

FRANCHISE DISCLOSURE DOCUMENT

**MENCHIE'S GROUP,
INC.**

a California corporation
17555 Ventura Boulevard, Suite 200
Encino, CA 91316
818-708-0316 www.menchies.com



Received
LA Mailroom

MAY 05 2017

Department of
Business Oversight

We grant you the right to operate a MENCHIE'S Store. Your Store will offer for sale soft-serve frozen yogurt, ice cream, desserts and beverage items and other related products. We also grant to qualified franchisees the right to develop MENCHIE'S stores under an Area Development Agreement.

The total investment necessary to begin operation of your Store is \$225,330 to \$407,934. This includes \$44,920 - \$49,920 that must be paid to us. If you sign an Area Development Agreement, you must pay us a Development Fee equal to \$96,000 if you are going to open 3 Stores and \$125,000 if you are planning to open 5 Stores.

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 MJ Kwon, at 17555 Ventura Boulevard, Suite 200, Encino, CA 91316; telephone 818-708-0316.

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

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

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

Issuance Date: April 26, 2017

**STATE COVER
PAGE**

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

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

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

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ ARBITRATION/ MEDIATION ONLY IN CALIFORNIA; OUT-OF-STATE LITIGATION/ ARBITRATION/ MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ ARBITRATE/MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. YOU DO NOT RECEIVE AN EXCLUSIVE TERRITORY. WE CAN COMPETE WITH YOU IN NON-TRADITIONAL (SPECIAL SITE) LOCATIONS AND IN ALTERNATE CHANNELS OF DISTRIBUTION.
3. WE HAVE ELECTED THE REASONABLE BUSINESS JUDGMENT STANDARD IN OUR RELATIONSHIPS WITH FRANCHISEES. THIS MEANS THAT WE ARE NOT REQUIRED TO CONSIDER YOUR PARTICULAR ECONOMIC OR OTHER BUSINESS INTERESTS WHEN EXERCISING OUR JUDGMENT.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Registration States Effective Dates: See following page.

MENCHIE'S

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

California

Hawaii

Illinois

Indiana

Maryland

Michigan

Minnesota

New York

North Dakota

Rhode Island

South Dakota

Virginia

Washington

Wisconsin

NOTICE REQUIRED BY

STATE OF MICHIGAN

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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EXHIBITS

- A. Agents for Service of Process & State Administrators
- B. Financial Statements
- C. Franchise Agreement

- D. Area Development Agreement
- E. Computer and Software Requirements
- F. Operations Manual Table of Contents
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- I. List of Franchisees and Subfranchisees in the System
- J. Receipts

Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is "Menchie's Group, Inc." For ease of reference, we will be referred to as "Menchie's," "we," or "us" in this Disclosure Document. The person or entity who buys the franchise will be referred to as "you" and "your" throughout this Disclosure Document. If you are a corporation or limited liability company, your owners must sign our "Guaranty and Assumption of Obligations," which means that all of our Franchise Agreement's provisions also will apply to your owners.

The Franchisor

We are a California corporation incorporated on January 2, 2008. Our principal business address is 17555 Ventura Boulevard, Suite 200, Encino, California 91316. We have offered franchises since March 2008. Since September 2011, we have operated a business similar to the business being franchised in Encino, California. We do not offer and have not offered franchises in any other line of business.

We operate under the name "MENCHIE'S" and the other trademarks described in Item 13.

Agent for Service of Process

Our agents for service of process are disclosed in Exhibit A.

Parents, Predecessors and Affiliates

We do not have any parents or predecessors.

Our affiliate, MidiCi Group LLC, a California limited liability company formed on August 29, 2014 ("MidiCi"), grants franchises for the operation of MidiCi fast casual restaurants featuring build-your-own Neapolitan pizzas, salads, appetizers, beverages, dessert items, and other products in a distinctive atmosphere. MidiCi has offered franchises since January 2015. Its principal office address is 17555 Ventura Boulevard, Suite 200, Encino, California 91316. MidiCi has not offered franchises in any other lines of business.

From March, 2009 to April 2013, our affiliate BSD USA, LLC ("BSD") served as a subfranchisor of Menchie's Group, Inc. and granted MENCHIE'S franchises in certain states. All of BSD's subfranchise agreements were transferred to us in April 2013. BSD does not operate any other business and has never offered franchises in any other line of business.

Other than as disclosed above, we do not have any other affiliates that need to be disclosed in this Disclosure Document.

The Franchise Offered

We grant you the right to operate a store under the "MENCHIE'S" trademark and other Trademarks and the System (as defined below) (the "Store") pursuant to the terms of our Franchise Agreement, the form of which is attached hereto as Exhibit C (the "Franchise Agreement"). We also offer qualified franchisees the right to develop multiple MENCHIE'S stores under the terms of an Area Development Agreement, the form of which is attached hereto as Exhibit D (the "Area Development Agreement" or "ADA"). If you sign an ADA, you will sign a separate Franchise Agreement for each

Store developed under your Area Development Agreement and it will be our then-current form of Franchise Agreement.

Your Store will offer premium frozen yogurt, ice cream, dessert items, beverages, and other products (the "Menu Items") for retail sale to the public. Menu Items are prepared according to our specified recipes and procedures and use high-quality ingredients, including our specially formulated and specially produced proprietary lines of frozen yogurt and other food products. Each Store will operate under the name MENCHIE'S and other trademarks we designate; "Trademarks" means the MENCHIE'S trademarks that have been registered in the United States and elsewhere and the trademarks, service marks and trade names set forth in item 13, as we may modify from time to time, and such other trademarks, service marks, trade names, the trade dress and other commercial symbols as we may authorize you to use in and in connection with the Store from time to time. Trade dress includes the designs, color schemes and images we authorize you to use in the operation of the Store from time to time.

You must operate your Store under the MENCHIE'S System (the "System"). The System consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with unique storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business forms, training materials, Manuals, sales techniques, methods and procedures, all of which we may modify from time to time. MENCHIE'S stores range in size from 900 to 1,700 square feet depending on the location of your Store. You must adhere to the System regardless of the size of your Store.

Market and Competition

Your Store will offer products and services to the general public throughout the year and compete with other frozen dessert chains (local, regional, and national), restaurants, grocery stores, and food service businesses. The market for your type of products and services is developed and very competitive. Because sales of frozen desserts generally increase in warmer weather, your sales may be seasonal.

Industry-Specific Regulations

We know of no trade or license regulations which specifically affect the frozen yogurt industry. Laws exist in every state that govern the food-service industry (including health, sanitation, and safety regulations regarding food storage, preparation and safety). You must comply with all local, state, and federal laws that apply to your store's operation, including health, sanitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction. You must obtain real estate permits (such as zoning permits), real estate licenses and operational licenses. You also must comply with all PCI Data Security Standards.

There are also regulations that pertain to sanitation, labeling, food preparation, food handling, and food service. You will be required to comply with all applicable federal, state, and local laws and regulations during the operation of your Store. You should consult with an attorney concerning those and other local laws and ordinances that may affect your Store's operation.

Item 2
BUSINESS EXPERIENCE

Chief Executive Officer, Board Director: Amit Y. Kleinberger

Mr. Kleinberger has served as our Board Director and Chief Executive Officer for Menchie's since July 2008. Mr. Kleinberger has also served as the Chief Executive Officer of MidiCi in Encino, CA since August 2014. He also served as Chief Executive Officer of MidiCi LLC in Encino, CA since September 2013.

Director of Business Development, Chairman: Elie Balas

Mr. Balas has served as our Director of Business Development and Chairman for Menchie's since July 2008. Mr. Balas has also served as the Director of Business Development and Member of MidiCi in Encino, CA since August 2014. He also served as the Director of Business Development and Member of MidiCi LLC in Encino, CA since September 2013.

Chief Operations Officer: Adam Caldwell

Mr. Caldwell has served as a Board Director and our Chief Operations Officer for Menchie's since July 2008.

Chief Operations Officer: Tom Regev

Mr. Regev has served as our Chief Operations Officer since March 2017. Mr. Regev has served as our Vice President of Operations for Menchie's since March 2009. Mr. Regev has also served as the Chief Operations Officer and Member of MidiCi in Encino, CA since August 2014. He also served as the Chief Operations Officer and Member of MidiCi LLC since September 2013.

Vice President Operations : Gary Hunter

Mr. Hunter served as our Vice President Operations since March 2017. Mr. Hunter has served as our Senior Director of Food Services for Menchie's since May 2012. Mr. Hunter has also served as the Senior Director of Operations of MidiCi in Encino, CA since August 2014. From June 2008 to April 2012, Mr. Hunter served as the Senior Director of Operations for Robeks, located in Los Angeles, California.

Vice President of Real Estate: David Goldberg

Mr. Goldberg has served as our Senior Director of Real Estate for Menchie's since January 2015. Mr. Goldberg also has also served as the Senior Director of Real Estate and Development of MidiCi in Encino, CA since August 2014. From July 2010 to September 2012 Mr. Goldberg was investigating employment opportunities.

Vice President: Kristin Belg

Ms. Belg has served as Vice President since March 2017. Ms. Belg has served as our Director of Communications since June 2012. Ms. Belg has also served as the Director of Communications for MidiCi in Encino, CA since August 2014. From June 2010 to June 2012, she served as our Franchise Relation Manager. From June 2009 to 2010, she served as a Franchise Relations Leader for us.

Director of Research & Product Development: Laura Baldwin

Ms. Baldwin has served as our Director of Research & Product Development since April 2011. From January 2010 to April 2011 Ms. Baldwin served as a Sous Chef for the Sur La Table Culinary Program located in Los Angeles, California. From March 2009 to March 2011, Ms. Baldwin served as a Manager for PepsiCo manufacturing facilities located in Los Angeles, California.

Senior Director Franchise Development: MJ Kwon

Ms. Kwon served as Senior Director Franchise Development since March 2017. Ms. Kwon has served as our Director of Franchise Development since February 2016. Ms. Kwon has also served as the Director of Franchise Development for MidiCi in Encino, California, since August 2014. From August 2014 to February 2016 she served as our Franchise Development Manager. From March 2011 until August 2014 she served as our Head Franchise Development Associate.

**Item 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**Item 4
BANKRUPTCY**

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

**Item 5
INITIAL FEES**

Initial Franchise Fee

The Initial Franchise Fee for a single Store franchise is \$40,000, which will be paid in full at the time you sign the Franchise Agreement. The Initial Franchise Fee is earned upon receipt and except as noted below is non-refundable.

Within 30 days of the effective date of your first Franchise Agreement, you may choose to open additional Stores (a total of three Stores or five Stores, including the Store to be operated under your first Franchise Agreement), and receive the benefit of paying a reduced, per Store Initial Franchise Fee (as described further below under "Development Fee"). If you choose to exercise this option, you will be required to pay us the difference between the Initial Franchise Fee(s) you already paid and the balance owed for the additional Stores you agree to open, which will be calculated and paid as stated in our then-current form of Area Development Agreement. You also will be required to sign an Area Development Agreement, or if you are already a party to an Area Development Agreement, an addendum to the Area Development Agreement identifying the additional Stores you agree to open.

Uniforms, Merchandise, Equipment and Supplies

You will be required to purchase from us uniforms, merchandise, equipment and Store supplies costing approximately \$3,000.00 - \$8,000 for each Store you agree to open. This amount is earned by us upon receipt and is non-refundable.

Development Fee

If you enter into an Area Development Agreement, the Initial Franchise Fee for each Store will depend on the number of Stores you agree to open. If you agree to open three Stores, the Initial Franchise Fee for each Store will be \$32,000. If you agree to open five Stores, the Initial Franchise Fee for each Store will be \$25,000.

If you sign an Area Development Agreement, you must pay us an "Development Fee" in an amount determined based upon the number of Stores you agree to develop and operate. If you agree to open three Stores, your Development Fee will be \$96,000 (\$32,000 x 3). If you agree to open five Stores, your Development Fee will be \$125,000 (\$25,000 x 5). The Development Fee is credited against the Initial Franchise Fee for each Store. The Development Fee is fully earned by us upon receipt and is non-refundable.

Upon the signing of the Area Development Agreement, you will pay either: (i) one-half of the total Development Fee; or (ii) the entire Development Fee. If you pay one-half of the total Development Fee upon the signing of the Area Development Agreement, a pro-rata portion of such amount will be credited against the Initial Franchise Fee due for each Store that you agree to develop under your Area Development Agreement. The remaining balance of the Initial Franchise Fee for each Store will be due when you sign the Franchise Agreement for such Store. Under this option, you will develop and open each Store before beginning the development of your next Store.

If you choose to pay the total Development Fee upon signing the Area Development Agreement, you also will sign a Franchise Agreement and an Addendum to Franchise Agreement (attached as Schedule G to the Franchise Agreement) for each Store you agree to open when you sign the Area Development Agreement. The Addendum to Franchise Agreement will modify the time you will have to develop and open each Store – two years if you agree to open three Stores, and three years if you agree to open five Stores.

Menchie's Development Services Fee

You will pay us a Development Services Fee in the amount of \$1,920. The Development Services Fee is due when you sign the Franchise Agreement. In exchange for the Development Services Fee we will provide you with site selection assistance and support. The Development Services Fee is earned by us upon receipt and is not refundable.

The range of initial fees we collected during our last fiscal year are as follows: Initial

Franchise Fee: \$25,000 to \$40,000
Uniforms, Merchandise, Equipment and Supplies: \$3,000 - \$8,000
Development Fee: \$96,000 - \$125,000

Item 6 OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee (2)	6% of Net Sales (3)	Weekly	Weekly payment (Friday) to us, via electronic banking.
Marketing Fee (4)	2% of Net Sales (3)	Weekly	Weekly payment (Friday) to us, via electronic banking.

Type of Fee (1)	Amount	Due Date	Remarks
Local Advertising Fee	\$10,000	Yearly	
Franchisee Ad Co-op Fee (5)	To be determined by the Co-op	To be determined by the Co-op	If we designate a local cooperative, you must participate in the cooperative.
Audit fee	Cost of audit. Precise estimate is unknown as of the date of this Disclosure Document, but is estimated to range from \$100 to \$2,000.	5 days after notice of amount due	You will pay us the costs of an audit to be performed if you fail to provide monthly financial statements, which are required by the Franchise Agreement in excess of three times per calendar year or if a random audit shows an understatement of Gross Sales in excess of 2%.
Late fee	Ten percent (10%) of the amount due	Within 5 days of the date of Menchie's statement for amount due	You will pay us a late fee in the amount of 10% if you fail to pay the Royalty Fee, Marketing Fee or other amounts due to us within ten days of the due date. You also will be required to pay us a late fee on any overdue amount beginning with the date payment is due until you pay the overage.
Interest on late payments	The lesser of 1 ½% per month or the maximum amount permitted by applicable law.	Within 5 days of date of Menchie's statement for amount due	You will pay us interest on any overdue Royalty Fees, Marketing Fees or other amounts due to us, beginning with the date payment is due until you pay the overage.
Additional training fee	To be determined by us, but not to exceed \$500 per person per day.	Before commencement of the training	You will pay us a non-refundable fee if you ask for special assistance or we determine that additional training is warranted after your initial training period.
Operations Manual	\$500.00	As incurred	If your copy of the Operations Manual is lost, stolen, or otherwise unavailable to you, you must pay us \$500 for a replacement copy.
Alternative supplier evaluation fees	Various amounts to be determined by the amount of time and money necessary to evaluate the alternative supplier and/or the alternative product. Precise estimate is unknown as of the date of this Disclosure Document, but is estimated to range from \$500 to \$5,000. This amount will include our costs and expenses associated with any testing, including travel and lodging expenses incurred by us to visit a supplier's facilities.	As incurred	If you seek approval of a new supplier or product, we may charge you a fee for conducting the evaluation or you may have to pay some third party to evaluate your proposed supplier or product.
Renewal fee	10% of our then current franchise fee	Before signing of the renewal franchise	Payable to us, if you wish to renew your franchise agreement.

Type of Fee (1)	Amount	Due Date	Remarks
Technology Fee	\$80	Monthly, beginning 30 days after you sign a lease for your Store.	You must pay us, via electronic transfer, a fee for our Proprietary System Software Package, which will cover our expenses associated with furnishing one user with our franchise management software, creating email accounts, email marketing, and providing technology administration and maintenance according to our then current guidelines and procedures, which may change from time to time. We reserve the right to change the fee amount each calendar year, upon 14 days' written notice to you.
Alternative dispute fee	To be determined by the American Arbitration Association	At commencement of dispute	Fee for participating in any dispute-resolution process.
Transfer fee	Fifty percent (50%) of our then current franchise fee	Due at time Transferee signs Franchise Agreement	Either you or transferee must pay us the transfer fee.
Seminar and convention fees	No charge for attending seminars or conventions. Fees for travel, food, and lodging will depend on distance traveled and accommodations which one chooses.	As incurred	Fees for travel, food, and lodging to attend seminars and conventions. Paid to various vendors. Certain expenses may be refundable under various circumstances.
Costs and attorneys' fees	Will vary under circumstances	As incurred	Payable to us, to reimburse us for fees incurred by us in obtaining injunctive or legal relief for the enforcement of any item of the Franchise Agreement or for costs incurred for arbitration proceedings.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for any claims arising from your business.
Insurance (6)	Will vary according to coverage and area	As incurred	You must be fully covered in all areas of operating a business. If you do not procure and maintain the required insurance coverage we may, but are not required to, procure insurance coverage on your behalf and charge the costs to you together with a reasonable fee for the expenses we incur.
Proprietary Software	Various amounts	As incurred	If we develop proprietary software, you must use it.
Grand Opening Marketing Campaign	\$5,000	As incurred	You must spend at least \$5,000 on grand opening marketing and promotion during the first month your Store is open. Your grand opening marketing expenditures will count towards your first year's Local Advertising Fee.

Type of Fee (1)	Amount	Due Date	Remarks
Inspection Fee	Our costs and expenses in conducting any subsequent pre-opening Store inspection. We estimate that this amount will not exceed \$1,500.00.	Upon demand	We will inspect your Store prior to opening. If your Store does not pass initial inspection, you will be charged for all costs and expenses we incur in conducting any subsequent inspections.

