including by paying for any remediation and post-breach monitoring process deemed appropriate by us. You will not make any public comment regarding any data security incident without our approval. Any notifications regarding theft or loss of Customer and Lead Information will be handled exclusively by us at our election. You will reasonably cooperate in connection with any notices to customers or leads regarding theft or loss, and you will assist with sending such notices upon our request.

11.5. Your Financial Records. You must keep such complete records of your Area Representative Business as a prudent and careful businessperson would normally keep. On or before April 15 of each year, you must provide us with a copy of your federal tax return for the previous tax year. On or before March 15 of each year, you must provide us with annual financial statements relating to your Area Representative Business in a format that we reasonably require. You must maintain the records required under this Section 11.5 for a period of five (5) years after the termination, Transfer, or expiration of this Agreement.

12. NON-COMPETITION; CONFIDENTIALITY

12.1. Non-Competition During Term. During the Term, no Restricted Person may in any capacity, either directly or indirectly, through one (1) or more Affiliated entities: (i) engage in any Competitive Activity at any location, whether within or outside the Development Area; or (ii) divert or attempt to divert any business or any customers of the Cafés to any other person or Business Entity, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks.

12.2. Non-Competition After Term. To the extent permitted by Applicable Law, upon the expiration or termination of this Agreement, or if you make any Transfer, or if any Restricted Person's relationship with you ends, then for a period of two (2) years thereafter, each person who was a Restricted Person before that event may not in any capacity, either directly or indirectly, through one (1) or more Affiliates, engage in any Competitive Activities within the Development Area or within thirty (30) miles of any Café then-existing, without our prior written consent.

12.3. Confidentiality. We own and continue to develop, and during the Term, Restricted Persons may have access to, proprietary and confidential information of us and our Affiliates, including specifications, plans, procedures, concepts and methods and techniques of developing and operating Cafés (the “**Trade Secrets**”). We may disclose certain of our Trade Secrets and Operational Information to Restricted Persons in the Confidential Operations Manual(s), bulletins, supplements, confidential correspondence, or other confidential communications, and through our training program and other guidance and management assistance, and in performing our other obligations and exercising our rights under this Agreement. You acknowledge that you will, because of this Agreement, obtain knowledge of information regarding the layout, operations, products, and procedures of a Café (the “**Operational Information**”) that may not necessarily constitute a Trade Secret. You acknowledge that the Operational Information is nonetheless essential to the operation of your Area Representative Business and Cafés, and without the Operational Information you could not effectively and efficiently operate your Area Representative Business or any Café or assist Franchisees in effectively and efficiently operating Cafés. You acknowledge that the Operational Information was not previously known to you. You acknowledge that the copyright in all Operational Information (or its derivations) belongs solely to us. You further acknowledge and agree that all of the Operational Information is our sole property, represents our valuable asset, and that we have the sole right to use the Operational Information in any manner we wish at any time.

12.4. Ownership. No Restricted Person will ever acquire any any interest in the Trade Secrets or Operational Information other than the right to use them in developing Cafés pursuant to this Agreement. A Restricted Person’s duplication or use of the Trade Secrets or Operational Information in any other endeavor or business will constitute an unfair method of competition. Each Restricted Person will: (i) not divulge or use any of our Trade Secrets or Operational Information for your benefit, your Owners, or any third party (including any person, business entity or enterprise of any type or nature); (ii) not use the Trade Secrets or Operational Information in any business or other endeavor other than in connection with Cafés; (iii) maintain absolute confidentiality of the Trade Secrets and Operational Information during and after the Term; and (iv) make no unauthorized copy of any portion of the Trade Secrets or Operational Information, including without limitation, the Confidential Operations Manual(s), bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral. You must operate and implement all reasonable procedures prescribed by us from time to time to prevent unauthorized use and disclosure of the Trade Secrets and Operational Information, including, implementing restrictions and limitations as we may prescribe on disclosure to employees and use of non-disclosure in employment agreements with employees who may have access to the Trade Secrets. Promptly upon our request, you must deliver executed copies of such agreements to us. Upon termination of this Agreement, you must immediately return to us all written materials (including computerized information) you have received from us or that you have developed during the term of this Agreement. You must not retain any written materials (including computerized information) that contain Operational Information or Trade Secrets.

12.5. Changes. In the event any portion of the above covenants violates Applicable Law affecting you or any other Restricted Person, or is held invalid or unenforceable in a final judgment to which we and you are parties, then the maximum legally allowable restriction permitted by law will control and bind you. We may at any time unilaterally reduce the scope of any part of the above covenants, and you must comply with any such reduced covenant upon receipt of written notice. The provisions of this Article will be in addition to and not in lieu of any other confidentiality obligation of you, or any other person, whether pursuant to another agreement, or pursuant to Applicable Law.

12.6. No Disparagement. Both we and you agree that, except for good faith responses to inquires under oath in response to a court order, governmental inquiries or procedure to enforce this Agreement, neither you nor we will make or encourage others to make any statements (written or verbal) that defames, disparages, slanders or in any other way criticizes the personal or business reputation, practices, employees, directors and officers of the other, to any third party reasonably likely to be harmful or injurious to the

goodwill, reputation or business standing of the other party. Both you and we acknowledge and agree that this prohibition extends to statements, written or verbal, made to anyone, including but not limited to, the news media, investors, potential investors, advisors, industry analysts, competitors, vendors, employees (past and present), and clients. Both you and we understand and agree that this Section is a material provision of this Agreement and that any breach of this Section will be a material breach of this Agreement, and that each party would be irreparably harmed by violation of this provision.

12.7. Your Acknowledgement; Injunctive Relief. You agree that all covenants in this Agreement and this Article 12 are fair and reasonable in both duration and area, and will not impose any undue hardship on you. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to enforcement by us of the covenants in this Article. You further acknowledge that a violation of any covenant in this Article 12 will cause us irreparable harm, the exact amount of which may not be ascertainable, and therefore, you consent that in the event of such violation, we will, as a matter of right, be entitled to apply for injunctive relief to restrain you, or anyone acting for you or on your behalf, from violating said covenants. Such remedies, however, are cumulative and in addition to any of the remedies to which we may then be entitled. You expressly waive any claim that these provisions are unenforceable under any state or federal law prohibiting restraints on trade or competition, including but not limited to laws similar to or modeled after California Business and Professions Code § 16600, to the extent such waiver is permitted by Applicable Law. The covenants set forth in this Article 12 will survive the termination, expiration or Transfer of this Agreement. You agree to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, that we incur in connection with our enforcement of the covenants in this Article 12. YOU EXPRESSLY ACKNOWLEDGE THAT YOU POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, YOU REPRESENT TO US THAT ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING.

12.8. Covenants Are Severable; Tolling. The parties agree that each covenant in this Article 12 must be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and part of this Agreement. Any period of time specified in this Article 12 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant.

12.9. Owner Agreement. You and each of your Owners and all of your spouses (if applicable) must, jointly and severally, sign the Owner Agreement attached as Addendum 2, and you and each of your Owners will otherwise bind yourselves to the terms of this Agreement. If the ownership interest is acquired after Effective Date, each new Owner must sign and provide the Owner Agreement to us within ten (10) days after obtaining the interest as an Owner.

13. TERMINATION

13.1. Termination by You. You may terminate this Agreement, and all of your respective rights and obligations under this Agreement, by giving us written notice at least six (6) months before your desired termination date. After such termination date, you will have no further obligation to perform any of your ongoing, pre-termination obligations under this Agreement, and you will have no further right to any payment by us. You will continue to be bound by your post-termination obligations under this Agreement, including those stated in Article 12 and Section 13.4.