Notes:

- (1) You will pay all fees to us unless otherwise noted. All fees are non-refundable unless otherwise noted. All fees are uniformly imposed.
- (2) The amount of the Royalty Fee for any renewal term will be as provided in the franchise agreement executed for such renewal.
- (3) Net Sales is Gross Sales minus Discounts. Gross Sales means the total revenues and receipts from the sale of all products, services and merchandise sold in your Store, whether under any of the Trademarks or otherwise, including any catering or delivery services, cover charges or fees in your Store or on its premises, and all revenues derived from any type of authorized vending machines. Gross Sales excludes sales taxes.
- (4) The Advertising and Marketing Fee is paid to us for deposit in a Marketing Fund (defined in Item 11). Any expenses for local marketing must be paid by you directly to the vendors.
- (5) We may designate a local advertising cooperative and require you to contribute to and participate in the cooperative. If established, you must direct your local advertising expenditure to the cooperative, which is separate from the Marketing Fee. Each Store, including any company- or affiliate-owned stores (except Special Sites) will be a member of the cooperative. Each Store will have one vote per Store. If the majority of the stores in a local marketing cooperative are company- or affiliate-owned, we will have majority voting power.
- (6) Insurance includes all risk or all peril coverage, business interruption insurance, comprehensive general liability insurance and other forms of insurance we require. You pay insurance premiums and other insurance related payments directly to our required third party insurer. You must deliver to us upon commencing construction of your Store, and thereafter annually or at our request, a proper certificate evidencing the existence of the required insurance coverage.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee (1)	\$40,000	Certified funds	At time of signing of Franchise Agreement	Us
Training Expenses(2)	\$500-\$3500	Check, cash, or credit card	As incurred	Various vendors

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Services Fee (3)	\$1,920	As agreed to	At time of signing Franchise Agreement	Us
Rent Deposit (4)	\$3324 - \$6654	As agreed to	As incurred	Landlord
Leasehold improvements (5)	\$89120 - \$170,000	As agreed to	As incurred	Various providers
Furniture, Fixtures, and Equipment (6)	\$67,420 - \$117,924	As agreed to	As incurred	Various required suppliers
Computer (POS) System (7)	\$800 - \$936	As agreed	As incurred	Vendor
Signage (8)	\$6159 - 13000	As agreed to	As incurred	Vendor
Opening Inventory (9)	\$4,587 - \$6000	As agreed to	As incurred	Designated and approved suppliers
Uniforms, Merchandise, Equipment and Sales (10)	\$3,000	Certified funds	As incurred	Us
Initial Marketing (11)	\$1,500 - \$4,000	As agreed to	As incurred	Vendors
Utility Deposits, Security Deposits, Business Licenses, etc. (12)	\$1,000-\$3,500	As agreed to	As incurred	Various govt. entities, utility companies
Inspection Fee (13)	\$0-\$1,500	As agreed to	As incurred	Us
Additional Funds—3 Months (14)	\$6,000-\$36,000	As agreed to	As incurred	Various vendors
Total (15)	\$225,330 - \$407,934			

Notes:

* The foregoing expenses are merely estimates of the initial investment for the Store regardless of whether it is for a single franchise under our single franchise program or a unit under our Area Development Program. You are encouraged to make an independent investigation and analysis of the potential expenses which may be incurred in order to start your Store. This does not include the cost of the real estate or constructing a building if you purchase the land. We do not offer direct or indirect financing to franchisees for any items. Except where otherwise noted, all amounts that you pay to us are non-refundable. Third party suppliers will decide if payments to them are refundable.

(1) Initial Franchise Fee. The Initial Franchise Fee is \$40,000 for an individual Store franchise. If you sign an Area Development Agreement, the Initial Franchise Fee you will pay will depend on the number of Stores you agree to open. If you agree to open three Stores, your Initial Franchise Fee will be \$32,000 for each Store. If you agree to open five Stores, your Initial Franchise Fee will be \$25,000 for each Store. As outlined further in Item 5, at the time you sign the Area Development Agreement, you can either pay (i) the total Initial Franchise Fees for all of the Stores you agree to open under the Area Development Agreement or (ii) one half of the total Initial Franchise Fees for all of the Stores you agree to open under the Area Development Agreement (with the remaining half payable pro rata upon the signing of the Franchise Agreement for each Store).

(2) Training Expenses. We will not charge you a fee for you and one additional person to attend our initial training program. You, however, are responsible for all hotel, transportation and other costs and expenses for the people you designate to attend our initial training program. The amount in the table represents the estimated costs and expenses you will incur for you and one additional person to attend our initial training program. These amounts are not refundable.

(3) Development Services Fee. At the time you sign the Franchise Agreement you must pay us the Development Services Fee. The Development Services Fee is earned upon receipt and is non-refundable.

(4) Real Estate. A MENCHIE'S Store occupies about 900 to 1,700 square feet of space. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors and could be considerably higher in large metropolitan areas than in more suburban or small town areas. Stores can be located in strip shopping centers, shopping malls, free-standing units, and other venues in downtown commercial areas and in residential areas. We anticipate that you will rent the Store's premises. It is possible, however, that you will choose to buy, rather than rent, real estate on which a building suitable for the Store already is constructed or could be constructed. The rental security deposit may be refundable depending on your agreement with your landlord.

(5) Leasehold Improvements. Leasehold improvement costs, including floor coverings, wall treatments, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work, and architect's and contractor's fees depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Store; and any construction or other allowances the landlord grants. The lower figure assumes that you have a unique real estate model; the higher figure assumes a high square footage model. These monies are not refundable after they have been expended. The estimates included in the table above reflect the average deduction provided by landlords for tenant improvements and other allowances.

(6) Equipment. These amounts include the frozen yogurt-making machines that you must purchase from our required supplier. This amount also includes the cost for refrigerators, freezers, and other equipment, such as office equipment and furniture and a telephone system. These amounts are not refundable, but the machines may be sold.

(7) Computer (POS) System. You must purchase a Computer System that meets our specifications and requirements.

(8) Signage. This includes inside and outside signage. The monies are usually not refundable after they have been expended.

(9) Inventory. This includes food and beverage products, paper products, cleaning supplies, and printing uniforms, promotional material and other supplies. Monies spent on these items are not refundable, but the unused items may be sold.

(10) Uniforms, Merchandise, Equipment and Supplies. You must purchase your uniforms, merchandise, and certain equipment and supplies from us.

(11) Grand Opening Marketing. This represents the monies to be included in initial marketing for the first 3 months of operation. This includes funds to be used for your "Grand

Opening Marketing Campaign". These monies are not refundable. Amounts spent on your Grand Opening Marketing will count toward your first year's local advertising requirements.

(12) Business Licenses. You must obtain business licenses as dictated by local regulations. You will need to provide monies for deposits for utilities and insurance. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 3 months. These monies are not refundable.

(13) Inspection Fee. We will inspect your Store prior to opening. If your Store does not pass initial inspection, you will be charged for all costs and expenses we incur in conducting any subsequent inspection, which amount will not exceed \$1,500.

(14) Additional Funds. This item estimates your expenses during the initial period (first three (3) months) of operation of your MENCHIE'S Store (other than the items identified separately in the table and any owner's draw). This estimate includes payroll costs. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period of operation of your Store. This amount does not end your initial investment obligation.

(15) Total. We relied on our Affiliate's years of experience operating a MENCHIE'S store to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise.

You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the development process.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the MENCHIE'S System, you must maintain and comply with our quality and system standards. Although you are not required to purchase or lease real estate from us, we will assist you in site selection and we must accept the location of your Store. You must execute our standard form of Lease Addendum in connection with any lease for the Store location, a copy of which is attached to the Franchise Agreement as Schedule C. You must construct and equip your Store in accordance with our then current approved design, specifications and standards. In addition, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws. You also must use equipment (including hardware and software for your Computer System), signage, fixtures, furnishings, products, ingredients, supplies and advertising materials that meet our specifications and standards.

Designated Sources

You must purchase certain equipment, products, merchandise and supplies only from us or our required suppliers as noted in this Item 8. From time to time we, an affiliate or a third party vendor or

supplier may be the only approved supplier for certain products. For example, as of the date of this Disclosure Document, you must purchase all trademarked retail items, products and supplies, including apparel and accessories, toys, bags and mugs, from us. Additionally, you must purchase your uniforms, and certain merchandise, supplies, equipment and other materials, including cabinets and gift bags from us. You will pay the then-current price in effect for all purchases you make from us, our affiliate or any third party vendor we designate.

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers and distributors ("Approved Suppliers") and approved inventory products, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Store ("Approved Supplies"). The Approved Suppliers list may specify a required manufacturer or supplier of a specific product or piece of equipment. We reserve the right to designate a required source of supply for certain products and supplies, and we or an affiliate may be a required source. For example, we currently require our franchisees to use the following source for a particular product, service or piece of equipment:

Required Source	Required Item or Service
Us	Site Selection
Interplan	Architecture
Stoelting, Taylor	Soft-Serve Machines
Harbor Touch	Point of Sale Systems
Scott's Dairy	Yogurt and Dairy
FPN	Credit Cards and Loyalty Processing
CrowdTunes	In-Store Music
FranConnect	Franchise Management Software
Gaspar Insurance	Insurance
Dawn Foods Products	Menu Items
Global Sign Systems	Outdoor Signage
Arrow Restaurant Supply	Restaurant Supply
Color Edge	Indoor Signage

The lists also may include other specific products without reference to a particular manufacturer or supplier, or they may set forth the specifications and/or standards for other approved products. For example, as noted below, you must obtain insurance that meets our standards and requirements. We may revise the Approved Suppliers list and Approved Supplies list from time to time. We give you the approved lists as we deem advisable. We generally do not give these lists to approved suppliers. We will set up your menu and provide contact information for your distributors and/or manufacturers of all products offered at the Store.

Except where we identify a sole single source, if you propose to use in the operation of your Store any product, supply, material, furnishing or equipment which has not yet been approved by us as conforming to our specifications and quality and system standards and/or from a supplier not yet approved in writing by us, you must first notify us in writing and must submit to us, upon request, sufficient information, specifications, and samples so that we can determine whether the item or service complies with System standards or the supplier meets our supplier criteria. We will provide you with written approval or disapproval within a reasonable time period (typically 30 days). You may not

use any product, supply, material, furnishing or equipment that we have not approved.

Supplier approval will 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. We may inspect or re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier fails to continue to meet our criteria and specifications. As a condition of approval, you and/or any supplier must reimburse us for all costs and expenses incurred by us associated with any testing and evaluation, including travel and lodging expenses incurred where we deem it necessary to visit a supplier's facilities.

Nothing contained in this Disclosure Document or in the Franchise Agreement requires us to approve an inordinate number of suppliers of a given item or approve suppliers, which, in our reasonable judgment, would result in higher costs to our franchisees or prevent, in our sole judgment, our effective and economical supervision of suppliers.

Because we supply the trademarked merchandise to our franchisees, some of our officers own an interest in one of our suppliers (the Franchisor). No officer owns an interest in any other supplier.

You must carry insurance policies protecting you, us and our affiliates. As of the date of this Disclosure Document you must obtain your insurance from Gaspar Insurance. The insurance policy or policies shall be written in accordance with the standards and specifications (including minimum coverage amounts) outlined in writing by us from time to time, and, at a minimum, shall include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) "special" causes of loss coverage forms (sometimes called "All Risk coverage" or "All Peril coverage") on the Store, store improvements, furniture, fixtures, equipment, supplies and other property used in the operation of the Store, for full repair and replacement value, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum of 12 months loss of income, including coverage for our Royalty Fees (for example, in the event of a fire or destruction of the premises, the insurance must cover your average Royalty Fee payments to us (determined based on the previous 12 month timeframe, or the total operating timeframe for the store, whichever is shorter) during the rebuilding process); (iii) comprehensive general liability insurance, including product liability insurance and contractual liability insurance; (iv) workers' compensation covering all of your employees; (v) motor vehicle insurance; (vi) umbrella liability insurance which also includes employers liability; (vii) "Per Location" aggregate limits when multiple store locations are insured under one comprehensive general liability and umbrella liability policy(cies); (viii) Menchie's Group, Inc. named as an additional insured on all liability policies required by this subparagraph; (ix) severability of interests or separation of insureds provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by Menchie's Group, Inc.; and (x) any other such insurance coverages or amounts as required by law or other agreement related to the Store. As of the date of this Disclosure Document, all liability policies must have at least \$1,000,000 in coverage and the property insurance must be for the full replacement value. We may from time to time modify the required minimum limits (including an increase to the umbrella policy referenced in (vi) above) and require additional insurance coverages by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the MENCHIE'S System, standards of liability and higher damage awards.

The insurance coverages referenced above must commence as of the date you sign a lease or purchase agreement for the Authorized Location (as defined in Item 12). You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but before commencing construction of your Store, and thereafter annually or at our request, a proper certificate evidencing the

existence of the required insurance coverage and your compliance with the foregoing insurance requirements. The insurance certificate must show our status as an additional insured (as noted in clause (viii) above) and provide that we will be given 30 days' prior written notice of any material change in or termination or cancellation of any policy. If you do not procure and maintain the required insurance coverage (including any modifications referenced in the preceding sentence), we have the right, but not the obligation, to procure insurance coverage on your behalf and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

Although we require certain insurance coverage and have recommended other coverages, we do not guarantee that the required or recommended insurance will be adequate to fully protect your assets. You should therefore consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Store.

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of trademarked merchandise, goods, products and services as described in this Item 8, as well as in connection with any future purchases of any goods, products or services. Most of these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor. Except for those items you purchase from us directly, during our last fiscal year ending December 31, 2016, we did not receive any rebates from any of our required or approved suppliers based upon your purchases. We do derive revenue from items we sell directly to you by charging you more than our cost. During our last fiscal year ending December 31, 2016, we derived revenue from your purchases from us in the amount of \$3,192,641, which amount represents 15.4% of our total revenue of \$20,751,650.

We may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. Currently, there is no purchasing or distribution cooperative but we reserve the right to create a cooperative and require you to participate. We may receive volume discounts for the System. Beyond these discounts, we do not provide material benefits to you because of your use of approved suppliers.

Over the last 3 years we have collected funds from our partners on several different occasions. The funds have been split among different projects and are allocated based upon the origin of the funds.

We have collected funds from partners who have participated in national fundraising campaigns (e.g. National Frozen Yogurt Day). The participating partner may provide product directly to stores, provide product to our distribution partner or provide us with money that is transferred to our distribution partner to finance discounts to the stores. In 2014, the total amount we received and passed back to stores was \$27,536. Specifically, in this year the amount that we collected paid, in part, for a partnership with the Girl Scouts, resulting in a net loss to us of \$22,464. In 2015 and 2016, respectively, the total amount received by us and allocated to stores was \$6,250 and \$9,999, respectively.

Partners have also participated in the development of our brand through the manufacture of our spoons. The monies that are collected are allocated for the development of new spoons and the cost of tooling/ molds required in the process. In 2014, we received \$5,995.60 for this purpose. In 2015, we received \$40,859.04 but invested a total of \$41,000 in new spoon development and manufacture. In 2016, we received \$38,586 for this purpose but invested a total of \$170,000 in new spoon development and manufacture.

Certain partners provide funds to support monthly campaigns that relate to their specific products. These funds are provided by the partners to assist with the cost associated with the design, production and execution of the specific monthly campaign. In 2014, we received \$158,000 from these partners (e.g.,

California Milk Advisory Board provided us with funds for promoting the use of California milk in our yogurt all around the country). The funds less investments in these sorts of promotions left us with a negative fund balance of \$3,359.26 in 2014, a negative fund balance of \$190,458.12 in 2015 and a negative fund balance of \$310,604.27 for these promotions for 2016.

Finally, we collect funds for a dairy fund which was created to stabilize the cost of our proprietary yogurt against changes in the volatile commodity market, to cover costs associated with expired products, discounted products, moving products around the country when needed and product development. The fund was running in negative numbers until 2015. In 2014, the total associated cost with the fund was negative \$372,588.56. In 2015, after all payments, the fund was at \$282,429.03 (for current year only excluding past debt) and in 2016 the net effect in the dairy fund was of \$609,615.72 (again, excluding past debt).

Finally, we collect funds from various vendors for sponsorships of Town Halls with franchisees. The monies that are collected are allocated to cover costs of the Town Halls. In 2014, we received \$51,750.00 and invested \$73,752.34 back into funding Town Halls leaving a negative fund balance of \$22,002.34. In 2015, we received \$100,900 and invested \$108,184.88 leaving a negative fund balance of \$7,284.88. In 2016, we received \$110,101.00 and invested \$164,335.36 leaving a negative fund balance of \$54,234.36.

Over the last 3 years the above four methods of collecting funds from our partners, we had an aggregate of negative funds associated with the all monies collected of \$420,382.19.

You can expect that items purchased or leased in accordance with our specifications will represent approximately 90% of total purchases you will make to begin operations of the business and 70% of the ongoing costs to operate the business.

Item 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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 Disclosure Document
(a) Site selection and acquisition/lease	Sections 2A and 5A; ADA Sections 2 and 4 and Appendix B	Items 7 and 11
(b) Pre-opening purchases/leases	Sections 5A, 6B - 6E and 9B; None in ADA	Items 5, 6, 7 and 8
(c) Site development and other pre-opening requirements	Sections 5A and 5B; ADA Sections 2 and 4	Items 7, 8 and 11
(d) Initial and ongoing training	Sections 7B, 7C, and 7E; ADA Section 6	Items 6 and 11
(e) Opening	Sections 2B and 5A; ADA Section 4 and Appendix C	Items 5 and 11
(f) Fees	Sections 9A-9J; ADA Section 3 and Appendix A	Items 5, 6 and 7

Obligation	Section in Agreement*	Item in Disclosure Document
(g) Compliance with standards and policies/operations manual	Sections 6A – 6F, 6H, 6I, 6K – 6O, 7A and 7D; ADA Sections 4 and 6A	Items 6, 7, 8, 11, 14 and 16
(h) Trademarks and proprietary information	Sections 3A-3E and 6J; ADA Section 6B	Items 13 and 14
(i) Restrictions on products/services offered	Sections 2D-2E, 6A-6C, 6K and 8F; None in ADA	Items 6, 7, 8, 11 and 16
(j) Warranty and customer service requirements	Sections 2E and 6K; None in ADA	Items 6 and 11
(k) Territorial development and sales quotas	Sections 2B and 2D; ADA Sections 2 and 4 and Appendix B	Item 12
(l) Ongoing product/services, purchases	Sections 6A-6C and 6E; None in ADA	Items 6, 7 and 8
(m) Maintenance appearance and remodeling requirements	Sections 5B-5F; None in ADA	Items 8 and 11
(n) Insurance	Section 10C; None in ADA	Items 6, 7 and 8
(o) Advertising	Sections 8A-8E and 9D; None in ADA	Items 6, 7 and 11
(p) Indemnification	Section 10B; ADA Section 10A	Not Applicable
(q) Owner's participation/management/staffing	Sections 7A-7E; None in ADA	Items 11 and 15
(r) Records and reports	Sections 9G, 9J and 9K; None in ADA	Item 11
(s) Inspections/audits	Sections 5A-5C, 6G and 9K; None in ADA	Items 6 and 11
(t) Transfer	Sections 11A-11G; ADA Section 9	Items 6 and 17
(u) Renewal	Section 4B; None in ADA	Items 6 and 17
(v) Post-termination obligations	Sections 14A-14C; ADA Sections 8A-8F	Item 17
(w) Non-competition covenants	Section 10D; None in ADA	Item 17
(x) Dispute resolution	Sections 12A-12D; ADA Sections 10H, 10I, 10J and 10N	Item 17
(y) Other	Not Applicable	Not Applicable

*Unless otherwise noted, Section references are to the Franchise Agreement.