13.2. Termination by Us Without Opportunity to Cure. We will have the right to terminate this Agreement immediately, without providing you an opportunity to cure, upon our delivery of written notice to you under any of the following circumstances:

13.2.1. Your or any Franchisee's opening of any Café in the Development Area except in strict accordance with the procedures stated in this Agreement or the Confidential Operations Manual.

13.2.2. Any purported or attempted Transfer in violation of any of the requirements of Article 10.

13.2.3. You have given us any untrue information in connection with your application to us to obtain this Agreement or any Franchise.

13.2.4. You fail to fully comply with the requirements stated in Article 12.

13.2.5. We terminate for cause any other area representative agreement or Franchise Agreement between you and us based on your material breach.

13.3. Termination by Us With Opportunity to Cure. Except for the types of breaches listed in Section 13.2 (for which we have the right to immediately terminate this Agreement), we have the right to terminate this Agreement if you breach or fail to comply with any of the terms or conditions of this Agreement and do not correct such failure within:

13.3.1. Fifteen (15) days from our delivery of notice to you that you have failed to pay us or our Affiliates any fees or payments (including reimbursements) that you must pay us under this Agreement.

13.3.2. One hundred eighty (180) days from our delivery of notice to you that you have failed to meet your Development Obligation by having the applicable minimum number of Cafés within a Development Period as stated in Addendum 1.

13.3.3. Sixty (60) days from our delivery of notice to you of your failure to meet any other obligation under this Agreement.

The description of any breach in any notice we deliver to you will in no way preclude us from specifying additional or supplemental breaches in any action, arbitration, hearing or suit relating to this Agreement or its termination.

13.4. Failure to Meet Full Development Schedule by End of Year 5. If, by the end of the fifth (5th) Development Period, you have not opened and have not ensured the continued operation of the total number of Cafés required under your Development Obligation (as stated in Addendum 1), we may, in our sole discretion and as an alternative to termination under Section 13.3.2, require you to pay us a “**Shortfall Payment**” of Fifteen Thousand Dollars (\$15,000) for each Café that remains unopened as of the end of the fifth (5th) Development Period. The Shortfall Payment shall be due within thirty (30) days of our written notice to you of our election to impose this fee. Our decision to impose this fee shall not waive or limit any other rights or remedies we may have under this Agreement or Applicable Law.

13.5. Your Post-Termination Obligations. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

13.5.1. Immediately cease using the Intellectual Property (except to the extent authorized by a Franchise Agreement with us that remains in good standing subsequent to the termination, expiration or Transfer of this Agreement).

13.5.2. Comply with all covenants described in Article 12 and in any confidentiality or non-disclosure agreements that you have signed with us that apply after the expiration, termination or transfer of this Agreement or the disposal of an ownership interest by an Owner.

13.5.3. Return to us all copies of the Confidential Operations Manual(s), or any portions thereof, as well as all brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, or other identification relating to a Café or your Area Representative Business, unless we allow you to transfer such items to an approved transferee.

13.5.4. Take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks.

13.5.5. Provide us with a copy of all of your files and information relating to your Area Representative Business, including your Lead Information and all information and documentation pertaining to former, existing and prospective Franchisees.

13.5.6. Notify all telephone companies, listing agencies and domain name registration companies (collectively, the “**Agencies**”) of the termination or expiration of your right to use: (a) the telephone numbers and/or domain names, if applicable, related to the operation of your business; and (b) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so).

13.5.7. Provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

13.6. Liquidated Damages. If upon the early termination of this Agreement you have not opened the required number of Cafés within the Development Area, you will pay us liquidated damages equal to fifty percent (50%) of our then-current initial franchise fee for Cafés, multiplied by the difference between the number of Cafés then open and operating in the Development Area and the number of Cafés you committed to in your Development Obligation. You agree that these liquidated damages are not a penalty, and that it would be impracticable or extremely difficult for us to calculate the actual amount we would have received if through your efforts if you had met your Development Obligation.

13.7. Effect of Laws; Election by us not to Terminate Immediately. If Applicable Law will not allow the termination of this Agreement immediately as stated in Sections 13.2 or 13.3 above, or if we elect not to have the default result in the immediate termination of this Agreement, the concerned default will be subject to the provisions of, and the cure period stated in, Section 13.3. If Applicable Law requires a longer cure period than that specified in this Agreement, the longer period will apply.

14. INTELLECTUAL PROPERTY

14.1. Ownership and use of Intellectual Property. You acknowledge that: (i) we and our Affiliates are the sole and exclusive owners of the Marks, System, Confidential Operations Manual(s), Trade Secrets, and the goodwill associated with the Marks (the “**Intellectual Property**”); (ii) your right to use the Intellectual Property is derived solely from this Agreement (except for any right to use Intellectual Property authorized by a Franchise Agreement); (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your business during the Term pursuant to, and only in compliance with, this Agreement, the

Confidential Operations Manual(s), and all applicable standards, specifications and operating procedures that we prescribe from time to time; and (iv) except as we may explicitly authorize in a separate Franchise Agreement, you may not use any of the Intellectual Property in connection with the sale to any consumer of any product or service, and your use of our Intellectual Property is limited to the solicitation and offer to Franchisees of their rights to enter into Franchise Agreements with us for the operation of Cafés. Any unauthorized use of the Intellectual Property constitutes an infringement of our and our Affiliates' rights. You agree to comply with all provisions of the Confidential Operations Manual(s) governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.

14.2. Changes to Intellectual Property. We have the right to modify the Intellectual Property at any time in our sole discretion, including by changing the Marks, the System, Trade Secrets, or otherwise. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within thirty (30) days at your expense. We will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property and you waive all claims related thereto.

14.3. Use of Marks. You agree to use the Marks as the sole identification of your business; provided, however that you must identify yourself as the independent owner of your business in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under Applicable Law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours.

14.4. Notification of Infringement and Claims. You must immediately notify us of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your, or a Franchisee's, use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We and the Licensor will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

14.5. No Representations or Warranties. WE MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

14.6. Internet, Social Media, and Domain Name. You, your employees, independent contractors, sales associates and representatives may not use, license, or register any domain name or URL (or other means of identifying you or your Café on the Internet) that uses a mark, image, or words confusingly similar to the Marks or any abbreviation, acronym, or phonetic or visual variation of the Marks without our prior written consent. At our request, you must promptly assign or redirect (or cause to be assigned or redirected)

to us any domain name, URL, or other identification that violates this Agreement or the policies stated in the Confidential Operations Manual at your expense and without compensation from us. The content you submit to us or use for any Internet marketing must be true, correct and accurate. At our request, you will promptly modify any of your Internet marketing material containing the Marks to conform to the standards stated in the Confidential Operations Manual. You may not independently market on the Internet or conduct e-commerce unless you have received our prior written permission to do so or unless such activities are expressly authorized by the Confidential Operations Manual. You agree and acknowledge that your on-line promotional strategies must comply with our on-line policy. You further agree and acknowledge that we may review, monitor, and require changes to all on-line content on your websites, social media sites, blogs, electronic communication and other on-line sites on which our Marks or Intellectual Property are used.