Item 10 FINANCING

Neither we nor any of our affiliates offer any direct or indirect financing. We do not guarantee your notes, leases, or any obligation. We are unable to estimate if you will be able to obtain financing from third parties and, if so, the terms and conditions of financing.

Direct Connect Ventures Franchise Group, A Division of SingerLewak ("DCV") is a recommended service provider for new and existing franchisees that can assist and guide you with obtaining the necessary funding options for startup and expansion financing that include and are not limited to the standard Small Business Administration ("SBA") 7(a) loan program. DCV may enable those who qualify with the opportunity to obtain financing in an expeditious and more predictable fashion. We have not entered into any agreements with DCV in connection with any funding or financing programs that may be available to you. We will not receive any compensation for placement of your debt and will not compensate the funding management company in any manner.

We do not have any past or present practice, or intention, to sell, assign or discount any third party note, contract or other instrument that you may sign. We do not guarantee any financing obligations on your behalf.

We encourage that you seek financial funding management services from Direct Connect Ventures Franchise Group, A Division of SingerLewak whose mailing address is 21550 Oxnard St, Suite 1000 Woodland Hills, California 91367 whose phone number is 818.999.3924

Item 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Assistance

Before you open the Store, we will:

1. Provide you with our site selection criteria and general building and design requirements for your Store. Provide you with site selection assistance and support. (Franchise Agreement—Sections 5A and 5B.)
2. Provide you with our Circle of Success Program. (Franchise Agreement — Section 2A.)
3. Provide you with the Approved Supplies and Approved Suppliers lists. (Franchise Agreement—Section 6C.)
4. Loan you either a written copy or electronic copy of the Operations Manual, the current table of contents of which is in Exhibit F. As of the date of this Disclosure Document, the Operations Manual contains 295 pages. (Franchise Agreement—Section 6I.)
5. Provide the initial training program and opening assistance described below. (Franchise Agreement—Sections 7B and 7C.)
6. Inspect your Store prior to opening and provide a Certificate of Opening. A Certificate of

Opening may be obtained only after all local permits, certificates and codes have been met and a certificate of occupancy has been granted. If you do not pass your initial inspection, you will be charged for all costs and expenses incurred by us in sending an inspector to re-inspect your Store. We estimate that this amount will not exceed \$1,500.00. (Franchise Agreement—Sections 2B and 5A.)

Post-Opening Assistance

During your operation of the Store, we will:

1. Maintain the Marketing Fund. (Franchise Agreement—Section 8A.)
2. Provide updates to the Approved Supplies and Approved Suppliers lists. (Franchise Agreement—Section 6C.)
3. Make periodic visits to your Store as we reasonably determine necessary to provide consultation and guidance. We will advise you of any problems arising out of the operation of your Store as disclosed by the report or by our inspection. (Franchise Agreement—Section 6G.)
4. Periodically offer refresher training courses as we determine necessary and require you to attend. (Franchise Agreement—Sections 7C and 7E.)

Our Obligations Under the Area Development Agreement

A developer signs the initial Franchise Agreement in the Development Schedule at the time the Area Development Agreement is signed. Our obligations under the Franchise Agreement apply to a developer. Each time a developer signs another Franchise Agreement, our obligations are activated for the new Store established. We do not have any separate obligations under the Area Development Agreement.

Time of Opening

After you sign the Franchise Agreement, but before you begin the site selection process, you must satisfactorily complete our Circle of Success Program. The Circle of Success Program consists of 8 separate recorded webinar sessions lasting approximately one hour each. It will take approximately 2 weeks (8 hours total) to complete the Circle of Success Program.

We estimate that it will take approximately 8 months after you sign a lease for your Store before you open the Store. You must sign a lease for an acceptable site within 24 months after the Franchise Agreement's Effective Date. We may terminate the Franchise Agreement if you fail to sign a lease within the 24-month period. If you sign an Area Development and choose to pay the total Development Fee at the time you sign the Area Development Agreement (see Item 5), you will have three years to open three Stores or four years to open five Stores (as applicable). The specific timetable for opening depends on the site's condition; the Store's construction schedule; the extent to which you must upgrade or remodel an existing location; the delivery schedule for equipment and supplies; the completion of training; and your compliance with local laws and regulations. You may not open the Store until (1) we inspect your Store and provide you with a Certificate of Opening; (2) you complete pre-opening training to our satisfaction; (3) you pay the initial franchise fee and other amounts then due to us; and (4) you give us certificates for all required insurance policies and present copies of required licenses.

Advertising

As of the date of this Disclosure Document, you pay a Marketing Fee of 2% of your Gross Sales to a marketing and development fund (the "Fund") established by us. We administer the Fund. The Fund is not a trust or escrow account, and we do not have any fiduciary obligations with respect to the Fund. If all of the Marketing Fees are not spent in the fiscal year in which they accrue, the remaining amounts are retained in the Fund for use in the following years. We may use the Fund for various purposes, including, but not limited to: (1) salaries, benefits and any other payments made to employees/team members or any other individual or entity providing services to the Fund; (2) broadcast or print advertising; (3) the creation, development and production of advertising and promotional materials (*i.e.*, print ads, radio, film and television commercials, videotapes, direct mail pieces, and other print advertising); (4) any marketing or related research and development; (5) advertising and marketing expenses, including product and food research and development, services provided by advertising agencies, public relations firms or other marketing, research or consulting firms or agencies, menu designs, customer incentive programs, sponsorships, marketing meetings and sales incentives, development of our website and intranet system, Internet access provider costs, subscriptions to industry newsletters or magazines, and administrative costs and salaries for marketing support personnel; and (6) costs and expenses incurred by us relating to any franchise convention we hold or sponsor.

We determine the use of the monies in the Fund. We are not required to spend any particular amount on marketing, advertising or promotion in the area in which your Store is located. We oversee the advertising program and use the Fund to create marketing materials and conduct national, regional or local advertising as we determine appropriate. We will contribute to the Fund amounts equal to your required percentage for each similarly situated company- owned and affiliate-owned stores in the same local marketing area, except those stores located at "Special Sites. From time to time we may contribute to the Fund some amounts paid to us by outside suppliers. We will prepare an annual unaudited accounting of the Fund and will make it available for your review upon your written request. We have our own in-house marketing and advertising production capabilities, but also may use an outside national, regional, or local agency. We may be reimbursed for administrative costs and overhead incurred in administering the Fund. We may use a portion of the advertising funds for the solicitation of franchise sales.

During our last fiscal year ending December 31, 2016, Fund income was spent in the following approximate amounts: 10% on administration and supplies, 40% on payroll, and 57% on marketing firm fees.

In addition to the Marketing Fee, you also must spend at least \$10,000 per year on local marketing and promotion. You may only use your own marketing material if we have approved it before its use. We will notify you of our approval within 30 days after the marketing material is submitted. If we do not notify you of our approval within 30 days of the marketing material being submitted then the marketing material will be deemed rejected.

You also must engage in certain grand opening marketing events and activities during the first month your Store is open. Specifically, you must spend at least \$5,000 on a grand opening campaign which will include promotional elements, merchandise/giveaways, entertainment, decorations, yogurt and labor (the "Grand Opening Marketing Campaign"). Your grand opening marketing expenditures will count towards your first year's local advertising requirements.

You must obtain our written approval of all promotional and marketing materials prior to their use.

Although we do not currently do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged in our sole determination. If established, you must direct your local advertising expenditures to the advertising cooperative which is separate from the payment of the Marketing Fee, and we will no longer reimburse you for your local marketing expenditures.

We have established a franchise advisory council composed of franchisees. Any franchisee is permitted to submit an application to be part of the council. Applications are approved by our executive team. The council is advisory only and does not have any decision making powers. We reserve the right to change or dissolve the council at any time.

Computer System

You must obtain and use in your Store an approved Point-Of-Sale cash register computer system ("POS System"). You must record all sales on the POS System. The POS System will generate reports on the sales and expenses of the Store, and it currently costs approximately \$1252. You must obtain the POS System from our designated supplier, currently Harbor Touch. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the POS System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades, or updates for the POS System. We currently do not require that you purchase a maintenance, repair, upgrade, or update service contract for the POS System, but it is strongly suggested and we reserve the right to do so in the future. The current annual cost of a service contract is about \$936.

Our current POS System and other computer and IT requirements are identified in Exhibit E attached hereto. We reserve the right to change the point-of-sale cash register system and back-office computer system at any time, but will not require you to replace these items more than three times during the initial term of the Franchise Agreement. We reserve the right to change the software each calendar year. At such time as we designate the change or enhancement to the POS System you may be required to make certain payments to us or our designated suppliers. You will have 30 days to install and commence using the changed or enhanced POS System. You must acquire the right to use hardware, software, peripheral equipment and accessories, and arrange for installation, maintenance and support services of the initial, changed or enhanced POS System all at your cost. There are no contractual limitations on the frequency and cost of this obligation.

The POS System we develop may include proprietary software. You may be required to license the proprietary software from us, an affiliate or a third party, and you also may be required to pay a software licensing or use fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software.

We may independently access the POS System and retrieve, analyze, download and use all software, data and files stored or used on the POS System. We may access the POS System through our intranet, in your Store or from other locations. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet or other online communications. You also must maintain a phone line and a separate modem dedicated for the sole use of allowing our computer system to interface and communicate with your POS System and you may need to purchase software designated by us for this to occur. You also must have your Store connected to the Internet using a connection method we approve, currently DSL or Cable modem. You must have a permanent Internet email account. Your e-mail account may not exceed 50 megabytes.

You understand that the data storage, phone line, modem, communication software, Internet access, Internet email account and all additional hardware and software needed to implement and maintain these services are at your cost.

Site Selection

You select the site for the Store with site selection guidelines we provide. We will assist you in connection with selecting and securing a site for your Store, but it is your responsibility to find a site for your Store. We do not select your site. However, upon your submission of all required information, we will notify you whether or not we have any objections to the site you proposed. You may not proceed to develop a Store on the site unless we have provided you with our acceptance of the site. Further, we must approve your plans and specifications for the Store before you commence construction. Our identification or consent to a site does not constitute a guarantee, recommendation or assurance as to the success of the site or your Store. The site selection factors considered by us in deciding whether or not to object to the proposed site location may include the following: (a) demographics; (b) traffic patterns; (c) parking and visibility; (d) business mix and competition; (e) ability to reflect image to be portrayed by MENCHIE'S businesses; and (f) size, appearance and other physical characteristics of the site. We may reject a site proposed by you in which case you will continue to look at alternative sites. Under an Area Development Agreement, we will approve the location of future units and any territories for those units based upon our then-current standards for sites and territories.

You have two years to select a site. If the site selection cannot be agreed upon within this timeframe, we reserve the right to terminate the Franchise Agreement.

Training/Education

Before you open your Store, we will train you or your Operating Partner and one of your manager-level employees to operate a MENCHIE'S Store without charging you a fee. We will provide 14 days of training (although the specific number of days depends on our assessment (in our sole discretion) of your experience and needs) at our training facility in Los Angeles, California, or another location we designate. You must attend and complete the entire prescribed length of the training program.

Additional people beyond the first two may attend initial training if you pay our then-current training charge for each additional person (we will determine the training charge, but in no event will this charge exceed \$500 per person per day). You also must pay for all travel and living expenses that you and your employees incur and for your employees' wages and workers' compensation insurance while they attend our initial training program.

Training will occur after you sign the Franchise Agreement and while you are developing the Store. You and your attendees must complete the entire training program to our satisfaction before you may open your Store. If you or your attendees do not successfully graduate our training program you will have to attend the entire program again at your cost prior the opening of your Store. As of the date of this Disclosure Document, we provide the following training:

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TRAINING PROGRAM

Subject	Hours of Classroom	Hours of on the Job	Location
Welcome	3.5	0	Encino, California
Culture	8	0	Encino, California
Guest Care	7	0	Encino, California
Product Knowledge	9	0	Encino, California
Store Operations	16	0	Encino, California
Branding	1	0	Encino, California
In-Store Marketing	5	0	Encino, California
Business	5.5	0	Encino, California
Equipment Knowledge	6	3	Encino, California
Store Opening Progress	4	1	Encino, California
Real Estate	4	1	Encino, California
One-on-One Meetings	1	0	Encino, California
In-Store Experience	0	36	Encino, California
Electives	2.5	0	Encino, California
Practical and Action Plan	2	0	Encino, California
Final Testing	1.5	0	Encino, California
Optional Extra In-Store Experience	0	10	Encino, California
Total	76	51	

Tom Regev, our Vice President of Operations, oversees all training. Mr. Regev has served as our Vice President of Operations since March 2009. Other staff members, who are listed in Item 2 may oversee and assist with training. The Operations Manual will be used as the principal instructional material.

You must obtain our prior written approval and pass our final inspection and opening training (as set forth below) before you may open your Store. Fourteen days after obtaining our approval to open your Store, we will, at our cost, send one of our representatives to your Store for 4 days to educate, train, conduct a final inspection and assist with your Store opening. Successful completion of this Store opening training phase will enable you to open your Store.

You (or your Operating Partner) and/or other previously trained and experienced employees must attend and satisfactorily complete various training courses that we periodically provide at the times and locations we designate. In addition to attending these courses, you must attend an annual meeting of all franchisees at a location we designate. We will not require attendance at the annual meeting for more than 3 days during any calendar year. You are responsible for all related travel and living expenses and wages. As of the date of this Disclosure Document, the location, duration, frequency and content of any additional training program we may require is unknown. Generally, this additional training will be available on an "as needed" basis depending on new product and services introduction, and the availability of training locations.

We may require Store managers to satisfactorily complete initial and ongoing training programs.

We may charge you a fee for training managers (we will determine the training charge, but in no event will this charge exceed \$500 per person per day). You are responsible for all related travel and living expenses and wages.

Operations Manual

The Table of Contents of the Operations Manual, together with the number of pages in each Article of the Operations Manual and the total number of pages, is stated in Exhibit F. You must treat the Operations Manual, and other written materials created for or approved for use in the operation of the Store, and the information contained in them, as confidential. The Operations Manual will remain our sole property. We may, from time to time, revise the contents of the Operations Manual and you must comply with each new or changed standard.

Item 12 TERRITORY

You will operate the Store at a specific location that we first must approve (the "Authorized Location"). Except for Special Sites, we will not during the term of your franchise operate or grant others the right to operate a MENCHIE'S Store within a specified geographic area (the "Designated Territory"), except as generally described in this Item 12 and more fully stated in the Franchise Agreement. You do not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own or from other channels of distribution or competitive brands that we control.

Under an Area Development Agreement, we will approve the location of future units and any territories for those units based upon our then-current standards for sites and territories.

We will not locate another MENCHIE'S Store, whether operated by another franchisee, us or one of our affiliates, any closer than 2 miles from the main entrance of your Store. The boundaries of your Designated Territory may depend upon any major topographical features which clearly define a contiguous area, like rivers, major freeways, etc.

During the term of your Franchise Agreement and provided you are in compliance with the terms and conditions of your Franchise Agreement, we will not: (i) modify the Designated Territory, (ii) establish a company-owned or franchised MENCHIE'S Store inside the Designated Territory, or (iii) establish a company-owned or franchised store inside the Designated Territory that offers the same products and services as your MENCHIE'S Store, except for any Merger/Acquisition Activity (as described and defined below).

You may operate the Store only at the Authorized Location and may not relocate the premises without our approval. We will allow relocation if circumstances dictate that it is in your and our best interests.

We retain all rights that are not expressly granted to you under the Franchise Agreement. The license granted to you under the Franchise Agreement does not provide you with any right to: (i) sell products and Menu Items identified by the Trademarks at any location outside the Designated Territory, except for any catering or delivery services we permit, (ii) sell products or Menu Items through alternative channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce), (iii) sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution, except as we may designate in writing, or (iv) exclude, control or impose conditions on our development of future franchised, company- or affiliate-owned stores at any time or at any location regardless of the proximity to your Designated Territory.

Further, we may, among other things, on any terms and conditions we deem advisable, without paying compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned Stores at any location outside your Designated Territory regardless of the proximity of such stores to your Designated Territory;
- (ii) merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses or stores of any kind under other systems and/or other marks, which businesses and stores may convert to or operate under the Trademarks and may offer or sell menu items, products and services that are the same as or similar to the Menu Items offered at or from the Store, and which stores may be located anywhere inside or outside of your Designated Territory; and
- (iii) offer, sell and distribute for ourselves and/or license others to offer, sell and distribute through franchised businesses, or any other method of distribution, both inside and outside your Designated Territory, menu items the same as or different from the Menu Items offered under the System, and which are offered and distributed under the Trademarks or marks different than the Trademarks through any distribution channels or methods (other than the Stores). Such distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

The following locations will also be excluded from your Designated Territory and we have the right to develop or franchise Stores at these locations (whether within or outside your Designated Territory): (1) military bases; (2) public transportation facilities; (3) sports facilities,

including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) special events ("Special Sites").

You must not offer catering and delivery services unless we authorize you in writing.

Continuation of your franchise rights and Designated Territory do not depend on the achievement of a certain sales volume, market penetration or other contingency. You do not receive the right to acquire additional franchises unless you sign another franchise agreement with us.

We do not place any restrictions on the customers you may solicit. You do not, however, have the right to use other channels of distribution to make sales.

Area Development Agreement

The rights described above regarding what we and our affiliates can do for a single Store are generally the same if you sign an Area Development Agreement. In addition, we may terminate the Area Development Agreement if you (i) fail to exercise options to enter into Franchise Agreements with us within any period prescribed in the Development Schedule; (ii) fail to comply with any other terms and conditions of the Area Development Agreement; (iii) make or attempt to make a transfer or assignment in violation of the Area Development Agreement; or (iv) fail to comply

with the terms and conditions of any individual Franchise Agreement or of any other agreement to which you and we or our affiliates are parties.

Item 13 TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to use the Trademarks in connection with the operation of your Store.

The following Trademarks are registered upon the principal registry of the United States Patent and Trademark Office:

Mark	Registration No.	Date of Registration
MENCHIE'S	3,519,334	October 21, 2008
Menchie's (Design) 	3,733,426	January 5, 2010
Menchie's Guy (Design) 	3,704,602	November 3, 2009
MIX WEIGH PAY	4,049,126	November 1, 2011
MY SMILEAGE	4,180,405	July 24, 2012
SMILEAGE	4,180,406	July 24, 2012
WHAT'S YOUR MIX	4,180,407	July 24, 2012
WE MAKE YOU SMILE	4,354,430	June 18, 2013
3-DIMENSIONAL	4,524,078	May 6, 2014
OUR MAIN INGREDIENT IS A	4,774,240	July 14, 2015

The following Trademarks have been applied for registration upon the principal registry of the United States Patent and Trademark Office:

Mark	Application No.	Application Date
INDULGE RESPONSIBLY	86/883,245	1/22/2016
UNITED STATE OF HAPPINESS	86/742,847	8/31/2015

We do not have a federal registration for our Trademarks "Indulge Responsibly" and "United State of Happiness". Therefore, those trademarks do not have as 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.

We claim common law trademark rights for all of the Trademarks. We have filed or intend to file all required affidavits and renewals for the Trademarks noted above.

You must follow our rules when you use the Trademarks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Trademark in your corporate or legal business name; with modifying words, terms, designs, or symbols (except for those we license to you); in selling any unauthorized

services or products; or as part of any domain name, homepage, electronic address, or otherwise in connection with a Web site.

Schedule B to your Franchise Agreement identifies the Trademarks that you are licensed to use. We have the right to change Schedule B from time to time. Your use of the Trademarks and any goodwill is to our exclusive benefit, and you retain no rights in the Trademarks. You also retain no rights in the Trademarks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Trademarks unless we direct so in writing. We may change the System presently identified by the Trademarks, including by the adoption of new Trademarks, new Menu Items, new products, new equipment, or new techniques, and you must adopt the changes in the System as if they were part of the Franchise Agreement at the time of its execution. If we notify you to discontinue or modify your use of any Trademark, you must comply with our direction within a reasonable time, at your expense. We will have no liability or obligation as to your modification or discontinuance of any Trademark pursuant to our direction, except that we will reimburse you for your out-of-pocket expenses, including letterhead, in an amount not to exceed \$250.

There are currently no material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition, or cancellation proceedings involving the principal Trademarks. There is no pending material federal or state court litigation regarding our use or ownership rights in any trademark.

There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks.

We will protect your right to use the Trademarks against claims of infringement or unfair competition arising out of your proper use of the Trademarks. You must notify us of the use of, or claim of rights to, a trademark identical or confusingly similar to our Trademarks. We have the right to determine whether or not we will take affirmative action when notified of these uses or claims and the right to exclusively control any litigation or proceedings. You are required to assist us in the prosecution of such litigation or proceedings. We will reimburse you for all actual damages (other than loss of income) and out-of-pocket expenses incurred by you in connection with any claim by any third party for infringement or unfair competition arising out of your authorized use of the Trademarks; however, our obligations to reimburse you will exist only if you have used the name or Trademark that is the subject of the controversy in strict accordance with the provisions of this Agreement and our rules, regulations, procedures, requirements, and instructions, and have notified us of the challenge as stated above and have otherwise fully cooperated with us in the defense of any action.

We know of no superior prior rights or infringing uses that could materially affect your use of the Trademarks in the state where your franchise business will be located.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

As of the date of this Disclosure Document, we do not own any rights in or to any patents, patent applications or copyrights that are material to the franchise. We claim copyright protection for our Operations Manual and other publications and promotional materials, although we have not registered any of the materials with the U.S. 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 Franchise Agreement, Operations Manual, and other communications that we provide to you. 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), United States Patent & Trademark Office, Board of Patent Appeals & Interferences, or any court, or any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any patents or copyrights.

There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. We are not required by any agreement to protect or defend any patent or copyright.

We know of no superior prior rights or infringing uses that could materially affect your use of the copyrights in the state where your franchise business will be located.

Our Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; recipes; training and operations materials; methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating MENCHIE'S Stores; marketing and advertising programs for MENCHIE'S Stores; any computer software or similar technology that is proprietary to us or the System; knowledge of specifications for and suppliers of Approved Supplies and other products and supplies; knowledge of the operating results and financial performance of MENCHIE'S Stores other than your Store; and graphic designs and related intellectual property.

All ideas, concepts, techniques, or materials concerning a MENCHIE'S Store, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent 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 in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third-party beneficiary of that agreement with independent enforcement rights.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The day-to-day operations of your MENCHIE'S business must be managed at all times by you (or your Operating Partner as defined below) or an "Assistant Store Leader" who has satisfactorily completed our training program. Your Assistant Store Leader need not have an equity interest in the business but must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third-party beneficiary of that agreement with independent enforcement rights. Certain other employees may also be required to enter into an agreement not to compete against MENCHIE'S in similar businesses of other systems while employed by you, and for 12 months thereafter, and an agreement not to reveal confidential information obtained during the course of their employment with you.

You are required to inform us immediately of a change of the Operating Partner or Assistant Store Leader of your business operation.

You must attend any annual meeting, convention or conference of franchisees and all meetings related to new products or product preparation procedures, new operational procedures or programs, training, management, sales or sales promotion or similar topics that we offer, at your own expense. As of the date of this Disclosure Document, we do not anticipate requiring franchisees to attend meetings for more than 10 days during any calendar year. You are responsible for all related travel and living expenses associated with attending any such meetings, conventions or conferences. As of the date of this Disclosure Document, the location, duration, frequency and content of any additional meetings, conventions or conferences we require you to attend is unknown and will depend on the frequency with which new products or services are introduced to the System.

If you are, or at any time during the term of the Franchise Agreement become, a business corporation, partnership, limited liability company, or other legal entity, you must designate an "Operating Partner." Your Operating Partner must be an individual who (a) owns and controls not less than 5% of the equity and voting rights in the Franchisee entity; (b) has completed our initial training program; and (c) has the power and authority to bind you in all dealings with us. If you are a corporation, limited liability company, partnership or other legal entity, all owners (but not spouses unless they are owners) must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is included with your Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all Menu Items and perform all services that we require for MENCHIE'S Stores. You may not offer or sell any products or perform any services that we have not authorized. We have the unlimited right to change the required and/or authorized products and services you may offer.

You may not offer any delivery service or engage in any catering services without our prior written approval. You also may not offer for sale any Menu Items or other products through the Internet or other online programming or marketing. You are not otherwise limited in the customers to whom you may sell products or services.

We may require you, if permitted by applicable law, to participate in a gift card or other customer loyalty program in accordance with the provisions either set forth in the Manual or otherwise disclosed to you. In order to participate, you may be required to purchase additional equipment and pay any fees applicable to the use of that equipment. If we establish a gift card or loyalty program, we have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE
RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

	Provision	Section in Agreement*	Summary
a.	Length of the term of the franchise	Section 4A Sections 2 and 4 and Appendix B to the ADA	Term is 10 years. Term depends on the number of Stores to be developed under the ADA as specifically set forth in Appendix B.
b.	Renewal or extension of the term	Section 4B	Renewal for three additional term (s) of 10 years each. No renewal rights under the ADA.
c.	Requirements for you to renew or extend	Section 4B	You give us written notice of your decision to renew at least 6 months but not more than 12 months before the end of the expiring term; you sign our then current form of franchise agreement; you have complied with the modernization requirements for your Store; you are not in default and have satisfied your obligations on a timely basis; if leasing, you have written proof of your ability to remain in possession of the Store premises throughout the renewal term; you comply with our training requirements; you pay us a renewal fee; and you sign a release. If you seek to renew your 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 you	Section 13C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and
e.	Termination by us without cause		Not applicable.
f.	Termination by us with cause	Sections 13A and 13B Section 7B of the ADA	We can terminate the Franchise Agreement and Area Development Agreement only if you default or fail to comply with your obligations and fail to cure the same within 30 days of notice of default (or 10 days for failures to pay amounts due or submit required reports). If you violate any health, safety or sanitation law or any System standard regarding food handling, cleanliness, health and sanitation, or if the operation of your Store presents a health or safety hazard, we may terminate immediately if you fail to cure the default within 24 hours of our notice.

	Provision	Section in Agreement*	Summary
g.	"Cause" defined - defaults which can be cured	Sections 13A and 13B Section 7B of the ADA	You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in (h) below. You have 24 hours to cure health and safety related default, as noted in (f) above. You have 30 days to cure other defaults not listed in (h) below.
h.	"Cause" defined - defaults which cannot be cured	Sections 2A, 5A, 5B, 5D, 9K, 13A, 13B and 15P Section 4A, 7B and 10C of the ADA	Non-curable defaults include: any material misrepresentation or omission in your application for a franchise; abandonment, loss of lease; the failure to timely cure a default under the lease; the loss of your right of possession or failure to relocate; closing of the Store; the closing of the Store by the authorities for health or public safety reasons; unauthorized use of confidential information; your insolvency; unapproved assignments or transfers; defaults that materially impair the goodwill associated with any of the Trademarks; criminal convictions, intentionally (or unintentionally in two or more occasions) understating or underreporting Gross Sales or other fees; multiple defaults; or you employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by us, our affiliates, or by any franchisee in the system. Non-curable defaults include: insolvency or general assignment for the benefit of creditors; appointment of a receiver of your property; a final judgment remains unsatisfied of record for 30 days or longer; execution is levied against your business or property; suit to foreclose any lien or mortgage against your premises or equipment is instituted against you and is not dismissed or in the process of being dismissed within 30 days; failure to meet the Development Schedule; you employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by us, our affiliates, or by any franchisee in the system, or notice of termination of a Franchise Agreement.
i.	Your obligations on termination/non-renewal	Section 14A-14C Sections 8A-F of the ADA	Obligations include: complete de-identification and payment of amounts due; assignment of lease and telephone numbers upon our demand; return of Operations Manual and confidential information; proprietary materials and related writings; and right to purchase assets of the Store (also see (o) and (r) below). You lose all remaining rights to develop Stores. Other obligations include those obligations noted above if existing Franchise Agreements also are terminated. We also may have the right to purchase assets of the Stores (see (o) below).

	Provision	Section in Agreement*	Summary
j.	Assignment of contract by us	Section 11G Section 9A of the ADA	No restriction on our right to assign.
k.	"Transfer" by you -- defined	Section 11A Section 9B of the ADA	Includes any transfer of your interest in the Franchise Agreement or in the business or any ownership change listed in Section 11A of the Franchise Agreement and Section 9B of the ADA.
l.	Our approval of transfer by you	Section 11B Section 9B of the ADA	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Sections 11B-11D Section 9B of the Multi Unit Agreement	Transferee meets all of our then-current requirements for new franchisees, transfer fee and any applicable training fee paid, all amounts owed by prior franchisee paid, required modernization is completed, training completed, transferee executes then current form of franchise agreement (modified to reflect that agreement relates to a transfer), required guarantees signed, necessary financial reports and other data on franchise business is prepared, release signed by you, full compliance of your obligations under all Franchise Agreements executed between you and us, and other conditions that we may reasonably require from time to time as part of our transfer policies (also see (r) below). You cannot transfer rights under the ADA unless you transfer all of your rights and interests under all Franchise Agreements.
n.	Our right of first refusal to acquire your business	Section 11F	We can match any offer for your Store assets and, in the case of a proposed stock sale, we can purchase your Store assets at a price determined by an appraiser, unless you and we agree otherwise.
o.	Our option to purchase your business	Section 14B	Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your Store, including the land, building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory. Qualified appraiser(s) will determine price as set forth in the Franchise Agreement.
p.	Your death or disability	Section 11E	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but if assignee is your spouse or child, no transfer fee is required and we will not have the right of first refusal.
q.	Non-competition covenants during the term of the franchise	Section 10D	Except as we otherwise agree to in writing, no direct or indirect involvement in the operation of any Competing Business (defined in (r) below) other than the one authorized in the Franchise Agreement.

	Provision	Section in Agreement*	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Section 10D	No direct or indirect involvement in a Competing Business for 2 years (i) at the premises of the former Store (ii) within 25 miles of the former Store or (iii) within 25 miles of any other business or Store using the System. A Competing Business for purposes of the non-compete covenant includes any business where 10% or more of its sales includes the sale of soft-serve frozen yogurt or ice cream.
s.	Modification of the Agreement	Section 15B Section 10C of the ADA	No modifications generally, but we have the right to change the Operations Manual, list of authorized Trademarks and Menu Items.
t.	Integration/merger clause	Section 15B Section 10D of the ADA	Only the terms of the Franchise Agreement and Area Development Agreement (if applicable) are binding (subject to state law). Any representations or promises made outside the Franchise Agreement, the ADA or this Disclosure Document may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12 Section 10M of the ADA	Except for certain claims, all disputes must be mediated or arbitrated in the city closest to where our headquarters are located (currently, Los Angeles, California) (subject to state law).
v.	Choice of forum	Section 15I Section 10G of the ADA	Litigation must be in the applicable federal or state court where our headquarters are located (currently, California) (subject to state law).
w.	Choice of law	Section 15H Section 10G.1 of the ADA	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state where the Franchisee's Store is located will govern (subject to state law). Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state where you are located will govern (subject to state law).

Item 18 PUBLIC FIGURES

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

Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and 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.

This Item 19 contains certain historical data relating to the operation of our franchised and company-owned locations. The franchisee data included in this Item 19 was taken from the information reported to us by our franchisees through our electronic point-of-sale system. The franchised and company-owned data included in this Item 19 reflects information for the 53- week annual period from December 28, 2015 to January 1, 2017 (the "Measurement Period"). We have not audited this information, nor independently verified this information.

Section I – Average Gross Sales of Locations Selected Under Real Estate 2.0 Platform

As of January 1, 2017 we had 418 franchised locations operating domestically under the MENCHIE'S trademarks. Of these 418 locations, 363 were open and operating for the entire Measurement Period and were not located in non-traditional locations. 233 of these locations operated from franchised locations that were procured under our Real Estate 2.0 platform.

Section I of this Item 19 includes the average Gross Sales earned by the 233 of the 363 franchised locations that were procured under our Real Estate 2.0 platform. In 2012, we changed our real estate site criteria and changed from working with 3rd party real estate site selection companies to providing this service in-house.

The average Gross Sales for our 233 franchised locations during the Measurement Period was \$406,522.43, 100 of which (i.e., 43%) met or exceeded this average.

Section II – Company-Owned Gross Sales

Section II of this Item 19 includes the actual Gross Sales earned by our one company-owned location during the Measurement Period. We acquired our company-owned location from an existing franchisee in September 2011.

The actual Gross Sales for our company-owned location during the Measurement Period was \$712,926.80.

Section III – Historical Profit & Loss Information

Section III of this Item 19 includes the actual profit and loss information for three of our 363 franchised locations in operation during the Measurement Period. These three franchised locations were selected because their actual Gross Sales during the Measurement Period were closest to the Average Gross Sales (\$406,522.43) for the 233 Real Estate 2.0 Platform Locations, included in Section I.

Gross Sales	111.89%
Net Sales	100%
COGS	25.43
Payroll	21%
Rent	10.2%
Marketing Fee	2%
Royalty Fee	6%
Utilities	3.48%
Miscellaneous Expenses	14.2%
Net Operating Income	17.89%

Section III Notes:

1. The information in the table above represents actual figures from the Measurement Period.

2. The Cost of Goods Sold ("COGS") included in the table above includes the costs associated with purchasing the goods sold for the franchised location and the associated freight costs incurred in shipping the goods sold to the franchised location.

3. Payroll includes the sum of hourly employee wages, federal and state employment tax expenses and workers compensation insurance. Payroll does not include any payments made to the owners of the franchised location in the form of an owner's draw, a dividend, or other distribution.

4. The Rent Expenses include rental payments and CAM charges.

5. Marketing and Royalties include the marketing and royalty fees the franchised location is required to pay under the terms of its Franchise Agreement.

6. Utilities include electric, gas and water expenses.

7. The Miscellaneous Expenses included in the table above include expenses for accounting fees, security, bank charges, charitable donations, cleaning supplies and services, credit card fees, dues and subscriptions, equipment rental, insurance, legal fees, licenses and permits, office and restaurant supplies, computer system and internet charges, pest control, postage, repairs and maintenance, trash removal and uniforms.

Additional Notes:

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

A new franchisee's individual financial results may differ from the results stated in this financial performance representation.