15. RELATIONSHIP; INDEMNIFICATION; INSURANCE

15.1. Your Relationship with Us. We and you agree that by this Agreement, the parties intend to create a contractual relationship for the sole purpose of fulfilling the terms of this Agreement. You must develop and/or operate Cafés in the Development Area, identify potential Franchisees for us, and fulfill the management responsibilities as we state them in this Agreement. We and you agree that you have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose other than those responsibilities stated in this Agreement. Neither we nor you are the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer, except as specifically permitted in this Agreement. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party of and from any liability of any nature whatsoever by virtue thereof. Neither we nor you will have the power to bind or obligate the other party except specifically as stated in this Agreement. We and you agree that the relationship created by this Agreement is one of independent contractor and not a fiduciary relationship.

15.1.1. We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all of your employees' essential terms and conditions of employment. Any direction you receive from us regarding your employment policies or practices should be considered as examples, and you should establish and implement your own policies in consultation with local legal counsel well-versed in employment law.

You acknowledge that you will obtain knowledge of our Confidential Information that is essential to the operation of your Area Representative Business, without which information you could not effectively and efficiently operate it. You further acknowledge that such Confidential Information was not known to you prior to execution of this Agreement. You further acknowledge and agree that all of the Confidential Information is our sole property, represents our valuable assets, and that we have the right to use the Confidential Information in any manner we wish at any time.

15.2. Indemnity. You agree to protect, defend and indemnify us, and all of our past, present and future Owners, Affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages,

claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or in connection with: (a) your operation of your Area Representative Business; (b) the construction, development or operation of Cafés by you; (c) your knowing violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (d) your breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or your or our Affiliates); (e) acts, errors or omissions committed or incurred in connection with your business, including any negligent or intentional acts; or (f) your employment or other contractual relationship with your employees, workers, managers, agents or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are either an employer or joint employer of your employees, except to the extent that any of these losses, injuries, or damages are caused by our intentional acts in breach of this Agreement. The terms of this Section 15.2 will survive the termination, expiration or cancellation of this Agreement.

15.3. Insurance. For your protection and ours, you agree to maintain the following insurance policies: (i) “all risk” property insurance coverage on all assets, including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of your business, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost; (ii) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your business, containing minimum liability protection of one million dollars (\$1,000,000) combined single limit per occurrence, and two million dollars (\$2,000,000) in the aggregate; (iii) errors and omission insurance, containing minimum liability protection of one million dollars (\$1,000,000) combined single limit per occurrence, and two million dollars (\$2,000,000) in the aggregate (this is strongly recommended but not required); (iv) workers’ compensation insurance and employer’s liability insurance as required by law; and (v) any other insurance that we specify in the Confidential Operations Manual(s) from time to time. You agree to provide us with proof of coverage on demand. You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which your business is operated. All insurance policies must be endorsed to: (i) name us (and our members, officers, directors, and employees) as additional insureds; (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive ten (10) days prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days’ notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within ten (10) days after invoicing, all costs and premiums that we incur, as well as an administrative fee equal to twenty percent (20%) of the premiums.

16. GOVERNING LAW; DISPUTE RESOLUTION

16.1. Governing Law. This Agreement is governed by and will be interpreted in accordance with the laws of the state of Texas, without reference to conflict of laws principles. By agreeing to the application of Texas law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or other statute, rule, or regulation of the state of Texas to which this Agreement or the parties’ relationship would not otherwise be subject. We and you each acknowledge and agree that this choice of applicable state law provides you and us with the mutual benefit of uniform interpretation of this Agreement. You expressly waive any rights or protections you have or

may have under any statute or law of any other state to the fullest extent permitted by law. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid Applicable Laws or regulations.

16.2. Mandatory Mediation. Except as provided in Section 16.4, if any Dispute cannot be settled through direct discussions, the parties agree to submit the Dispute to mediation before resorting to arbitration. Mediation will be administered by the American Arbitration Association (“AAA”) under its then-current Commercial Mediation Procedures (“**Mediation Procedures**”) and before a mediator selected under them. Mediation will not defer or suspend our exercise of any termination right under Articles 13.2 or 13.3. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and must not be offered or admissible in any other proceeding or legal action whatsoever.

16.2.1. Deadline for Mediation. The party requesting mediation must provide written notice of the request for mediation to the other party in the manner prescribed in the Mediation Procedures. The request must specify with reasonable particularity the matters for which mediation is sought. Mediation must be concluded within thirty (30) days of the issuance of the written request for mediation, or such longer period as the parties may agree upon in writing.

16.2.2. Location. The mediation must be held in Texas in the city where our headquarters is located.

16.2.3. Cost of Mediation and Consequences of Failure to Comply. The parties will equally share the cost of the mediation, including administrative costs and mediator fees. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this agreement, and the Dispute may proceed directly to arbitration without mediation. Any costs or fees, including attorney fees, incurred by the non-defaulting party in pursuing mediation may be sought as damages in arbitration.

16.3. Arbitration. Except as specifically provided in this Agreement, any Dispute that is not resolved through mediation must be settled by binding arbitration administered by the American Arbitration Association in accordance with its then-current Commercial Arbitration Rules (“**Commercial Rules**”). Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction over the parties.

16.3.1. Governed by Federal Arbitration Act. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that any arbitration conducted under this Agreement will be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act, and that arbitration must be conducted as provided in this Section 16.3.

16.3.2. Appointment of Arbitrator. The Dispute will be heard by three (3) arbitrators, chosen in accordance with the Commercial Rules. The arbitrators, and not any court, will have the sole authority to decide the Dispute, as well as to determine arbitrability of any Dispute.

16.3.3. Qualifications of the Arbitrators. At the option of either party, the arbitrators must be selected from a list of retired federal or state judges supplied by AAA, if available, who have substantive experience in franchise law.

16.3.4. Claims Barred. In connection with any arbitration proceeding, each party must submit any Dispute or claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the

Federal Rules of Civil Procedure) in the arbitration. Any such claim which is not submitted or filed as described above will be forever barred.

16.3.5. Payment of Fees and Costs. The parties will equally bear all administrative costs and arbitrators fees in accordance with the Commercial Rules. The parties agree that failure or refusal of a party to pay its required share of the deposits for arbitrators compensation or administrative charges will constitute a waiver by that party to present any evidence or cross-examine witnesses. In such event, the other party will be required to present evidence and legal argument as the arbitrators may require for the making of an award. Such waiver will not allow for a default judgment or award against the non-paying party in the absence of evidence presented as provided for above.

16.3.6. Mandatory Exchange of Information. In all matters, regardless of the Amount In Controversy, the parties must exchange the following information within 20 days of the appointment of the arbitrators without further order from the arbitrators. The parties must exchange the name and, if known, the address and telephone number of each individual likely to have information regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of another party to the Dispute. The disclosure must include any witness anticipated for impeachment or rebuttal. The identifying party must identify the subject(s) on which the witness may provide testimony. The parties must also disclose and provide a copy of all documents, data compilations, and tangible things that are in the possession, custody, or control of the party regarding any matter not privileged which is relevant to the subject matter involved in the Dispute, regardless of whether it relates to the claim or defense of the party or that of the other party. The arbitrators may entertain a request to compel the exchange of information or documents not provided by a party in possession of them.

16.3.7. Discovery. Each side may take three depositions. Neither side's depositions may consume more than a total of 18 hours. No party may make a speaking objection at a deposition, except to preserve privilege. The total period for the taking of depositions shall not exceed six weeks. Each party may propound up to forty (40) requests for production of documents, including subparts. No interrogatories or requests to admit may be propounded by either party.