We have not audited or independently verified the franchisee information included in this Item 19.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting MJ Kwon at 17555 Ventura Boulevard, Suite 200, Encino, CA 91316; telephone 818-708-0316, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2014–2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets*	2014	270	321	+51
	2015	321	394	+73
	2016	394	418	+24
Company-Owned	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Total Outlets	2014	271	322	+51
	2015	322	395	+73
	2016	395	419	+24

*As noted in Item 1, in April 2013, all subfranchised agreements between a MENCHIE'S subfranchisee and our affiliate BSD were transferred to us. The information included in Item 20 reflects both our franchisees and subfranchisees.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2014-2016

State	Year	Number of Transfers
California	2014	2
	2015	7
	2016	2
Colorado	2014	0
	2015	1
	2016	0
Florida	2014	0
	2015	5
	2016	2
Georgia	2014	1
	2015	4
	2016	0
Illinois	2014	0
	2015	1
	2016	0
Iowa	2014	0
	2015	0
	2016	2

State	Year	Number of Transfers
Maryland	2014	0
	2015	1
	2016	1
Michigan	2014	2
	2015	1
	2016	2
Minnesota	2014	0
	2015	0
	2016	1
North Carolina	2014	0
	2015	1
	2016	1
New York	2014	0
	2015	1
	2016	0
Nevada	2014	0
	2015	0
	2016	1
Oregon	2014	0
	2015	2
	2016	0
Pennsylvania	2014	0
	2015	1
	2016	0
Rhode Island	2014	0
	2015	1
	2016	0
Texas	2014	0
	2015	1
	2016	1
Utah	2014	0
	2015	0
	2016	1
Washington	2014	0
	2015	8
	2016	3
Wisconsin	2014	0
	2015	0
	2016	1
TOTAL	2014	5
	2015	35
	2016	18

Table No. 3
Status of Franchised Outlets
For Years 2014-2016

State	Year	Outlet at Start of Year	Outlets Opened	Terminations	Non- Renewal s	Reacquired by Franchiso	Ceased Operation s for Other	Outlets at the End of the Year
Alabama	2014	1	0	1	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Alaska	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Arizona	2014	2	2	0	0	0	0	4
	2015	4	2	0	0	0	0	6
	2016	6	2	0	0	0	0	8
Arkansas	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	0	0	0	0	0	1
California	2014	32	20	2	0	0	0	50
	2015	50	25	0	0	0	0	75
	2016	75	7	1	0	0	0	81
Colorado	2014	10	0	0	0	0	0	10
	2015	10	0	0	0	0	0	10
	2016	10	0	0	0	0	2	8
Connecticut	2014	0	3	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	1	1	0	0	0	4
District of Columbia	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Florida	2014	44	3	2	0	0	0	45
	2015	45	6	1	0	0	0	50
	2016	50	5	2	0	0	0	53
Georgia	2014	15	3	0	0	0	0	18
	2015	18	3	0	0	0	0	21
	2016	21	3	2	0	0	0	22
Hawaii	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
Idaho	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	2
Illinois	2014	5	3	0	0	0	0	8
	2015	8	3	0	0	0	0	11
	2016	11	0	0	0	0	1	10
Indiana	2014	3	1	1	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	1	2
Iowa	2014	2	1	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Kentucky	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Louisiana	2014	5	1	0	0	0	0	6
	2015	6	0	0	0	0	0	5
	2016	6	0	0	0	0	1	5

State	Year	Outlet at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other	Outlets at the End of the Year
Maryland	2014	8	2	0	0	0	0	10
	2015	10	1	0	0	0	0	11
	2016	10	2	2	0	0	0	10
Massachusetts	2014	0	1	0	0	0	0	1
	2015	1	2	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Michigan	2014	4	3	0	0	0	0	7
	2015	7	4	0	0	0	0	11
	2016	11	2	0	0	0	0	13
Minnesota	2014	2	0	0	0	0	0	2
	2015	2	0	1	0	0	0	1
	2016	1	0	0	0	0	0	1
Mississippi	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Missouri	2014	1	0	0	0	0	0	1
	2015	1	2	0	0	0	0	3
	2016	4	0	0	0	0	0	4
Nevada	2014	1	0	0	0	0	0	1
	2015	1	2	1	0	0	0	2
	2016	2	2	0	0	0	0	4
New Jersey	2014	1	1	1	0	0	0	1
	2015	1	3	0	0	0	0	4
	2016	4	0	0	0	0	0	4
New Mexico	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	1	0	0	0	0	5
New York	2014	7	1	0	0	0	0	8
	2015	8	1	0	0	0	0	9
	2016	9	2	1	0	0	0	10
North Carolina	2014	7	1	0	0	0	0	8
	2015	8	2	0	0	0	0	10
	2016	10	1	1	0	0	0	10
Ohio	2014	25	1	1	0	0	0	25
	2015	25	1	3	0	0	0	23
	2016	23	1	3	0	0	0	21
Oklahoma	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oregon	2014	2	1	0	0	0	0	3
	2015	3	1	0	0	0	0	4
	2016	4	3	0	0	0	0	7
Pennsylvania	2014	11	0	1	0	0	0	10
	2015	10	0	0	0	0	0	10
	2016	10	1	1	0	0	0	10
Rhode Island	2014	0	0	0	0	0	0	0
	2015	0	2	0	0	0	0	2
	2016	2	0	0	0	0	1	1
South Carolina	2014	2	0	1	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	3	1	0	0	1	4
Tennessee	2014	9	1	0	0	0	0	10
	2015	10	0	1	0	0	0	9
	2016	9	0	1	0	0	0	8
Texas	2014	21	6	1	0	0	0	26
	2015	26	14	0	0	0	0	40
	2016	40	9	1	0	0	0	48

State	Year	Outlet at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisee	Ceased Operations for Other	Outlets at the End of the Year
Utah	2014	5	1	0	0	0	0	6
	2015	6	1	0	0	0	0	7
	2016	7	1	0	0	0	0	8
Virginia	2014	6	5	3	0	0	0	8
	2015	8	0	4	0	0	0	4
	2016	4	1	1	0	0	0	4
Washington	2014	23	3	0	0	0	0	26
	2015	26	2	1	0	0	0	27
	2016	27	2	0	0	0	0	29
Wisconsin	2014	4	1	1	0	0	0	4
	2015	4	3	1	0	0	0	6
	2016	6	0	2	0	0	0	4
Total	2014	270	66	15	0	0	0	321
	2015	321	86	13	0	0	0	394
	2016	394	50	20	0	0	6	418

Table No. 4
Status of Company-Owned Outlets
For Years 2014-2016

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Total	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

Table No. 5
Projected Openings
as of December 31,
2016

STATE	Franchise Agreements Signed but Stores Not Opened	Projected Franchised New Stores in the Next Fiscal Year	Projected Company-Owned Openings in the Next Fiscal Year
Arizona	11	4	0
Arkansas	0	0	0
California	103	16	0
Colorado	13	2	0
Connecticut	2	0	0
District of Columbia	1	0	0
Florida	34	7	0
Georgia	9	1	0
Hawaii	1	0	0

Idaho	1	1	0
Illinois	11	0	0
Iowa	2	0	0
Kansas	2	1	0
Kentucky	0	0	0
Louisiana	2	1	0
Maryland	7	1	0
Massachusetts	3	0	0
Michigan	20	8	0
Minnesota	1	0	0
Mississippi	1	0	0
Missouri	2	0	0
Nebraska	2	0	0
Nevada	10	3	0
New Jersey	6	1	0
New Mexico	8	2	0
New York	9	3	0
North Carolina	14	2	0
North Dakota	1	0	0
Ohio	2	1	0
Oklahoma	1	1	0
Oregon	5	3	0
Pennsylvania	8	1	0
Rhode Island	1	0	0
South Carolina	1	3	0
Tennessee	3	0	0
Texas	72	11	0
Utah	1	1	0
Vermont	0	0	0
Virginia	5	0	0
Washington	18	2	0
Wisconsin	3	1	0
West Virginia	1	0	0
Wyoming	0	0	0
Total	408	77	0

Attached as Exhibit I is a list of our current franchisees and subfranchisees. Exhibit I also includes a list of the Franchisees and Subfranchisees who have ceased to do business under the Franchise Agreement or Subfranchise Agreement or had an outlet terminated, canceled, not renewed within the last fiscal year or who have not communicated with us, within the last ten weeks. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, some of our franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak

openly about their experience with the MENCHIE'S franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. We have not created, sponsored or endorsed any trademark-specific franchisee associations.

Item 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit B are the audited financial statements of Menchie's Group, Inc., for the fiscal years ending December 31, 2014, 2015 and 2016.

Item 22
CONTRACTS

The following documents are attached as exhibits to this Disclosure Document.

- Exhibit C Franchise Agreement with Schedules
- Exhibit D Area Development Agreement
- Exhibit G State Addenda
- Exhibit H Sample Release

Item 23
RECEIPTS

Attached to this Disclosure Document as Exhibit J is a detachable acknowledgment of receipt.

Exhibit A

LIST OF AGENTS FOR SERVICE OF PROCESS & STATE ADMINISTRATORS

CALIFORNIA

California Commissioner of Business Oversight
Department of Business Oversight
State of California
320 West 4th Street, Suite 750
Los Angeles, California 90013-1105
Telephone: 1-866-275-2677

HAWAII

Commissioner of Securities of the State of
Hawaii
335 Merchant Street
Room 203
Honolulu, HI 96813

ILLINOIS

Attorney General State of Illinois
500 South Second Street
Springfield, Illinois 62706

INDIANA

Agent for Service of Process
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

State Administrator Securities
Commissioner Indiana
Securities Division
302 West Washington, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Agent to Receive Process
Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

State Authority

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Consumer Protection Division
Attn.: Franchise
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, MI 48909

MINNESOTA Commissioner of
Commerce Minnesota Department of
Commerce
85 7th Place East
Suite 500
St. Paul, Minnesota 55101

NEW YORK

Agent to Receive Process
Secretary of State
State of New York
99 Washington Avenue
Albany, New York 12231

State Administrator
New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, North Dakota 58505
Telephone: (701) 328-4712

RHODE ISLAND

Rhode Island Department of Business
Regulation
Securities Section
1511 Pontiac Avenue
John O. Pastore
Center Building 69-1
Cranston, RI 02920

SOUTH DAKOTA

Department of Labor & Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, SD 57501

VIRGINIA

Agent to Receive Process
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

State Administrator
State Corporation Commission
Division of Securities and Retail Franchise
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Director
Department of Financial Institutions
Securities Division
150 Israel Rd S.W.
Tumwater, WA
98501

WISCONSIN

Division of Securities
Department of Financial Institutions
201 W. Washington Avenue, Suite 300
Madison, Wisconsin 53703

Exhibit B

FINANCIAL STATEMENTS

MENCHIE'S GROUP, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016



CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL SHER, CPA BILLIE GELB, CPA KEITH HEERDT, CPA/ABV, CVA JONATHAN SHER, CPA

15060 VENTURA BLVD., #300 SHERMAN OAKS, CALIFORNIA 91403 T (818) 783-6028 F (818) 783-1031

www.shergelb.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Menchie's Group, Inc.

We have audited the accompanying financial statements of Menchie's Group, Inc. (a California corporation), which comprise the balance sheet as of December 31, 2016, and the related statements of income and retained earnings (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement on the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Menchie's Group, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Sher | Gelb
An Accountancy Corporation
Sherman Oaks, CA

April 7, 2017

MENCHIE'S GROUP, INC.
BALANCE SHEET
December 31, 2016

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 1,268,971
Accounts receivable	297,742
Inventory	493,663
Prepaid expenses	28,624
Notes receivable-affiliates, current	20,458
Notes receivable-shareholders, current	433,768
Portfolio account	3,722,127
Other current assets	<u>5,375</u>
TOTAL CURRENT ASSETS	6,270,728

FIXED ASSETS

Property and equipment, net	972,029
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OTHER ASSETS

Loan receivable	359,545
Deferred franchise costs	259,834
Trademarks	255,991
Security deposits	30,824
Notes receivable-non current	702,195
Website development, net of accumulated amortization of \$99,634	26,667
Other assets	<u>57,177</u>
	\$ 8,934,990

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 164,377
Accrued expenses	300,000
Credit cards payable	60,192
International franchise pool	92,072
International franchise deposit	100,000
Payroll taxes payable	742,561
Income taxes payable	14,028
Gift cards outstanding	3,399,649
Franchise deposits, current portion	418,235
Current maturities of long-term debt	137,422
Other current liabilities	<u>136,264</u>
TOTAL CURRENT LIABILITIES	5,564,800

OTHER LIABILITIES

Franchise deposits, net of current portion	3,647,082
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See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
BALANCE SHEET (continued)
December 31, 2016

LONG-TERM DEBT

47,421

STOCKHOLDERS' EQUITY

Common stock, no par value; 100,000 shares authorized; 2,000 shares
issued and outstanding

14,100

Retained earnings (deficit)

(338,413)

\$ 8,934,990

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS (DEFICIT)
For the Year Ended December 31, 2016

INCOME	\$ 20,751,650
COST OF SALES	<u>3,022,020</u>
GROSS PROFIT	17,729,630
EXPENSES (INCOME)	
Advertising & promotion	1,044,249
Automobile expenses	70,061
Bank service charges	73,823
Brand development	1,384,322
Depreciation & amortization	203,950
Dues & subscriptions	3,020
Education	8,111
Employee benefits	166,022
Field marketing	30,293
Franchise programs	551,583
General and administrative	652,819
Human resources	234,844
Insurance	450,131
IT department	109,831
Legal	1,188,937
Menchie's University	522,333
Office supplies	150,315
Parking	51,601
Payroll taxes	458,547
Postage	27,758
Printing & reproduction	11,083
Professional fees	370,746
Quality assurance	320,970
Real estate & development	160,302
Rent	377,135
Research & development	61,593
Salaries & wages	7,984,575
Taxes	341,305
Telephone	76,114
Travel & entertainment	100,782
Website costs	225,303
Write-offs	23,855

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS (DEFICIT)
(continued)
For the Year Ended December 31, 2016

(Other income)	(883)
(Interest income)	(86,802)
(Dividend income)	(77,695)
(Gain)/Loss on disposal of assets	250,000
(Gain)/Loss on value of investments	<u>(127,642)</u>
Total Operating Expenses	<u>17,393,291</u>
Income before provision for income taxes	336,339
Provision for income taxes	<u>14,028</u>
Net Income	322,311
Retained earnings, beginning of year	89,276
Dividends	<u>(750,000)</u>
Retained earnings (deficit), end of year	\$ <u>(338,413)</u>

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 322,311
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation & amortization	203,950
(Gain) loss in realized and unrealized value of investments	(127,642)
(Gain) loss on disposal of asset	250,000
Adjustment to cost of prior years' fixed assets	31,938
(Increase) Decrease in:	
Accounts receivable	(81,228)
Inventory	129,865
Prepaid expenses	108,845
Other current assets	45,448
Deferred franchise costs	(39,486)
(Decrease) Increase in:	
Accounts payable	62,460
Accrued expenses	300,000
Credit cards payable	25,814
International franchise pool	(15,817)
Payroll taxes payable	742,561
Income taxes payable	14,028
Gift cards outstanding	430,215
Franchise deposits	(1,856,506)
Other current liabilities	(5,491)
NET CASH PROVIDED BY OPERATING ACTIVITIES	541,265

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of portfolio investment	(1,019,630)
Proceeds from maturities and sales of investments	2,028,558
Disposal of asset	(250,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	758,928

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2016

CASH FLOWS FROM FINANCING ACTIVITIES

Loan receivable	(359,545)
Notes receivable	429,288
Long term debt financings	(201,708)
Dividends	<u>(750,000)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	<u>(881,965)</u>
 NET INCREASE IN CASH	 418,228
 CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>850,743</u>
 CASH & CASH EQUIVALENTS, END OF YEAR	 \$ <u>1,268,971</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$ 0
Income taxes	\$ 233,764

See accompanying notes to financial statements.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Menchie's Group, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations

Menchie's Group, Inc. is a franchisor of retail soft serve frozen desserts. The Company provides initial and ongoing support to its franchisees and recruits, consults and trains qualified franchisees to develop and open Menchie's frozen yogurt locations based on the guidelines and criteria of the franchisor Menchie's Group Inc. business practices and standards. The Company was incorporated on January 2, 2008, in the State of California.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At times, cash and cash equivalent balances may be in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk relative to its cash accounts.

Inventory

Inventory is stated at the lower of cost, using the average cost method, or net realizable value (market). Inventory consists of supplies, company specific apparel, and sundry items.

Depreciation

The company's property and equipment are depreciated using primarily the straight-line method over the estimated useful lives of the assets of 5 to 7 years. Leasehold improvements are amortized over 15 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Intangible assets subject to amortization include legal agreements and website development costs. Legal agreements are being amortized over 5 years, the same amount of time as revenue is being recognized. Website development is being amortized over 3 years, similar to the IRS position on software.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The provision for taxes on income is based on income reported for financial statement purposes. Certain expense items are reported in different periods for financial reporting and for tax purposes. The tax effects of these timing differences are not material to the accompanying financial statements. Provision for federal and state taxes on income consists of:

Federal	\$	0
State		14,028
	\$	<u>14,028</u>

FASB ASC 740, Income Taxes (formerly Interpretation No. 48, Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement 109 ("FIN 48")) clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The FASB Accounting Standards Codification prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. The Company believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that would require recognition or disclosure at December 31, 2016. The company believes that there are no years that remain open and are subject to examination by jurisdiction prior to 2012 and 2011 for federal and state, respectively.

Subsequent Events

Management has evaluated subsequent events through April 7, 2017, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2016 consists of the following:

Computers & equipment	\$	355,685
Computer software		25,831
Furniture & fixtures		287,575
Leasehold improvements		1,183,206
Other property		<u>61,761</u>
		1,914,058
Less: Accumulated depreciation		<u>(942,029)</u>
	\$	<u>972,029</u>

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 3 – RELATED PARTY TRANSACTIONS

As of December 31 2016, the Company has two notes receivable from affiliates in the total amount of \$433,545. These notes receivable are unsecured, bear interest at 2.5% per annum, and are due at various dates through April 2040.

The Company also has notes receivable from shareholders in the total amount of \$722,875. These notes are unsecured and bear interest at 2.5% per annum. One of the notes is due in July 2027. The other note calls for interest only payments monthly with a single balloon payment in November 2017.

Notes receivable current and noncurrent portions at December 31, 2016 are:

Notes receivable	\$	1,156,421
Less: current portion		(454,226)
	\$	<u>702,195</u>

NOTE 4 – TRADEMARKS

FASB ASC 350, *Goodwill and Other Intangible Assets* (formerly Statement of Financial Accounting Standards No. 142) notes that purchased intangible assets other than goodwill will be amortized over their useful lives unless these lives are determined to be indefinite. Certain trademarks have been assigned an indefinite life as it is currently anticipated that these trademarks will contribute cash flows to the Company indefinitely. Indefinite-lived intangible assets are not amortized, but are evaluated at each reporting period to determine whether the indefinite useful life is appropriate. Management believes that at December 31, 2016, no impairment in value of the trademarks had occurred and that the indefinite useful life is appropriate.