16.3.8. Location. The arbitration must be held in Texas, in the judicial district where our headquarters is located.

16.3.9. Time of Final Arbitration Hearing. The final arbitration hearing must be held no later than ten months from the date of the arbitration demand. Except as otherwise noted in this Agreement, hearings will take place under the Commercial Rules.

16.3.10. Timing; Type of Award. The arbitrators must agree to comply with the schedule stated in Section 16.3.9 before accepting appointment. However, this time limit may be extended by the arbitrators for good cause shown, or by mutual agreement of the parties. The award of the arbitrators must be accompanied by a reasoned opinion. The arbitrators may not declare any trademarks owned by us or our Affiliates generic or invalid.

16.3.11. Award of Fees and Costs. The arbitrators must award to the prevailing party, if any, as determined by the arbitrators(s), all of their costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including arbitrators fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney

fees. “Prevailing party” is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided. The “net award” is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrators will award the above fees to the party that it deems has prevailed over the other party using reasonable business and the arbitrators’ judgment.

16.4. Injunctive Relief. You acknowledge that a breach of this Agreement by you, which relates to any of the matters set out below, will cause us irreparable harm for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) the obligations of you upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; (vii) covenants not to compete with us; and (viii) any act or omission by you or your employees that: (a) constitutes a violation of any Legal Requirement; (b) is dishonest or misleading to customers of Cafés; (c) constitutes a danger to your employees or to the public; or (d) may impair the goodwill associated with the Marks or the System. You are entitled to seek and obtain the entry of temporary and permanent injunctions to prevent our improper termination of this Agreement. The parties agree that such requests may be heard by the arbitrators or by a court, at the election of the first party to seek such relief. Neither party will be required to first mediate any claim for injunctive relief. Should a party elect to have its request heard by arbitrators, all such requests shall be heard in accordance with the then-current Commercial Rules. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay to us an amount equal to the aggregate of our costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, that we incur in obtaining such relief.

16.5. Waiver of Right to Jury Trial. Each party hereby irrevocably waives its rights to trial by jury regarding any Dispute or proceeding arising out of this agreement or the transactions relating to its subject matter.

16.6. Waiver of Right to Bring Class, Group, or Collective Action. Arbitration or litigation of any Dispute must proceed solely on an individual basis. The parties expressly and irrevocably waive the right for any Dispute to be arbitrated or litigated on a class action basis, or on bases involving Disputes arbitrated or litigated in a purported representative capacity on behalf of others. The authority of a court or arbitrators to resolve Disputes and make written awards or judgments is limited to Disputes between you and us alone. Disputes may not be joined or consolidated with any other Dispute(s) unless agreed to in writing by all parties. No arbitration award or court decision will have any preclusive effect as to issues or claims in any Dispute with any person or entity not a named party to the arbitration. No previous course of dealing will be admissible to explain, modify, or contradict the terms of this agreement.

16.7. Waiver of Claim for Punitive Damages. To the extent permitted by Applicable Law, neither of the parties may assert, and each party waives, any claim against the other party (including their respective Affiliates, partners, stockholders, members, officers, directors, agents, employees and controlling persons), on any theory of liability for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) for any Dispute. The parties further agree that in the event of a Dispute, each of the parties will be limited to the recovery of any: (a) actual damages sustained by it; and (b) statutory trademark treble damages. If such claims for punitive damages cannot be waived by law, then the parties agree that any recovery will not exceed two (2) times actual damages.

16.8. No Consequential Damages for “Dark” Disclosure or Registration Periods. We will not be liable to you for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by you by reason of any delay in the delivery of our FDD caused by legal incapacity during the Term, or other conduct not due to our gross negligence or intentional misfeasance.

16.9. Legal Fees and Expenses. If either party initiates a judicial or other proceeding, the prevailing party in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable attorney fees. “Costs and expenses” mean all reasonable pre-award expenses of the arbitration, including arbitrators fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees. “Prevailing party” is the party which has obtained the greatest net award in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided.

16.10. Choice of Forum. **To the extent that a judicial action by us against you is expressly permitted by Section 16.4, any cause of action any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in a court of competent jurisdiction in Texas in the judicial district where our headquarters is located. Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts.** This Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section.

17. GENERAL PROVISIONS.

17.1. Severability. All provisions of this Agreement are severable. If pursuant to the decision of any court having jurisdiction, any provisions are not enforceable in whole or in part, the remainder of this Agreement will continue to be in full force and effect, and the affected provisions will be superseded and modified by such Applicable Law.

17.2. Approvals. Whenever this Agreement requires our prior approval or consent before you take any action, you must make a timely written request to us, and our approval or consent must be obtained in writing. We will not unreasonably withhold or unreasonably delay our response. By providing any waiver, approval, consent, or suggestion to you or in connection with any consent, or by reason of any neglect, delay, or denial of any request, we make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you.

17.3. No Modifications; Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation will be valid unless it is made in writing and duly executed by the party to be charged with it. No evidence of any waiver or modification may be offered or received in evidence in any proceeding between the parties arising out of or affecting this Agreement, or the rights or obligations of any party, unless such waiver or modification is in writing, duly executed. Our waiver of your breach of any term of this Agreement applies only to that one breach and that one term, and not to any subsequent breach of any term. Acceptance by us of any payments due under this Agreement will not be deemed to be a waiver by us of any preceding breach by you of any term.

17.4. Rights are Cumulative. Our and your rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy will preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce, except as specifically limited by this Agreement.

17.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meanings ascribed to them in the Appendix or as defined in this Agreement. All captions in this Agreement are intended for the convenience of the parties, and none may be deemed to affect the meaning or construction of any provision of this Agreement. Wherever the word “including” is used, it means “including but not limited to.”

17.6. Persons Bound. This Agreement will be binding on the parties and their respective successors and assigns.

17.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement may be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement that are not defined must be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two (2) or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision must be given the meaning that renders it enforceable.

17.8. Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties will be deemed so delivered: at the time delivered, if by hand; one (1) business day after transmission, if by overnight delivery service; one (1) business day after transmission, if by facsimile or other electronic system expressly approved in the Confidential Operations Manual as appropriate for delivery of notices under this Agreement (with confirmation copy sent by regular U.S. mail); or three (3) business days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the following contact information:

If to us: Dumont Creamery and Café, LLC 39813 Paseo Padre Parkway The Colony, Texas 75056	If to you: The address listed in <u>Addendum 1</u>
--	---

17.9. Execution/Counterparts. Two (2) copies of this Agreement may be signed, each of which, when signed, is an original, and which, together, constitute one and the same instrument. This Agreement may be executed in two (2) or more counterparts, each of which constitutes an original, and all of which, when taken together, constitutes one Agreement.

17.10. Survival. All provisions, including the understandings, representations and warranties, which, as a matter of logic or otherwise, need to continue in force and effect subsequent to and notwithstanding the expiration or termination of this Agreement in order to achieve an intended result, will continue in full force and effect despite the absence of such specific language with respect to each of them.

17.11. Third Party Beneficiaries. This Agreement is not for the benefit of any third parties and is only for the benefit of you, us, and to the extent applicable, our Affiliate(s).

[This Section is Intentionally Left Blank]

17.12. Entire Agreement. This Agreement and the Addenda incorporated in this Agreement contain all of the terms and conditions agreed upon by you and us concerning the subject matter of this Agreement. No other agreements concerning the subject matter of this Agreement, written or oral, will be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations, are merged in this Agreement and superseded by it. You represent that there are no contemporaneous agreements or understandings between you and us relating to the subject matter of this Agreement that are not contained in this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we gave to you. No officer or employee or agent of us has any authority to make any representation or promise not included in this Agreement or any FDD for prospective franchisees required by Applicable Law, and you agree that you have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by you and us.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date we sign the Agreement in the signature block below (the “**Effective Date**”).

Dumont Creamery and Café, LLC

Area Representative: _____

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Date: _____

Date: _____

APPENDIX

GLOSSARY OF TERMS

AAA: The American Arbitration Association.

Affiliate: A person or Business Entity which is united, attached, connected, or allied with, or is controlling or under common control with a party.

Agencies: Defined in Section 13.5.6.

Agreement: This area representative agreement and any of its amendments.

Anti-Terrorism Laws: Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the 15.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the 15.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the 15.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any governmental authority (including without limitation, the United States Department of Treasury Territory of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

Applicable Law: Applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any governmental authority, including all labor, immigration, disability, food and drug laws and regulations, as well as laws and regulations pertaining to the offer, sale, or operation of franchises, in effect as of the Effective Date, and as they may be amended, supplemented or enacted from time to time (including Privacy Laws). Under some state laws, you may be required to register as a subfranchisor prior to conducting any activities in that state. It is your responsibility to determine the necessity of registration and to register. All registration material must be approved by us and we agree to assist and participate as required by law.

Approved Suppliers: The various companies with which we and / or our Affiliates have authorized to sell products or services to you, or are contracted to do business with us and / or our Affiliates, and which may provide products to you through us and / or our Affiliates. We or our Affiliate(s) may also be an Approved Supplier.

Area Representative Business: A business that solicits, services, and supports Franchisees and Cafés operated under the Marks by you, by us, by our Affiliates, or by a third party under a franchise or license agreement with us, the terms of which may vary materially from those in this Agreement.

Business Entity: A corporation, a general or limited partnership or a limited liability company.

Café: A café offering ice cream, bubble tea and coffee for on-premises and off-premises consumption served in an inviting, comfortable, modern atmosphere; and various branded retail merchandise under the Marks by a Franchisee, by us, by our Affiliates, or by a third party under a franchise or license agreement with us, the terms of which may vary materially from those in this Agreement.

Commercial Rules: Defined in Section 16.3.

Competitive Activities: To own, operate, lend to, advise, be employed by, or have any financial interest in any business that sells or offers ice cream, bubble tea and coffee as a combined total of twenty percent (20%) or more of all menu sales, other than a Café operated under a validly subsisting franchise agreement with us. “Competitive Activities” will not include the direct or indirect ownership solely as an investment, of securities

of any Business Entity which are traded on any national securities exchange if applicable owner: (a) is not a controlling person of, or a member of a group which controls, such Business Entity; and (b) does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Business Entity.

Computer System: Defined in Section 11.1.

Confidential Information: Our confidential and/or proprietary information including without limitation: sales and marketing methods and data; information regarding the System; operating and other business data; computer programs; trade secrets; the Intellectual Property; business plans; advertising and promotional methods; financial information and data; product information; information regarding current or prospective clients, other franchisees, agencies, and other related information; Customer Information; Lead Information; and the Confidential Operations Manual. Confidential Information will not include information which was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed: (a) at or prior to the time you received it; or (b) at or prior to the Effective Date, whichever occurred first.

Confidential Operations Manual: The primary source of information regarding the System and the construction and operation of Café, which includes our operations and training manuals, and any other written directives related to the System, as they may be amended and revised by us from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by us and given to you in any format.

Customer Information: Any information that: (i) can be used (alone or when used in combination with other information) to identify, locate, or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Customer Information can be in any media or format, including computerized or electronic records as well as paper-based files.

Development Area: The geographic area defined or identified in Addendum 1.

Development Obligation: Your right and obligation to solicit, recruit and service in the Development Area the cumulative number of Cafés given in Addendum 1 within each Development Period and, if applicable, within the geographic areas specified in that addendum.

Development Period: Each of the time periods indicated on Addendum 1 during which you have the right and obligation to solicit, recruit and service Cafés in accordance with the Development Obligation.

Development Rights Fee: Defined in Section 6.1.

Director of Operations: Defined in Section 9.2.

Dispute: Any and all disagreements, controversies, or claims of any sort between you and us or our Affiliates arising out of, or in any way relating to, this Agreement, any of the parties' respective rights and obligations arising out of this Agreement, or the making, performance, breach, interpretation, or termination of this Agreement, including any claims based in tort.

Effective Date: The date we sign the Agreement, as indicated in our signature block.

FDD or Franchise Disclosure Document: Defined in Section 8.1.

Franchise Agreement: Our franchise agreement which grants to Franchisees the right to own and operate a single Café in the Development Area, including all addenda, exhibits, riders, guarantees or other related instruments, all as amended from time to time. All Franchise Agreements must be between the Franchisee and us only; under no circumstances should you ever be a party to a Franchise Agreement, unless it is an agreement with us for you to operate an individual Café.

Franchise Café: A Franchisee's Café located in the Development Area and for which you have supervisory responsibility.

Franchisee: A third-party franchisee that has entered into a Franchise Agreement with us to own and operate a Café in the Development Area.

Improvement(s): Defined in Section 8.18.

Intellectual Property: Inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as proprietary products, methods, procedures, patents, copyrights, trademarks, service marks and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matters, and records of research.

Lead Information: Any information that: (i) pertains to leads, prospective franchisees, franchisees, or other individuals that you interact with in operating your Area Representative Business; or (ii) includes related contact names, addresses, telephone numbers, e-mail addresses, and client purchase records. Lead Information can be in any media or format, including computerized or electronic records as well as paper-based files. Lead Information will include all information generated or recorded as a result of your efforts while using the Marks.

Management Fee: Defined in Section 6.3 and calculated as set forth in Addendum 1.

Marks: Certain trade names, service marks, trademarks, logos, emblems, Trade Dress and other indicia of origin, including but not limited to the marks "Dumont Creamery and CaféTM" and such other trade names, service marks, trademarks, copyrights, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress (including designs and specifications and the motif, decor, and color combinations for a Café), and all other visual identification, as are now designated, and may hereafter be designated by us, for use in connection with the System.

Mediation Procedures: Defined in Section 16.2.

Minimum Qualifications: Defined in Section 8.2.

MUFA: Our multi-unit franchise agreement which grants to Franchisees the exclusive right to establish multiple Cafés within an exclusive Multi-Unit Territory in the Development Area under a set schedule of development, including all addenda, exhibits, riders, guarantees or other related instruments, all as amended from time to time. All MUFAs must be between the Franchisee and us only; under no circumstances should you ever be a party to a MUFA.

Multi-Unit Franchisee: A third-party franchisee that has entered into a MUFA with us in the Development Area.

Opening Fee: Defined in Section 6.2.

Operating Principal: A president, manager or authorized representative, accepted by us (and until subsequently disapproved by us) to serve as the authorized representative of you, who you acknowledge and agree will act as your representative, and has the authority to act on your behalf during the Term. If you are a Business Entity, the Operating Principal must be one of your Owners.

Operational Information: Defined in Section 12.3.

Owner: Any person who owns any stock, units, membership, partnership or other ownership interests in you, directly or indirectly.

Primary Business: Defined in Section 8.3.

Privacy Laws: All applicable federal, state, and local laws, regulations, and rules, as they currently exist or may be enacted or amended in the future, that govern the collection, use, storage, protection, disclosure, and management of personal information and data. This includes, but is not limited to, laws such as the California Consumer Privacy Act (CCPA), the General Data Protection Regulation (GDPR) to the extent applicable, and any other similar laws enacted by any state or federal authority in the United States.