NOTE 5 – LEASE COMMITMENTS

The Company leases its office space, Menchie's University Store, and various office equipment under operating leases expiring at various dates through March 2033. The premises lease agreements includes an allowance for expenses and require the Company to pay for a portion of maintenance and utilities. The lease agreements also include an allotment of parking spaces.

At December 31, 2016, the future minimum lease payments required under these operating leases with initial or remaining terms in excess of one year are as follows:

<u>Years Ending December 31,</u>	
2017	\$ 525,311
2018	525,311
2019	532,239
2020	372,156
2021	372,156
Thereafter	4,441,063
	<u>\$ 6,768,236</u>

Total rent expense for the year ended December 31, 2016 was \$377,135.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 6 – FRANCHISE DEPOSITS/REVENUE RECOGNITION

FASB ASC 952, *Franchisors* (formerly Statement of Financial Accounting Standards No. 45, Accounting for Franchise Fee Revenue) establishes specialized accounting and reporting standards for franchisors. The standards require that franchise fee revenue from franchise sales be recognized only when material services have been substantially performed or satisfied by the franchisor. Of the total income earned during 2016, the Company received \$3,774,957 in franchise fees and franchise rights. Based on management's representation and guidance from FASB ASC 952, management determined that franchise fees and rights should be recognized using two different methods:

Domestic franchise fees and rights should be recognized over a five year term in the following percentages:

<u>Accounting Year</u>	<u>Percentage of franchise fee recognized</u>
Year 1 (year fees received)	62.68%
Year 2	9.33%
Year 3	9.33%
Year 4	9.33%
Year 5	9.33%

International franchise fees and rights should be recognized over a three year term in the following percentages:

<u>Accounting Year</u>	<u>Percentage of franchise fee recognized</u>
Year 1 (year fees received)	50.0%
Year 2	25.0%
Year 3	25.0%

At December 31, 2016, the amount of franchise deposits (deferred franchise revenue) was \$4,065,317. Associated expenses of \$259,834 relating to this deferred franchise fee revenue have also been included on the balance sheet and classified as deferred franchise costs. The method of revenue recognition is consistent with that used in the prior year.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 7 – INVESTMENTS/PORTFOLIO ACCOUNT

The Company investments consist primarily of municipal bonds and notes, U.S. Treasury notes, other U.S. government securities, common stocks and mutual funds. Investments are stated at fair value as of December 31, 2016:

	Amortized Cost	Fair Value	Unrealized Gain/(Loss)
Government and corporate debt obligations	\$ 996,747	\$ 996,462	\$ (285)
Mutual funds	1,178,898	1,218,583	39,685
Common stocks	552,802	609,308	56,506
Alternative investments	578,270	563,161	(15,109)
Real assets	360,675	334,613	(26,062)
	<u>\$ 3,667,392</u>	<u>\$ 3,722,127</u>	<u>\$ 54,735</u>

NOTE 8 – FAIR VALUE MEASUREMENTS

Fair value is determined based on assumptions that a market participant would use in pricing an asset or liability. Measurements of fair value are classified within a hierarchy based upon valuation inputs that give the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable or substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Government and corporate debt obligations: Valued at the closing price reported on the active or observable market on which the individual securities are traded.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 8 – FAIR VALUE MEASUREMENTS (continued)

Mutual funds: Valued at the net asset value of shares held by the Company at year end.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Alternative investments/Real assets: Valued at fair value at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, with the fair value hierarchy, the Company's investment assets at fair value:

	Fair Value Measurements Using			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
At December 31, 2016				
Government and corporate debt obligations	\$ 996,462	—	—	\$ 996,462
Mutual funds:				
Domestic fixed income funds	287,093	—	—	287,093
International fixed income funds	153,466	—	—	153,466
Domestic equity funds	472,532	—	—	472,532
International equity funds	305,492	—	—	305,492
Common stocks	609,308	—	—	609,308
Alternative investments	563,161	—	—	563,161
Real assets	334,613	—	—	334,613
Total at fair value	\$ 3,722,127	—	—	\$ 3,722,127

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE 9 – LONG-TERM DEBT

The company has two loans payable totaling \$184,843 as of December 31, 2016. Terms of one loan include four equal payment installments of approximately \$47,422 to be paid annually on January 1st. Final payment is due on January 15, 2018. The second loan is payable in equal monthly installments of \$12,857 and is due in July 2017. Both loans are unsecured and bear no interest. Following are maturities of long-term debt for each of the next five years:

<u>Years Ending December 31,</u>	
2017	\$ 137,422
2018	47,421
2019	0
2020	0
2021	0
Thereafter	0
	<u>184,843</u>
Less: Current maturities of long-term debt	<u>(137,422)</u>
	<u>\$ 47,421</u>

MENCHIE'S GROUP, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015

SHER GELB

AN ACCOUNTANCY CORPORATION

MICHAEL SHER, CPA

BILLIE GELB, CPA

KEITH HEERDT, CPA/ABV, CVA

JONATHAN SHER, CPA

15060 VENTURA BLVD. II 300 SHERMAN OAKS, CALIFORNIA 91403 T:(818)783-6028 F:(818)783-1031

www.shergelb.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Menchie's Group, Inc.

We have audited the accompanying financial statements of Menchie's Group, Inc. (a California corporation), which comprise the balance sheet as of December 31, 2015, and the related statements of income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement on the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Menchie's Group, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

5

Sher Gelb
An Accountancy Corporation
Sherman Oaks, CA

March 8, 2016

MENCHIE'S GROUP, INC.
BALANCE SHEET
December 31, 2015

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 850,743
Accounts receivable	216,514
Inventory	623,528
Prepaid expenses	137,469
Notes receivable-affiliates, current	19,071
Notes receivable-shareholders, current	26,382
Portfolio account	4,603,413
Other current assets	<u>50,824</u>
TOTAL CURRENT ASSETS	6,527,944

FIXED ASSETS

Property and equipment, net	1,186,583
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OTHER ASSETS

Deferred franchise costs	220,348
Trademarks	255,991
Security deposits	30,824
Notes receivable-non current	1,540,256
Website development, net of accumulated amortization of \$78,301	48,000
Other assets	<u>57,177</u>
\$	9,867,123

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 101,917
Credit cards payable	34,378
International franchise pool	107,889
International franchise security deposit	100,000
Gift cards outstanding	2,969,434
Franchise deposits, current portion	627,997
Current maturities of long-term debt	201,708
Other current liabilities	141,755
TOTAL CURRENT LIABILITIES	4,285,078

OTHER LIABILITIES

Franchise deposits, net of current portion	5,293,826
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LONG-TERM DEBT

184,843

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
BALANCE SHEET (continued)
December 31, 2015

STOCKHOLDERS' EQUITY

Common stock, no par value; 100,000 shares authorized; 2,000 shares
issued and outstanding

14,100

Retained earnings

89,276

\$ 9,867,123

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended December 31, 2015

INCOME	\$ 22,380,721
COST OF SALES	3,647,095
GROSS PROFIT	18,733,626
EXPENSES (INCOME)	
Advertising & promotion	561,428
Automobile expenses	71,119
Bank service charges	146,064
Brand development	3,314,518
Depreciation & amortization	214,794
Dues & subscriptions	12,184
Education	1,440
Employee benefits	122,605
Financial programs	422,613
General and administrative	670,855
Human resources	192,086
Insurance	353,318
IT department	104,633
Legal	655,634
Menchie's University expenses	477,363
Office supplies & expenses	140,872
Outside services	4,202
Parking	51,499
Payroll taxes	451,144
Postage	29,948
Printing & reproduction	10,384
Professional fees	522,519
Quality assurance	291,112
Real estate & development	111,431
Rent	398,999
Research & development	135,483
Salaries & wages	8,025,533
Taxes	161,306
Telephone	74,795
Travel & entertainment	125,092
Uncollectible receivables	44,286
Website costs	226,421

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.**STATEMENT OF INCOME AND RETAINED EARNINGS (continued)**
For the Year Ended December 31, 2015

(Other income)	(1,363)
(Interest income)	(86,387)
(Dividend income)	(109,819)
(Gain)/Loss on value of investments	<u>260,734</u>
Total Operating Expenses	<u>18,188,845</u>
Income before provision for income taxes	544,781
Provision for income taxes	<u>220,450</u>
Net Income	324,331
Retained earnings, beginning of year	14,945
Dividends	<u>(250,000)</u>
Retained earnings, end of year	\$ 89,276

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 324,331
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation & amortization	214,794
(Gain) loss in realized and unrealized value of investments	260,734
Adjustment to cost of prior years' fixed assets	31,938
(Increase) Decrease in:	
Accounts receivable	(40,688)
Inventory	428,055
Prepaid expenses	83,887
Employee advances	7,252
Other current assets	(50,824)
Deferred franchise costs	76,412
Website development	(64,000)
(Decrease) Increase in:	
Accounts payable	(225,853)
Accrued expenses	(24,380)
Credit cards payable	22,045
International franchise pool	(16,156)
Gift cards outstanding	863,939
Franchise deposits	(2,105,563)
Other current liabilities	<u>38,098</u>
NET CASH (USED) BY OPERATING ACTIVITIES	(175,979)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property & equipment	(64,949)
Purchases of portfolio investment	(1,723,877)
Proceeds from maturities and sales of investments	1,362,914
NET CASH (USED) BY INVESTING ACTIVITIES	(425,912)

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2015

CASH FLOWS FROM FINANCING ACTIVITIES

Notes receivable	24,091
Long term debt financings	196,865
Dividends	{250,000}
NET CASH (USED) BY FINANCING ACTIVITIES	<u>(29,044)</u>

NET (DECREASE) IN CASH (630,935)

CASH & CASH EQUIVALENTS, BEGINNING OF YEAR 1,481,678

CASH & CASH EQUIVALENTS, END OF YEAR **\$ 850,743**

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$ 0
Income taxes	\$ 276,287

See accompanying notes to financial
statements

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Menchie's Group, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations

Menchie's Group, Inc. is a franchisor of retail soft serve frozen desserts. The Company provides initial and ongoing support to its franchisees and recruits, consults and trains qualified franchisees to develop and open Menchie's frozen yogurt locations based on the guidelines and criteria of the franchisor Menchie's Group Inc. business practices and standards. The Company was incorporated on January 2, 2008, in the State of California.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At times, cash and cash equivalent balances may be in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk relative to its cash accounts.

Inventory

Inventory is stated at the lower of cost, using the average cost method, or net realizable value (market). Inventory consists of supplies, company specific apparel, and sundry items.

Depreciation

The company's property and equipment are depreciated using primarily the straight-line method over the estimated useful lives of the assets of 5 to 7 years. Leasehold improvements are amortized over 15 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Intangible assets subject to amortization include legal agreements and website development costs. Legal agreements are being amortized over 5 years, the same amount of time as revenue is being recognized. Website development is being amortized over 3 years, similar to the IRS position on software.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The provision for taxes on income is based on income reported for financial statement purposes. Certain expense items are reported in different periods for financial reporting and for tax purposes. The tax effects of these timing differences are not material to the accompanying financial statements. Provision for federal and state taxes on income consists of:

Federal	\$	174,950
State		45,500
	\$	220,450

FASB ASC 740, Income Taxes (formerly Interpretation No. 48, Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement 109 ("FIN 48")) clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The FASB Accounting Standards Codification prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. The Company believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that would require recognition or disclosure at December 31, 2015. The company believes that there are no years that remain open and are subject to examination by jurisdiction prior to 2011 and 2010 for federal and state, respectively.

Subsequent Events

Management has evaluated subsequent events through March 8, 2016, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 consists of the following:

Computers & equipment	\$	355,685
Computer software		25,831
Furniture & fixtures		287,575
Leasehold improvements		1,215,143
Other property		61,761
		1,945,995
Less: Accumulated depreciation		(759,412)
	\$	1,186,583

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 3-RELATED PARTY TRANSACTIONS

As of December 31 2015, the Company has two notes receivable from affiliates in the total amount of \$440,850. These notes receivable are unsecured, bear interest at 2.5% per annum, and are due at various dates through April 2040.

The Company also has notes receivable from shareholders in the total amount of \$1,144,859. These notes are unsecured and bear interest at 2.5% per annum. One of the notes is due in July 2027. The other note calls for interest only payments monthly with a single balloon payment in November 2017.

Notes receivable current and noncurrent portions at December 31, 2015 are:

Notes receivable	\$	1,585,709
Less: current portion		(45A53)
	\$	1,540,256

NOTE 4-TRADEMARKS

FASB ASC 350, *Goodwill and Other Intangible Assets* (formerly Statement of Financial Accounting Standards No.142) notes that purchased intangible assets other than goodwill will be amortized over their useful lives unless these lives are determined to be indefinite. Certain trademarks have been assigned an indefinite life as it is currently anticipated that these trademarks will contribute cash flows to the Company indefinitely. Indefinite-lived intangible assets are not amortized, but are evaluated at each reporting period to determine whether the indefinite useful life is appropriate. Management believes that at December 31, 2015, no impairment in value of the trademarks had occurred and that the indefinite useful life is appropriate.

NOTE 5-LEASE COMMITMENTS

The Company leases its office space, Menchie's University Store, and various office equipment under operating leases expiring at various dates through March 2033. The premises lease agreements includes an allowance for expenses and require the Company to pay for a portion of maintenance and utilities. The lease agreements also include an allotment of parking spaces.

At December 31, 2015, the future minimum lease payments required under these operating leases with initial or remaining terms in excess of one year are as follows:

Years Ending December 31,

2016	\$	535,794
2017		525,311
2018		525,311
2019		532,239
2020		372,156
Thereafter		4,813,219
	\$	7,304,030

Total rent expense for the year ended December 31, 2015 was \$398,999.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 6-FRANCHISE DEPOSITS/REVENUE RECOGNITION

FASB ASC 952, *Franchisors* (formerly Statement of Financial Accounting Standards No. 45, Accounting for Franchise Fee Revenue) establishes specialized accounting and reporting standards for franchisors. The standards require that franchise fee revenue from franchise sales be recognized only when material services have been substantially performed or satisfied by the franchisor. Of the total income earned during 2015, the Company received \$5,378,030 in franchise fees and franchise rights. Based on management's representation and guidance from FASB ASC 952, management determined that franchise fees and rights should be recognized using two different methods:

Domestic franchise fees and rights should be recognized over a five-year term in the following percentages:

<u>Accounting Year</u>	<u>Percentage of franchise fee recognized</u>
Year 1 (year fees received)	62.68%
Year2	9.33%
Year3	9.33%
Year4	9.33%
Year5	9.33%

International franchise fees and rights should be recognized over a three-year term in the following percentages:

<u>Accounting Year</u>	<u>Percentage of franchise fee recognized</u>
Year 1 (year fees received)	50.0%
Year2	25.0%
Year3	25.0%

At December 31, 2015, the amount of franchise deposits (deferred franchise revenue) was \$5,921,823. Associated expenses of \$220,348 relating to this deferred franchise fee revenue have also been included on the balance sheet and classified as deferred franchise costs. The method of revenue recognition is consistent with that used in the prior year.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 7 - INVESTMENTS/PORTFOLIO ACCOUNT

The Company investments consist primarily of municipal bonds and notes, U.S. Treasury notes, other U.S. government securities, common stocks and mutual funds. Investments are stated at fair value as of December 31, 2015:

	Amortized Cost	Fair Value	Unrealized Gain/(loss)
Government and corporate debt obligations	\$ 1,374,852	\$ 1,398,763	\$ 23,911
Mutual funds	1,581,590	1,461,900	(119,690)
Common stocks	761,597	753,667	(7,930)
Complementary strategies	452,967	426,276	(26,691)
Real assets	640,630	562,807	(77,823)
	<u>\$ 4,811,636</u>	<u>\$ 4,603,413</u>	<u>\$ (208,223)</u>

NOTE 8 - FAIR VALUE MEASUREMENTS

Fair value is determined based on assumptions that a market participant would use in pricing an asset or liability. Measurements of fair value are classified within a hierarchy based upon valuation inputs that give the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level1 Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable or substantially the full term of the asset or liability.

Level3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Government and corporate debt obligations: Valued at the closing price reported on the active or observable market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Company at year end.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 8-FAIR VALUE MEASUREMENTS (continued)

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Complementary strategies/Real assets: Valued at fair value at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, with the fair value hierarchy, the Company's investment assets at fair value:

	Fair Value Measurements Using			Total
	Quoted Prices In Active Markets for Identical Assets (Level1)	Significant Other Observable Inputs (Level2)	Significant Unobservable Inputs (Level3)	
At December 31, 2015:				
Government and corporate debt obligations	\$ 1,398,763		-- \$	1,398,763
Mutual funds:				
Domestic fixed income funds	246,749			246,749
International fixed income funds	372,562			372,562
Domestic equity funds	441,793			441,793
International equity funds	400,796			400,796
Common stocks	753,667			753,667
Complementary strategies	426,276			426,276
Real assets	<u>562,807</u>			<u>562,807</u>
Total at fair value	\$ <u>4,603,413</u>		-- \$	<u>4,603,413</u>

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 9—LONG-TERM DEBT

The company has two loans payable totaling \$386,551 as of December 31, 2015. Terms of one loan include four equal payment installments of approximately \$47,422 to be paid annually on January 1st. Final payment is due on January 15, 2018. The second loan is payable in equal monthly installments of \$12,857 and is due in July 2017. Both loans are unsecured and bear no interest. Following are maturities of long-term debt for each of the next five years:

<u>Years Ending December 31,</u>	
2016	\$ 201,708
2017	137,422
2018	47,421
2019	0
2020	0
Thereafter	<u>0</u>
	386,551
Less: Current maturities of long-term debt	(201,708)
	<u>\$ 184,843</u>

MENCHIE'S GROUP, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014

SHERI GELB

A^C ACCOUNTANCY CORPORATION

MICHAEL SHER, CPA BILLIE GELB, CPA KEITH HEERDT, CPA/ABV, CVA JONATHAN SHER, CPA

15060 VENTURA BLVD. II 300 SHERMAN OAKS, CALIFORNIA 91403 T (818) 783-6028 F (818) 783-1031
www.shergelb.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
of Menchie's Group, Inc.

We have audited the accompanying financial statements of Menchie's Group, Inc. (a California corporation), which comprise the balance sheet as of December 31, 2014, and the related statements of income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement on the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Menchie's Group, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

't

Sheri Gelb
An Accountancy Corporation
Sherman Oaks, CA

April 23, 2015

MENCHIE'S GROUP, INC.
BALANCE SHEET
December 31, 2014

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 1,481,678
Accounts receivable	175,826
Inventory	1,051,583
Employee advances	7,252
Prepaid expenses	221,356
Notes receivable, current	33,182
Notes receivable, current	24,944
Portfolio investment	4,503,185
TOTAL CURRENT ASSETS	7,499,006

FIXED ASSETS

Property and equipment, net	1,352,366
-----------------------------	-----------

OTHER ASSETS

Deferred franchise costs	296,760
Trademarks	255,991
Security deposits	30,824
Other assets	57,177
Notes receivable-non current	1,551,674
	\$ 11,043,798

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 327,771
Accrued expenses	24,380
Credit cards payable	12,333
International franchise pool	124,045
International franchise security deposit	100,000
Gift cards outstanding	2,105,495
Franchise deposits, current portion	930,441
Current maturities of long-term debt	47,422
Other current liabilities	103,657
TOTAL CURRENT LIABILITIES	3,775,544

OTHER LIABILITIES

Franchise deposits, net of current portion	7,096,945
--	-----------

LONG-TERM DEBT	142,264
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See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
BALANCE SHEET (continued)
December 31, 2014

STOCKHOLDERS' EQUITY

Common stock, no par value; 100,000 shares authorized; 2,000 shares
issued and outstanding
Retained earnings

14,100

14,945

\$ 11,043,798

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended December 31, 2014

INCOME	\$ 23,221,361
COST OF SALES	3,325,761
GROSS PROFIT	19,895,600
EXPENSES (INCOME)	
Advertising & promotion	492,249
Automobile expenses	54,111
Bank service charges	81,662
Depreciation & amortization	213,752
Dues & subscriptions	5,639
Education	14,531
Employee benefits	104,533
Financial programs	671,516
Franchise development	6,227,554
General and administrative	538,640
Guaranteed payments	15,000
Human resources	87,425
Insurance	359,065
IT department	123,547
Legal	224,047
Menchie's University expenses	68,165
Miscellaneous	18,960
Office supplies & expenses	157,783
Parking	50,341
Payroll taxes	430,326
Postage	13,183
Printing & reproduction	6,355
Professional fees	509,744
Quality assurance	230,993
Real estate & development	227,163
Rent	338,208
Research & development	135,116
Salaries & wages-office and officers	7,302,028
Taxes	221,275
Telephone	78,462
Travel & entertainment	130,306

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.**STATEMENT OF INCOME AND RETAINED EARNINGS (continued)****For the Year Ended December 31, 2014**

Uncollectible receivables	19,850
Website costs	82,656
(Other income)	(11,535)
(Interest income)	(44,613)
(Dividend income)	(43,427)
(Gain)/Loss on disposal of assets	198,815
(Gain)/Loss on value of investments	<u>92,694</u>
Total Operating Expenses	<u>19,426,119</u>
Income before provision for income taxes	469,481
Provision for income taxes	<u>42,000</u>
Net Income	427,481
Retained earnings, beginning of year	587,464
Dividends	(1,000,000)
Retained earnings, end of year	\$ 14,945

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 427,481
Adjustments to reconcile net income to net cash provided by operating activities: Depreciation	
& amortization (Gain) loss on	213,752
disposal of assets	198,815
(Gain) loss in realized and unrealized value of investments	92,694
Adjustment to cost of prior years fixed assets	36,667
(Increase) Decrease in:	
Accounts receivable	(15,834)
Inventory	338,076
Prepaid expenses	(221,356)
Employee advances	9,946
Deferred franchise costs	(47,703)
(Decrease) Increase in:	

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2014

CASH FLOWS FROM FINANCING ACTIVITIES

Notes receivable	123,479
Notes receivable	(252,812)
Long term debt financings	189,686
Dividends	<u>(1,000,000)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	(939,647)
 NET (DECREASE) IN CASH	 (3,717,754)
 CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>5,199,432</u>
 CASH & CASH EQUIVALENTS, END OF YEAR	 \$ <u>1,481,678</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$	0
Income taxes	\$	74,218

See accompanying notes to financial statements

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Menchie's Group, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations

Menchie's Group, Inc. is a franchisor of retail soft serve frozen desserts. The Company provides initial and ongoing support to its franchisees and recruits, consults and trains qualified franchisees to develop and open Menchie's frozen yogurt locations based on the guidelines and criteria of the franchisor Menchie's Group Inc. business practices and standards. The Company was incorporated on January 2, 2008, in the State of California.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At times, cash and cash equivalent balances may be in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk relative to its cash accounts.

Inventory

Inventory is stated at the lower of cost, using the average cost method, or net realizable value (market). Inventory consists of supplies, company specific apparel, and sundry items.

Depreciation

The company's property and equipment are depreciated using primarily the straight-line method over the estimated useful lives of the assets of 5 to 7 years. Leasehold improvements are amortized over 15 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Intangible assets subject to amortization include legal agreements and website development costs. Legal agreements are being amortized over 5 years, the same amount of time as revenue is being recognized. Website development is being amortized over 3 years, similar to the IRS position on software. As of December 31, 2014, all intangible assets have been fully amortized.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The provision for taxes on income is based on income reported for financial statement purposes. Certain expense items are reported in different periods for financial reporting and for tax purposes. The tax effects of these timing differences are not material to the accompanying financial statements. Provision for federal and state taxes on income consists of:

Federal	\$	35,000
State		<u>7,000</u>
	\$	<u>42,000</u>

FASB ASC 740, Income Taxes (formerly Interpretation No. 48, Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement 109 ("FIN 48,)) clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. The FASB Accounting Standards Codification prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. The Company believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that would require recognition or disclosure at December 31, 2014. The company believes that there are no years that remain open and are subject to examination by jurisdiction prior to 2010 and 2009 for federal and state, respectively.

Subsequent Events

Management has evaluated subsequent events through April 23, 2015, the date the financial statements were available to be issued.

NOTE 2- PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 consists of the following:

Computers & equipment	\$	305,001
Computer software		25,831
Furniture & fixtures		285,529
Leasehold improvements		1,247,081
Other property		<u>49,542</u>
		1,912,984
Less: Accumulated depreciation		(560,618)
	\$	1,352,366

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 3-RELATED PARTY TRANSACTIONS

As of December 31 2014, the Company has three notes receivable from affiliates in the total amount of \$451,094. These notes receivable are unsecured, bear interest at various rates from 2.5%-4.50% per annum, and are due at various dates through April 2040.

The Company also has notes receivable from shareholders in the total amount of \$1,158,706. These notes are unsecured and bear interest at 2.5% per annum. One of the notes is due in July 2027. The other note calls for interest only payments monthly with a single balloon payment in November 2017.

Notes receivable current and noncurrent portions at December 31, 2014 are:

Notes receivable	\$	1,609,800
Less: current portion		(58,126)
	\$	1,551,674

NOTE 4-TRADEMARKS

FASB ASC 350, *Goodwill and Other Intangible Assets* (formerly Statement of Financial Accounting Standards No. 142) notes that purchased intangible assets other than goodwill will be amortized over their useful lives unless these lives are determined to be indefinite. Certain trademarks have been assigned an indefinite life as it is currently anticipated that these trademarks will contribute cash flows to the Company indefinitely. Indefinite-lived intangible assets are not amortized, but are evaluated at each reporting period to determine whether the indefinite useful life is appropriate. Management believes that at December 31, 2014, no impairment in value of the trademarks had occurred and that the indefinite useful life is appropriate.

NOTE 5-LEASE COMMITMENTS

The Company leases its office space, Menchie's University Store, and various office equipment under operating leases expiring at various dates through March 2033. The premises lease agreements includes an allowance for expenses and require the Company to pay for a portion of maintenance and utilities. The lease agreements also include an allotment of parking spaces.

At December 31, 2014, the future minimum lease payments required under these operating leases with initial or remaining terms in excess of one year are as follows:

<u>Years Ending December 31,</u>		
2015	\$	546,931
2016		535,794
2017		525,311
2018		525,311
2019		532,239
Thereafter		5,226,636
	\$	7,892,222

Total rent expense for the year ended December 31, 2014 was \$338,208.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 6-FRANCHISE DEPOSITS/REVENUE RECOGNITION

FASB ASC 952, *Franchisors* (formerly, Statement of Financial Accounting Standards No. 45, Accounting for Franchise Fee Revenue) establishes specialized accounting and reporting standards for franchisors. The standards require that franchise fee revenue from franchise sales be recognized only when material services have been substantially performed or satisfied by the franchisor. Of the total income earned during 2014, the Company received \$8,962,427 in franchise fees and franchise rights. Based on management's representation and guidance from FASB ASC 952, management determined that franchise fees and rights should be recognized using two different methods:

Domestic franchise fees and rights should be recognized over a five year term in the following percentages:

<u>Accounting Year</u>	<u>Percentage of franchise fee recognized</u>
Year 1 (year fees received)	62.68%
Year2	9.33%
Year3	9.33%
Year4	9.33%
Year5	9.33%

International franchise fees and rights should be recognized over a three year term in the following percentages:

<u>Accounting Year</u>	<u>Percentage of franchise fee recognized</u>
Year 1 (year fees received)	50.0%
Year2	25.0%
Year3	25.0%

At December 31, 2014, the amount of franchise deposits (deferred franchise revenue) was \$8,027,386. Associated expenses of \$296,760 relating to this deferred franchise fee revenue have also been included on the balance sheet and classified as deferred franchise costs. The method of revenue recognition is consistent with that used in the prior year.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 7 – INVESTMENTS

The Company investments consist primarily of municipal bonds and notes, U.S. Treasury notes, other U.S. government securities, common stocks and mutual funds. Investments are stated at fair value as of December 31, 2014:

	Amortized Cost	Fair Value	Unrealized Gain/(loss)
Government and corporate debt obligations	\$ 1,189,352	\$ 1,197,353	\$ 8,001
Mutual funds	1,954,866	1,881,814	(73,052)
Common stocks	479,390	499,105	19,715
Complementary strategies	464,010	452,369	(11,641)
Real assets	489,412	472,544	(16,868)
	<u>\$ 4,577,030</u>	<u>\$ 4,503,185</u>	<u>\$ (73,845)</u>

NOTE 8 – FAIR VALUE MEASUREMENTS

Fair value is determined based on assumptions that a market participant would use in pricing an asset or liability. Measurements of fair value are classified within a hierarchy based upon valuation inputs that give the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable or substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Government and corporate debt obligations: Valued at the closing price reported on the active or observable market on which the individual securities are traded.

Mutual funds: Valued at the net asset value of shares held by the Company at year end.

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 8-FAIR VALUE MEASUREMENTS (continued)

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Complementary strategies/Real assets: Valued at fair value at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, with the fair value hierarchy, the Company's investment assets at fair value:

	Fair Value Measurements Using			Total
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
At December 31, 2014				
Government and corporate debt obligations	\$ 1,197,353		-\$	1,197,353
Mutual funds:				
Domestic fixed income funds	299,981			299,981
International fixed income funds	560,139			560,139
Domestic equity funds	538,496			538,496
International equity funds	483,198			483,198
Common stocks	499,105			499,105
Complementary strategies	452,369			452,369
Real assets	<u>472,544</u>			<u>472,544</u>
Total at fair value	\$ <u>4,503,185</u>		-- \$	<u>4,503,185</u>

MENCHIE'S GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 9—LONG-TERM DEBT

The company has a loan payable in the amount of \$189,686. Terms of the loan payable include four equal payment installments of approximately \$47,422 to be paid annually on January 1st. Final payment is due on January 15, 2018. The loan is unsecured and bears no interest. Following are maturities of long-term debt for each of the next five years:

<u>Years Ending December 31,</u>	
2015	\$ 47,422
2016	47,422
2017	47,422
2018	47,420
2019	<u>0</u>
	189,686
Less: Current maturities of long-term debt	<u>(47,422)</u>
	\$ 142,264

Exhibit C

FRANCHISE AGREEMENT

MENCHIE'S® Franchise Agreement

**Menchie's Group, Inc.
17555 Ventura Boulevard, Suite 200
Encino, California 91316**

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MENCHIE'S® FRANCHISE AGREEMENT

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SCHEDULES

- A. Data Sheet
- B. Addendum to Lease
- C. Electronic Transfer of Funds Authorization
- D. Telephone Assignment Agreement
- E. Personal Guarantee
- F. Addendum to Franchise Agreement
- G. Acknowledgment Addendum

MENCHIE'S® FRANCHISE AGREEMENT

This Franchise Agreement is made this day of , 20 between Menchie's Group, Inc., a California corporation with its principal business located at 17555 Ventura Boulevard, Suite 200, Encino, California 91316 ("we" or "us"), and "Franchisee" or "you" as identified on the Data Sheet attached as Schedule A (the "Data Sheet"). If the franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions of this Agreement also apply to its owners.

RECITALS

A. We have developed a unique system for the establishment and operation of soft-serve frozen yogurt and ice cream stores which also feature desserts and beverage items for retail sale to the public;

B. We own the MENCHIE'S trademark and other trademarks used in connection with the operation of a MENCHIE'S store;

C. You desire to develop and operate a MENCHIE'S store; and

D. We have agreed to grant you a franchise to operate a MENCHIE'S store, subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. "Net Sales" is Gross Sales minus discounts. Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Store, whether under any of the Trademarks or otherwise, including any catering or delivery services, cover charges or fees, in your Store or on its premises and all revenues derived from any type of authorized vending machines. Gross Sales excludes sales taxes.

B. "Menu Items" means the soft-serve frozen yogurt, ice cream, desserts, beverages, and other products prepared according to our specified recipes and procedures, as we may authorize you to sell at the Store from time to time and as we may modify from time to time.

C. "Manual" or "Operations Manual" means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for your MENCHIE'S Store, all of which we may change from time to time.

D. "Operating Partner" means the person designated by Franchisee (if Franchisee is a legal entity) who: (i) owns at least a 5% ownership interest in Franchisee, (ii) has completed our initial training program and (iii) has the authority to bind Franchisee in all dealings with us. If the Franchisee is one or more individuals, each individual is an Operating Partner of the franchisee.

Your Operating Partner(s) are identified on the Data Sheet. Every time there is a change in the persons who are your Operating Partners, you must, within 10 days from the date of each such change, update the Data Sheet. As used in this Agreement, any reference to Operating Partner includes all Operating Partners.

E. "Store" means the MENCHIE'S Store you develop and operate pursuant to this Agreement.

F. "System" means the MENCHIE'S System, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with unique storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business forms, training materials, Manuals, sales techniques, methods and procedures, all of which we may modify from time to time.

G. "Trademarks" means the MENCHIE'S trademarks that have been registered in the United States and elsewhere and the trademarks, service marks and trade names, as we may modify from time to time, and such other trademarks, service marks, trade names, the trade dress and other commercial symbols as we may authorize you to use in and in connection with the Store from time to time. Trade dress includes the designs, color schemes and images we authorize you to use in the operation of the Store from time to time. Currently the Trademarks include "Menchie's", "Menchie's design", "Menchie's Guy design", "Mix Weight Pay", "My Smileage", "Smileage", "What's Your Mix", "We Make You Smile", "3-Dimensional Configuration of Restaurant Interior", "Our Main Ingredient is a Smile", "Indulge Responsibly", and "United States of Happiness".

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. License; Authorized Location; Designated Territory; Circle of Success Program. Subject to the terms of this Agreement we grant you the right and license to establish and operate a retail Store identified by the MENCHIE'S Trademarks at the location identified on the Data Sheet as the authorized location, which authorized location must be (I) within the Designated Territory identified on the Data Sheet (the "Designated Territory") and (II) designated by you and approved by us within two years from the date of this Agreement (the "Authorized Location"). When a location has been timely designated by you and you have received a non-objection (approval) notice from us, it will become the Authorized Location under this Section 2.A as if originally stated. If an Authorized Location is not timely designated by you and approved by us, we may terminate this Agreement. You accept the license and undertake the obligation to operate the Store at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

During the term of this Agreement and provided you are in compliance with the terms and conditions of this Agreement, we will not: (i) modify the Designated Territory, (ii) establish a company-owned or franchised MENCHIE'S Store within the Designated Territory, or (iii) establish a company-owned or franchised store inside the Designated Territory that offers the same products and services as your MENCHIE'S Store, except for any Merger/Acquisition Activity (as described and defined below).

After you sign this Agreement but before you commence the site selection process you must satisfactorily complete our Circle of Success Program. The Circle of Success Program consists of eight separate recorded webinar sessions which last approximately one hour each. It will take you approximately two weeks (8 hours total) to complete the Circle of Success Program.

B. Opening. You agree that the Store will be open and operating in accordance with the requirements of Section 5.A within eight months after you sign a lease for your Store, unless we authorize in writing an extension of time. Before you may open your Store for business, we must inspect your Store and provide you with a Certificate of Opening.

C. Nonexclusivity; Our Reservation of Rights. The license is limited to the right to develop and operate one Store at the Authorized Location.

The license granted to you does not provide you with any right to: (i) sell products or Menu Items identified by the Trademarks at any location outside the Authorized Location, except for authorized catering or delivery services as noted in Section 1.E, (ii) sell products or Menu Items through any alternative channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce), (iii) sell products or Menu Items identified by the Trademarks to any person or entity for resale or further distribution, except as we may designate in writing, or (iv) exclude, control or impose conditions on our development of future franchised, company or affiliate-owned stores at any time or at any location regardless of the proximity to your Designated Territory. You acknowledge that the consumer trade area or service area of another MENCHIE'S Store may overlap with your Designated Territory.

We retain all rights that are not expressly granted to you under this Agreement. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

(i) establish and/or license others to establish franchised or company-owned Stores at any location outside your Designated Territory regardless of the proximity of such stores to your Designated Territory;

(ii) merge with, acquire or become associated with ("Merger/Acquisition Activity") any businesses or stores of any kind under other systems and/or marks, which businesses and stores may convert to or operate under the Trademarks and may offer or sell menu items, products and services that are the same as or similar to the Menu Items offered at or from the Store, and which stores may be located anywhere inside or outside of your Designated Territory; and

(iii) offer, sell and distribute for ourselves and/or license others to offer, sell and distribute through franchised businesses or any other method of distribution, both inside and outside your Designated Territory, menu items that are the same as or different from the Menu Items offered under the System and that are offered and distributed under the Trademarks or marks different from the Trademarks through any distribution channels or methods (other than the Menchie's Store). Such other distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

You acknowledge and agree that certain locations are by their nature unique and separate in character from sites generally developed as MENCHIE'S Stores. As a result, you agree that we have the right to develop or franchise the following locations ("Special Sites") even if these locations are inside your Designated Territory: (1) military bases; (2) public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and (6) special events.