Purchase Option: Defined in Section 10.6.

Restricted Persons: You, each of your Owners and Affiliates, and the respective officers, directors, managers, and Affiliates of each of them, the Director of Operations, the Operating Principal, and the spouse and family members who live in the same household of each of the foregoing who are individuals.

Royalty Fee: Our then-current royalty fee that we are charging Franchisees under our Franchise Agreement, which will typically be imposed or levied by us upon the sales made, and revenue received, by Franchisees.

Shortfall Payment: Defined in Section 5.2.5.

Successor Agreement: Defined in Section 5.2.2.

System: A uniform system for the establishment and operation of Café, including uniform standards, specifications, and procedures for operations along with related computer software programs; procedures for quality control; the Authorized Services and Products; Trade Dress; the Marks, management programs, accounting methods, training and ongoing operational assistance; advertising and promotional techniques; personnel training; trade secrets; methods of marketing and selling ice cream, bubble tea, or coffee; offered, marketed, or performed in accordance with our methods; and other related benefits relating to the operation and promotion of a Café, all of which we may change, improve, and further developed from time to time.

Term: Defined in Section 5.1.

Trade Dress: The decorative, non-functional components of a Café that provide the establishment of a distinctive, memorable appearance.

Then-current: The form of FDD, area representative agreement, or Franchise Agreement then currently provided by us to similarly situated prospective area representatives or franchisees, or if not then being so provided, then the form we select in our discretion which previously has been delivered to and executed by a licensee or franchisee of us.

Trade Secrets: Defined in Section 12.3.

Transfer: Defined in Section 10.3.

We, us, or our: Defined in the Recitals to the Agreement.

You or your: Defined in the Recitals to the Agreement.

ADDENDUM 1

INFORMATION CONCERNING AREA REPRESENTATIVE

A. IDENTITY AND STRUCTURE OF AREA REPRESENTATIVE

Area Representative's Name: _____

Entity type and jurisdiction of formation: _____

Date of entity formation: _____

Provide name of each Owner who owns a percentage of the legal entity, and show what percentage of stock, partnership interest, or membership interest is owned by each.

Address for Notices: _____

Attention: _____

Email Address: _____

Operating Principal's Name (Section 9.1): _____

B. DEVELOPMENT RIGHTS FEE (Section 6.1)

Simultaneously with executing this Agreement, you agree to pay us a Development Rights Fee equal to seventy-five thousand dollars (\$75,000).

C. YOUR DEVELOPMENT AREA (Section 2.1) The Development Area for your Area Representative Business, as provided in Sections 2.1 and 3.1 of the Agreement, is:

The entire state of Wisconsin

D. YOUR DEVELOPMENT OBLIGATION (Section 3.1):

Development Period Ending	Minimum Cumulative Number of Cafés
End of Year One	2
End of Year Two	4
End of Year Three	6
End of Year Four	8
End of Year Five	10

End of Year Six	10
End of Year Seven	10
End of Year Eight	10
End of Year Nine	10
End of Year Ten	10

By signing below, you acknowledge that the information above is true and correct. Use additional sheets if necessary. Any and all changes to the above information must be reported to us in writing.

Dumont Creamery and Café, LLC

AREA REPRESENTATIVE

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Date: _____

Date: _____

ADDENDUM 2
FRANCHISE OWNER AGREEMENT

This Area Representative Owner Agreement (this “**Agreement**”) is entered into by: (i) each of the undersigned Owners of Area Representative (defined below); and (ii) the spouse of each such Owner, in favor of Dumont Creamery and Café, LLC, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as “you.”

1. **Acknowledgments.**

a. **Area Representative Agreement; Area Representative.** The term “**Area Representative,**” as used in this Agreement, is the party that entered, or is entering, into a franchise agreement with us effective as of _____, 20__ (“**Area Representative Agreement**”). Capitalized words not defined in this Agreement will have the same meanings given to them in the Area Representative Agreement.

b. **Owners’ Role.** Owners are the beneficial Owners of all of the equity interest in Area Representative. Area Representative’s obligations under the Area Representative Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Area Representative’s Owners were not bound by the same requirements. Under the provisions of the Area Representative Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Area Representative Agreement with Area Representative. Owners will be jointly and severally liable for any breach of this Agreement.

c. **Your Access to Our Confidential Information.** In your capacity as an Owner of Area Representative, or the spouse of an Owner of Area Representative, you may gain knowledge of our System, Confidential Information, and Intellectual Property (collectively, the “**Know-how**”). You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Area Representative Agreement apply to “Owners” and not just Area Representative. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Area Representative Agreement applicable to Owners.

2. **System Protection Covenants.** In light of your above acknowledgements, you covenant and agree to the following:

a. **Intellectual Property.** You agree: (i) you will not use the Know-how in any business or capacity other than operating the Café operated by Area Representative; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you or your spouse are no longer an Owner of Area Representative, as applicable. You further agree that you will not use the Know-how for any purpose other than the development and operation of Area Representative’s Café under the terms of the Area Representative Agreement and Confidential Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvements developed by you, including the right to grant sublicenses. If any Legal Requirement precludes you from assigning ownership of any Improvement to us, then you covenant, promise and agree that you will perpetually license that Improvement to us free of charge, with full rights to use, commercialize, and sublicense the Improvement.

b. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an Owner of Area Representative, or while your spouse is an Owner of Area Representative, as applicable, by engaging in any of the following (collectively, the “**Prohibited Activities**”): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Activities (other than owning an interest of two percent (2%) or less in a publicly traded company that is a Competitive Activities); (ii) diverting or attempting to divert any business from us (or one of our Affiliates or franchisees); and/or (iii) any client of ours (or of one of our Affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

c. Unfair Competition After Relationship. You agree that, for a period of two (2) years after the termination of the Area Representative Agreement or any successor to it (the “**Restricted Period**”) not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Activities will only apply with respect to a Competitive Activities that is located within or provides competitive goods or services to clients who are located within thirty (30) miles of: (a) Area Representative’s Development Area; or (b) any Café that is then open or in development (the “**Restricted Territory**”). If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

d. Immediate Family Members. You acknowledge that your disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) could potentially circumvent the purpose of this Agreement. You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

e. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE. Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 2 of this Agreement upon written notice to you, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Activities, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 2 of this Agreement to ensure that the terms and covenants are enforceable under Applicable Law.

f. Breach. You agree that failure to comply with the covenants in this Section 3 will cause substantial and irreparable damage to us and/or other Dumont Creamery and Café, LLC franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction

being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you and we agree that the amount of the bond will not exceed \$1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

3. Transfer Restrictions. If you are an Owner of Area Representative, you acknowledge that we must approve all persons who hold a direct or indirect Ownership interest in Area Representative. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect Ownership interest in Area Representative except in accordance with the terms and conditions set forth in Article 15 of the Area Representative Agreement. You acknowledge and agree that any attempted Transfer of an interest in Area Representative requiring our consent under the Area Representative Agreement for which our express written consent is not first obtained will be a material breach of this Agreement and the Area Representative Agreement.

4. Governing Law. The governing law provisions of the Area Representative Agreement will apply to this Agreement.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement must be brought in accordance with the dispute resolution procedures stated in the Area Representative Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures stated in the Area Representative Agreement conflict with any of the terms of this Agreement, the terms of this Agreement will prevail. You acknowledge and agree that a breach of this Agreement by you will constitute a material event of default under the Area Representative Agreement, permitting us to terminate the Area Representative Agreement in accordance with its terms.

6. Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce your obligations under this Agreement. You acknowledge and agree that there is no adequate remedy at law for your failure to fully comply with the requirements of this Agreement. You further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper.

7. Miscellaneous.

a. Attorney Fees. If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

b. Defenses. Any claim, defense or cause of action that you may have against us, our Affiliates, or against Area Representative, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

c. Severability. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. Notice. You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Area Representative Agreement and any such delivery will be deemed effective for purposes of this Agreement.

You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice must be delivered in the manner and to the address listed in the Area Representative Agreement.

e. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns and our Affiliates) any rights or remedies under or by reason of this Agreement.

f. Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

g. Binding Effect. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

IN WITNESS WHEREOF, each of **Owner** or **spouse of an Owner** has executed this Agreement as of the date or dates set forth below.

(Add additional pages and signature lines, if necessary for each Owner or spouse of an Owner)

By: _____

Address: _____

Name: _____

Telephone: _____

By: _____

Address: _____

Name: _____

Telephone: _____

By: _____

Address: _____

Name: _____

Telephone: _____

By: _____

Address: _____

Name: _____

Telephone: _____

Dumont Creamery and Café, LLC, LLC

EXHIBIT C

Financial Statements



DUMONT CREAMERY & CAFE, LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

AS OF DECEMBER 31, 2024 AND FOR THE PERIOD FROM
INCEPTION (AUGUST 29, 2024) TO DECEMBER 31, 2024



DUMONT CREAMERY & CAFE, LLC

Table of Contents

	<u>Page</u>
Independent auditor's report	3
Balance sheet	5
Statement of operations.....	6
Statement of members' equity	7
Statement of cash flows	8
Notes to the financial statements	9



Independent Auditor's Report

To the Members
Dumont Creamery & Cafe, LLC
The Colony, TX

Opinion

We have audited the accompanying financial statements of Dumont Creamery & Cafe, LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operations, member's equity, and cash flows for the period from inception (August 29, 2024) to December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dumont Creamery & Cafe, LLC as of December 31, 2024, and the results of its operations and its cash flows for the period from inception (August 29, 2024) to December 31, 2024 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. 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 the Company 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.

Emphasis of Matter

The financial statements of Dumont Creamery & Cafe, LLC, for the period ended November 7, 2024, were previously audited by another auditor whose report, dated May 9, 2024, expressed an unqualified opinion on those financial statements. The financial statements presented in this report supersede that report. Our opinion is not modified with respect to this matter.

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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 the Company'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 the Company'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.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar & Dunbar

St. George, Utah
April 29, 2025

DUMONT CREAMERY & CAFE, LLC
BALANCE SHEET
As of December 31, 2024

Assets	2024
Current assets	
Cash and cash equivalents	\$ 897
Total current assets	897
 Total assets	 \$ 897
Liabilities and Members' Equity	
Current liabilities	\$ -
 Members' equity	 897
Total liabilities and members' equity	\$ 897

The accompanying notes are an integral part of these financial statements

DUMONT CREAMERY & CAFE, LLC
STATEMENT OF OPERATIONS
For the Period From Inception (August 29, 2024) to December 31, 2024

	<u>2024</u>
Operating revenue	\$ -
Operating expenses	-
Net loss	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

DUMONT CREAMERY & CAFE, LLC
STATEMENT OF MEMBERS' EQUITY
For the Period From Inception (August 29, 2024) to December 31, 2024

Balance as of August 29, 2024 (inception)	\$ -
Member contributions	1,000
Member distributions	<u>(103)</u>
Balance as of December 31, 2024	<u><u>\$ 897</u></u>

The accompanying notes are an integral part of these financial statements

DUMONT CREAMERY & CAFE, LLC
STATEMENT OF CASH FLOWS
For the Period From Inception (August 29, 2024) to December 31, 2024

	2024
Cash flows used in operating activities:	
Net income	\$ -
Net cash used in operating activities	-
Cash flows from financing activities:	
Member contributions	1,000
Member distributions	(103)
Net cash provided by financing activities	897
Net change in cash and cash equivalents	897
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	\$ 897
Supplemental disclosures of cash flow	
Cash paid for interest	\$ -
Cash paid for taxes	\$ -

The accompanying notes are an integral part of these financial statements

DUMONT CREAMERY & CAFE, LLC

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Dumont Creamery & Cafe, LLC (“the Company”) was organized in Texas on August 29, 2024, as a limited liability company (“LLC”). The Company was established to market, sell and support “Dumont Creamery & Café” franchises. An LLC generally provides limited liability protection to its members such that the liability of the members is limited to the extent of their capital contributions to the LLC.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, the Company had cash and cash equivalents of \$897.

(e) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Texas. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, no tax years were subject to examination.

(f) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

DUMONT CREAMERY & CAFE, LLC

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2024

(2) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(3) Subsequent Events

Management has reviewed and evaluated subsequent events through April 29, 2025, which is the date on which the financial statements were issued.

Dumont Creamery and Café, LLC, LLC

EXHIBIT D

State-Specific Addendum to Franchise Disclosure Document and Agreement

**STATE-SPECIFIC ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT AND
FRANCHISE AGREEMENT**

Dumont Creamery and Café, LLC, LLC

EXHIBIT E

Confidential Operations Manual Table of Contents

Table of Contents

1. PRODUCT SOPS	2
1.1. ALLERGEN CHECKLIST:	2
1.2. PRODUCT DESCRIPTIONS:	5
1.3. PRINTED SOP SHEETS: CLICK HERE	9
1.4. FALOODA SOPs:	9
1.5. CONDIMENTS TO BUY:	10
2. STORE SOPS	20
2.1 DAILY OPENING CHECKLIST:	20
2.2 DAILY CLOSING CHECKLIST:	22
2.3 STORE OPS HOURLY:	23
2.4 STORE OPS HOURLY:	24
3. QC PROCESSES	24
3.1 QC SCHEDULE:	24
3.2 HYGIENE SCORE: CLICK HERE	24
3.3 SKILL SCORE:	25
3.4 CLEANLINESS CHECKLIST:	25
3.5 10-POINT INSPECTION:	26
3.6 CRM SCHEDULE:	26

Dumont Creamery and Café, LLC, LLC

EXHIBIT F

Form of General Release

GENERAL RELEASE

As a condition to Dumont Creamery and Café, LLC's ("Franchisor") consent to **[grant a Successor Area Representative Agreement to] [the proposed transfer of the Area Representative Agreement]** by **[name of franchisee]** ("Franchisee") under the **[Area Representative Agreement]** dated **[date of Area Representative Agreement]**, the undersigned, and each of their respective corporate parents, subsidiaries, Affiliates, successors in interest, heirs and assigns, and each of their respective owners, Managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, Claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).

By: _____

Name: _____

State of _____)
) ss.

County of _____)

This instrument was acknowledged before me on _____, _____ by _____

Notary Public _____

My Commission Expires: _____

By: _____

Name: _____

State of _____)
) ss.

County of _____)

This instrument was acknowledged before me on _____, _____ by _____

Notary Public _____

My Commission Expires: _____

Dumont Creamery and Café, LLC, LLC

EXHIBIT G

Form of Confidentiality and Non-Compete Agreement

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE ("**Agreement**") is made and entered into this _____, between ("**Area Representative**"); and _____ ("**You**").

WHEREAS, Area Representative has entered into a Area Representative Agreement with Dumont Creamery and Café, LLC ("**Dumont**"); and

WHEREAS, You are an Owner, Manager, principal, independent contractor, officer, director, or an entity affiliated with, or providing products or services to Area Representative; and

WHEREAS, as a result of Your relationship with Area Representative, You will have access to certain confidential and proprietary information of Dumont;

NOW, THEREFORE, in consideration of the foregoing and in order to induce Dumont to enter into, or to continue, a relationship with Area Representative, the parties hereby agree as follows:

1. **Dumont Is Third Party Beneficiary.** Area Representative and You acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of Dumont, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

2. **Confidential Information.** It is understood that as a result of Your position or relationship with Area Representative, You will be afforded access to confidential and/or proprietary information of Dumont. In consideration of Dumont's agreement to enter into and continue its business relationship with Area Representative and to continue to make available to Area Representative and You information, including confidential and/or proprietary information, relating to Dumont and its business and operations, You agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of Dumont (including without limitation sales and marketing methods and data, operating and other business data, computer programs, recipes, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective Customers, other Area Representatives, agencies, Vendors/Suppliers, and other related information) (hereinafter, "**Confidential Information**"), other than strictly incidental to, and solely in furtherance and within the scope of, Area Representative's relationship with Dumont and Your employment or business relationship with Area Representative, which obligation applies at all times during and following Your employment or relationship with Area Representative, regardless of the manner in which such employment or relationship ends or the reason therefore. "Confidential Information" shall not include information which (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by Area Representative or the signing of the Area Representative Agreement, whichever occurred first, was known to Area Representative and in actual commercial use by Area Representative or generally within the insurance Industry, in the manner and combination disclosed; or (c) is subsequently received by Area Representative or You from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of Dumont except strictly incidental to, and solely in furtherance and within the scope of, Area Representative's relationship with Dumont and Your employment or business relationship with Area Representative. Upon termination of the Area Representative Agreement (or of Your relationship with Area Representative, as the case may be), for any reason, You must return all lists, printouts, memoranda,

reports, surveys, studies, notes, letters and all other documents then in Your possession or under Your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.

If You receive a subpoena or any other form of legal process seeking to compel the production of any Confidential Information, You will immediately provide Area Representative and Dumont with written notice of the receipt of such subpoena or process and a copy thereof, and will cooperate with Area Representative and Dumont in any action they take to oppose the production of Confidential Information or to obtain a protective order. Written notice to Dumont shall be given to its President.

3. Covenant Not to Compete. While the Area Representative Agreement is in effect and while You maintain a relationship with Area Representative, You shall not, engage in any activity which competes directly or indirectly with Dumont in any state in which Dumont is doing business or in which it has current plans to begin business, except with the written permission of Dumont. If the Area Representative Agreement is terminated or if Your relationship with Area Representative is terminated for any reason, You shall be prohibited for a period of three (3) years from the date of such termination, and within thirty (30) miles of: (a) the Development Area; or (b) any Café that is then open or under development, from:

- (a) Directly or indirectly soliciting Dumont's franchisees or area representatives;
- (b) Inducing, advising, suggesting or attempting to influence directly or indirectly anyone affiliated with Dumont's franchisees or area representatives to terminate employment or establish a professional relationship with another person or entity; and
- (c) Directly or indirectly participating in or being connected in any manner with the ownership, management or operation of any business or entity that competes with Dumont, in offering or selling personal care products.

4. Non-solicitation. While the Area Representative Agreement is in effect, and for three (3) years after its expiration or termination, You shall not, without prior written permission of Dumont, directly or indirectly:

- (a) Employ or attempt to employ any Person who at that time is employed, or within the prior six months has been employed by Dumont, Area Representative, a franchisee of Dumont, or any Affiliate of either, or any other Area Representative or franchisee of Dumont.
- (b) Induce or attempt to induce any Person to leave employment with Dumont, Area Representative, a franchisee of Dumont, or any Affiliate of either, or any other Area Representative or franchisee of Dumont.

5. Breach of Agreement. You acknowledge and agree that Your violation or breach of the "Covenant Not to Compete," disclosure of "Confidential Information," or the "Non-solicitation" provisions, as provided herein by this Agreement will cause irreparable injury to Dumont for which there is no adequate remedy at law. Accordingly, You agree that in the event of any breach or violation of this Agreement, Dumont shall be entitled to enforce this Agreement by injunctive and any other equitable relief in any court of competent jurisdiction. Such relief shall be in addition to other remedies available at law, including without limitation, recovery of damages. You agree to comply with a judgment forbidding You from violating these provisions in the event there is a finding of breach. In addition, Dumont shall be entitled to recover all costs including, without limitation, reasonable attorney's fees associated with any legal action arising out of Your breach of any of the provisions of this Agreement.

If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, all of which shall otherwise remain in full force and effect.

You acknowledge and agree that the restrictions set forth herein are reasonable, in terms of scope, duration, geographic area, and otherwise that the protections afforded to Dumont hereunder are necessary to protect its legitimate business interests.

6. Choice of Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, without respect to its conflict of laws principles.

Dumont Creamery and Café, LLC

Area Representative: _____

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Date: _____

Date: _____

Dumont Creamery and Café, LLC, LLC

EXHIBIT H

State Effective Dates; Franchise Disclosure Document Receipts

STATE EFFECTIVE DATES

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

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

State	Effective Date
Wisconsin	October 21, 2025

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.

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 Dumont Creamery and Café, LLC offers you a franchise, it must provide this disclosure document to you 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.

If Dumont Creamery and Café, 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 appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Ajay Govada, Vivek Inampudi, Venkatesh Ravishanker, Dhanunjaya Noothi, 6600 Paige Rd., Suite 223, The Colony, Texas 75056, (937) 708-9589. We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary):

Issuance Date: July 1, 2025, as amended December 4, 2025

See Exhibit A for Dumont Creamery and Café, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated July 1, 2025, as amended December 4, 2025, that included the following Exhibits:

- | | |
|---|--|
| A. List of State Agencies/Agents for Service of Process | F. Form of General Release |
| B. Area Representative Agreement | G. Confidentiality and Non-Compete Agreement |
| C. Financial Statements | H. State Effective Dates; Receipts |
| D. State-Specific Addendum to Franchise Disclosure Document and Agreement | |
| E. Confidential Operations Manual Table of Contents | |

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Ajay Govada, 6600 Paige Rd., Suite 222, The Colony, Texas 75056.

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 Dumont Creamery and Café, LLC offers you a franchise, it must provide this disclosure document to you 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.

If Dumont Creamery and Café, 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 appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Ajay Govada, Vivek Inampudi, Venkatesh Ravishanker, Dhanunjaya Noothi, 6600 Paige Rd., Suite 223, The Colony, Texas 75056, (937) 708-9589. We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary):

Issuance Date: July 1, 2025, as amended December 4, 2025

See Exhibit A for Dumont Creamery and Café, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated July 1, 2025, as amended December 4, 2025, that included the following Exhibits:

- | | |
|---|--|
| A. List of State Agencies/Agents for Service of Process | F. Form of General Release |
| B. Area Representative Agreement | G. Confidentiality and Non-Compete Agreement |
| C. Financial Statements | H. State Effective Dates; Receipts |
| D. State-Specific Addendum to Franchise Disclosure Document and Agreement | |
| E. Confidential Operations Manual Table of Contents | |

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Ajay Govada, 6600 Paige Rd., Suite 222, The Colony, Texas 75056.