E. Catering and Delivery. You may not engage in catering or delivery services unless we authorize you in writing, as further described in Section 6.K.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our property and we have licensed the use of the Trademarks to you and others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our valuable property, and we own all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Store and of the business conducted at the Authorized Location that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our benefit. You may not, during or after the term of this Agreement, engage directly or indirectly in any conduct that would infringe upon, harm or contest our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Store except the Trademarks or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all of our trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality, mode and condition of storage, production, preparation and sale, and portion and packaging.

C. Store Identification. You must use the name MENCHIE'S as the trade name of the Store and you may not use any other mark or words to identify the Store without our prior written consent. You may not, however, use the word "Menchie's" or any of the other Trademarks as part of the legal name of your corporation, partnership, limited liability company or other entity. You may use the Trademarks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Trademarks on the materials as we prescribe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You must post a prominent sign in the Store identifying you as a MENCHIE'S franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Store and that the MENCHIE'S Trademark is owned by us and your use is under a license we have issued to you. All your internal and external signs must comply at all times with our guidelines, requirements and practices, as we may modify from time to time.

D. Litigation. If any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or ownership of the Trademarks, we will control all litigation and we have the right to determine whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you become aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses in connection with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct so in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks, you must cease using the former Trademarks and commence using the changed Trademarks. We will reimburse you for any out-of-pocket expenses you incur in connection with any change to the Trademarks on your letterhead; provided, however, that our reimbursement obligation during the term of this Agreement will not exceed \$250.

F. Creative Works. All ideas, concepts, techniques, or materials concerning the MENCHIE'S Store, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

TERM AND RENEWAL

4. The following provisions control with respect to the term and renewal of this Agreement:

A. Term. The initial term of this Agreement is ten years, unless this Agreement is sooner terminated in accordance with Section 13. The initial term commences upon the Effective Date (as defined in Section 15.Q) of this Agreement. We may extend this initial term in writing for a limited period of time not to exceed six months to take into account the term of any applicable lease for the Authorized Location.

B. Renewal Term and Conditions of Renewal. You may renew your license for three renewal terms of ten years each, provided that with respect to each renewal: (i) you have given us written notice of your decision to renew at least six months but not more than 12 months prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect any additional renewal term(s) upon expiration and other modifications to reflect that the agreement relates to the grant of a renewal), the terms of which may differ from this Agreement, including higher fees; (iii) you have complied with the provisions of Section 5.E regarding modernization and you perform any further items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Store to conform to the standards then applicable to new MENCHIE'S stores, regardless of the cost of such modernizations and/or replacements; (iv) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and material obligations on a timely basis during the term and are in good standing; (v) if leasing the Store premises, you have renewed the lease and have provided written proof of your ability to remain in

possession of the premises throughout the renewal period; (vi) you comply with our then-current training requirements; (vii) you pay us, at least 30 days prior to the end of the expiring term, a renewal fee in the amount of ten percent (10%) of our then-current initial franchise fee; and (viii) you and your Operating Partner (s) and guarantors execute a general release of claims in a form we prescribe.

C. Interim Period. If you do not exercise your right to renew this Agreement prior to the expiration of this Agreement and continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period.

FACILITY STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of MENCHIE'S stores to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Store Facility; Site Under Control. You are responsible for purchasing or leasing a site that meets our site selection guidelines. You must use our designated vendor in connection with selecting and securing a site for your Store. We must consent to the site in writing. You may not use the Store premises or Authorized Location for any purpose other than the operation of a MENCHIE'S Store during the term of this Agreement or any Interim Period. We make no guarantees concerning the success of the Store located on any site to which we consent.

You may not open your Store for business until we have inspected your Store, consented to your opening date and provided you with a Certificate of Opening. A Certificate of Opening may be issued only after all local permits, certificates and codes have been obtained and a certificate of occupancy has been granted. If you do not pass our initial inspection, you will be charged for all costs and expenses incurred by us in sending an inspector to re-inspect your Store. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 12.C for your failure to comply with your obligations.

If you plan to lease the Store premises, you and your landlord must sign the Lease Addendum attached as Schedule B. We recommend you submit the Lease Addendum to the landlord at the beginning of your lease review and negotiation process, although the terms of the Lease Addendum may not be negotiated without our prior approval. If the landlord requires us to negotiate the Lease Addendum, we reserve the right to charge you a fee, which will not exceed our actual costs associated with the negotiation. You must provide us a copy of the executed lease and Lease Addendum within five days of its execution. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease for the Store premises.

You must execute, and provide us an executed copy of your lease (including an executed copy of the Lease Addendum) or the purchase agreement for the approved Authorized Location for your Store within 24 months from the date of execution of this Agreement. If you fail to have your "site under control" (execute the lease or the purchase agreement within the timeframe set forth in this Section), we will have the right to terminate this Agreement without giving you an opportunity to cure pursuant to Section 13.B.2.

B. Construction; Future Alteration. You must construct and equip the Store in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, and design and layout of the building. You may not commence construction of the Store until you have received our written consent to your building plans.

Without limiting the generality of the prior Section, you must promptly and in any event within 60 days of obtaining possession of the site for the Store: (i) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our general atmosphere, image, color scheme and décor requirements as set forth from time to time in the manuals for a MENCHIE'S Store (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating); (ii) purchase or lease and then, in the construction of the Store, use only the approved building materials, equipment, fixtures, furniture and signs; (iii) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Store in full and strict compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (iv) obtain all customary contractors' sworn statements and partial and final waivers, obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and (v) obtain and maintain all required zoning changes, building, utility, health, sanitation, and sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions.

Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the Store to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have approved in writing. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

C. Maintenance. The building, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) employed in the operation of your Store must be maintained and refreshed in accordance with our requirements established periodically and any of our schedules prepared based upon periodic evaluations of the premises by our representatives. Within 30 to 60 days (as we determine depending on the work needed) after your receipt of our report prepared following our evaluation, you must effect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and interior signage. If, however, any condition presents a threat to customers or public health or safety, you must effect the items of maintenance immediately, as further described in Section 6.G. As between us and you, you are solely responsible for the safety and well-being of your employees and the customers of the Store.

D. Relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us; provided that the new Store is open and operating within 180 days after construction commences, all in accordance with our then-current standards. If you voluntarily decide to relocate the Store (for reasons other than those listed in the preceding sentence and not due to your breach under your lease), your interest in this Agreement will be deemed voluntarily abandoned, unless you have (i) given us notice of your intent to relocate not less than 60 days prior to closing the Store, (ii) procured a site that we accept within 60 days after closing the prior Store, (iii) opened the new Store for business within 180 days of such closure and complied with any other conditions that we reasonably require. You must pay us a \$5,000 relocation fee to cover our costs associated with the relocation.

If your Store is destroyed or damaged and you repair the Store at the original Authorized Location (rather than relocate the Store), you must repair and reopen the Store at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within 180 days of the date of occurrence of the destruction or damage.

You do not have the right to relocate if you lose the right to occupy the Store premises because of the cancellation of your lease due to your breach. The termination or cancellation of your lease due to your breach is grounds for immediate termination under Section 13.B.2.

E. Modernization or Replacement. From time to time as we require, you must effect items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Store to conform to the standards for similarly situated new MENCHIE'S stores. Furthermore, in addition to performing general continued maintenance and refreshing of the Store premises whenever necessary as set forth in Section 5.C, you must effect any required expenditures for equipment or leasehold improvements necessary to prepare new Menu Items or products. We will not require you to spend more than \$90,000 on Store modernization and replacement during the initial term of this Agreement.

Each and every transfer of any interest in this Agreement or your business governed by Section 11 or any renewal covered by Section 4 is expressly conditioned upon your compliance with these modernization or replacement requirements at the time of transfer or renewal.

You acknowledge and agree that the requirements of this Section 5.E are both reasonable and necessary to ensure continued public acceptance and patronage of MENCHIE'S stores and to avoid deterioration or obsolescence in connection with the operation of the Store. If you fail to make any improvement as required by this Section or perform the maintenance described in Section 5.C, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

F. Signage. The outdoor signage at your Store must comply with our then current specifications, which we may modify from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity. The following provisions control with respect to products and operations:

A. Authorized Menu. Your business must be confined to the preparation and sale of only such Menu Items as we designate and approve in writing from time to time for sale by your Store. You must offer for sale from the Store all items and only those items listed as Menu Items. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent.

B. Authorized Products and Ingredients. You must use in the operation of the Store and in the preparation of Menu Items only the proprietary and non-proprietary ingredients, recipes, formulas, techniques, processes and supplies we designate, and prepare and serve the Menu Items in such portions, sizes, appearance, taste and packaging, all as we specify in our Operations Manual or otherwise in writing. You acknowledge and agree that we may change these periodically and that you are obligated to conform to our requirements. All supplies, including containers, cups, plates, wrappings, eating utensils, and napkins, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the Store must at all times maintain an inventory of ingredients, food and beverage products and other products, materials and supplies that will permit operation of the Store at maximum capacity.

C. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies and/or approved suppliers. You must only use approved products, services, inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services (collectively, "Approved Supplies") in connection with the design, construction and operation of the Store as set forth in the Approved Supplies lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer, distributor and/or supplier of Approved Supplies (an "Approved Supplier"). You acknowledge and agree that certain Approved Supplies may only be available from one required Approved Supplier and we may be that supplier. For example, you must purchase all trademarked retail items, and certain products, supplies, equipment and materials from us or our designated supplier. You will pay the then-current price in effect for Approved Supplies purchased from us, or affiliates or any third party we designate. All inventory, products, materials and other items and supplies used in the operation of the Store that are not included in the Approved Supplies or Approved Suppliers lists must conform to the specifications and standards we establish from time to time. WE MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER ITEMS APPROVED OR DESIGNATED BY US. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIES, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.

D. POS System. You must purchase a point of sale cash register computer system from our required supplier, currently Micros, including all future updates, supplements and modifications (the "POS System"). The POS System includes all hardware and software used in the operation of the Store, including electronic point-of-sale cash registers and any software we may designate to record and analyze sales, labor, inventory, product usage, employee information and tax information. The POS System also will include any credit card processing system we designate. You

agree that in connection with any credit, debit and/or charge card payments you receive, you will adhere to, and cause any service provider or third party-provided payment applications to adhere to cardholder data security standards according to the then-current PCI (Payment Card Industry) Data Security Standards. You will be responsible for any costs and expenses related to compliance with such standards and/or related audits. You must provide us with evidence of such compliance at our request. You also must provide notice to us of any potential or actual data security breach relating to cardholder data.

The computer software package developed for use in the Store may include proprietary software. You may be required to license the proprietary software from us or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. All right, title and interest in the software will remain with the licensor of the software. You shall not use or download any software on your computer unless it has been authorized by us in writing. If you use or download any unauthorized software, you will be liable for all damages and problems caused thereby in addition to the other remedies provided under this Agreement. You acknowledge and agree that we will have full and complete access to the information and data entered and produced by the POS System. You must, at all times, have at the Authorized Location Internet access with a form of high speed connection as we require and you must maintain an email account for the Store. Your email account may not exceed 50 megabytes.

E. Serving and Promotional Items. All sales promotion material, customer goodwill items, cartons, containers, wrappers and paper goods, eating and serving utensils and other items, and customer convenience items used in the sales promotion, sale and distribution of products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. You must purchase these items from our Approved Suppliers.

F. Health and Sanitation. Your Store must be operated and maintained at all times in compliance with any and all applicable health and sanitary standards prescribed by governmental authorities. You also must comply with any standards that we prescribe. In addition to complying with such standards, if the Store is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more classifications, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. If you fail to be rated in the highest classification or receive any notice that you are not in compliance with any applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

G. Evaluations. We or our authorized representative have the right to enter your Store at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your building, land and equipment, and to test, sample, inspect and evaluate your supplies, ingredients and products, as well as the storage, preparation and formulation and the conditions of sanitation and cleanliness in the storage, production, handling and serving. Any failure of an inspection is a default under Section 13.A of this Agreement. Further, if we determine that any condition in the Store presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Store until the situation is remedied to our satisfaction. Our inspections and evaluations may include a "mystery shopper" program from time to time throughout the term of this Agreement. If you fail an evaluation by us or by a mystery shopper or if we receive a specific customer complaint, you must pay the costs and expenses of subsequent "mystery shopper" visits. Any evaluation or inspection we conduct is not intended to exercise, and

does not constitute, control over your day-to-day operation of the Business or to assume any responsibility for your obligations under this Agreement.

H. Period of Operation. Subject to any contrary requirements of local law, your Store must be opened to the public and operated during the days and times set forth in the Operations Manual. You acknowledge and agree that if your Store is closed for a period of two consecutive days or five or more days in any 12-month period without our prior written consent, such closure constitutes your voluntary abandonment of the franchise business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement. Acts of force majeure, as defined in Section 16.M, that prevent you from complying with the foregoing will not constitute an abandonment of the franchise business under this Section 6.H.

I. Operating Procedures. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques and management systems described in our Operations Manual or other written materials relating to product preparation, menu, storage, uniforms, financial management, equipment, facility and sanitation. We will revise the Operations Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions of retail operation in the best interest of stores operating under the Trademarks. Any required standards exist to protect our interests in the System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Manual or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Trademarks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines. You must use your best efforts to promote and increase the sales and service of Menu Items and to effect the widest and best possible distribution throughout the Designated Area.

You acknowledge having received one copy of the Operations Manual on loan from us for the term of this Agreement. The Operations Manual is at all times solely our property. You must at all times treat the Operations Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Operations Manual and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Operations Manual is kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling. You acknowledge and agree that in the future the Operations Manual and other system communications may only be available on the Internet or other online or computer communications.

J. Confidential Information. You, the Operating Partners, and your manager may not, during the term of this Agreement or thereafter, disclose, copy, reproduce, sell or use for the benefit of any other person or entity Confidential Information, except to such employees that must have access to it to operate the Store. For purposes of this Agreement, "Confidential Information" means the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the Operations Manual or otherwise communicated to you in writing, verbally or through the Internet or

other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Store, as well as the content of this Agreement and any other document executed in connection with this Agreement. Any and all Confidential Information, including, without limitation, proprietary ingredients, secret formulas and recipes, customer lists, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Store. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in the franchisee, the Operating Partners, your manager and other key employees. You must provide executed copies of these agreements to us upon our request. Notwithstanding the foregoing, you are authorized to disclose the terms of this Agreement to any lender providing you financing for the Store as well as to your landlord.

K. Catering and Delivery Services. If you want to offer catering or delivery service to customers, you must obtain our prior written approval. Any catering or delivery services must meet our written standards. You also must charge the same price for products offered by the Store whether delivered or catered by or sold in the Store. Any income from catering or delivery services must be included in Gross Sales for purposes of your Royalty Fee and Marketing Fee.

L. Compliance with Law, Licenses and Permits. You must at all times maintain your premises and conduct your Store operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Store. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the POS System or other technology used in the operation of your Business, including all data protection or security laws as well as PCI compliance.

You acknowledge that you are an independent business and responsible for control and management of your Store, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters, as the sole power, responsibility and liability for such matters rest exclusively with you.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your MENCHIE'S business or Store, including any notices of health code violations.

M. Participation in Internet Websites or Other Online Communications. We may require you, at your expense, to participate in our MENCHIE'S website on the Internet, our intranet system or extranet system or other online communications as we may require. We have the right to determine the content and use of our website and intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks; participate in any website or social media platform that markets goods and services similar to a MENCHIE'S store, or operate a website for your Store that does not link to our website. We retain all rights relating to our website and intranet system and may alter or terminate our website, extranet system or intranet system. Your general conduct on our website and intranet and extranet systems or other online communications (including social media) and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and intranet or extranet system, or

otherwise use the Trademarks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates.

N. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement.

O. Suggested Pricing Policies. You generally have the right to establish prices for the Menu Items and other products and services you sell. We may, from time to time, suggest prices for the Menu Items and other products and services you sell. We do, however, reserve the right to modify the Menu Items or System to give us the right to establish prices, both minimum and maximum, to the extent permitted under applicable law. Any such modification will be in writing. Unless we so modify the Menu Items or our System, any list or schedule of prices we furnish to you is a recommendation only and any decision you make to accept or reject the suggestion will not in any way affect the relationship between you and us.

PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. You (if Franchisee is an individual) or one of your owners (if Franchisee is a legal entity) must devote adequate time and best efforts to the management and operation of your Store. You must devote a minimum of ten hours per week to managing your Store. You may hire an Assistant Store Leader to assist you in managing the day-to-day operations of the Store. Any Assistant Store Leader or replacement Assistant Store Leader(s) you hire must complete our training as described in Sections 7.B – 7.E. Any Assistant Store Leader(s) or replacement Assistant Store Leader(s) you hire must be trained by us. Any Assistant Store Leader you may hire need not have any interest in Franchisee. The use of an Assistant Store Leader in no way relieves you of your obligations to comply with this Agreement and to ensure that the Store is properly operated.

B. Training. You must comply with all of the training requirements we prescribe for the Store to be developed under this Agreement. You (or if Franchisee is a legal entity your Operating Partner) must complete our initial training program to our satisfaction.

We will provide our initial training program to you (or your Operating Partner) and one additional person without charging you a fee. You, however, are responsible for paying all costs and daily living expenses, including hotel and transportation costs, for these individuals to attend our training program. If you would like us to train more than the two people noted above, or if it becomes necessary to retrain a certain individual, we will charge you our then-current training fee, which fee will not exceed \$500 per person per day. You will also be responsible for paying all costs and other daily expenses for any additional person who attends our initial training program.

We also will provide you with up to 4 days of on-site Store opening assistance. Specifically, when your Store is ready to open, we will, at our cost, send one of our representatives to your Store to provide opening assistance and support.

The training requirements may vary depending on your experience and the experience of any manager you hire or other factors specific to the Store. If you are given notice of default as set forth in Sections 13.A and B, and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you and your manager, at your expense, comply with the additional training requirements we prescribe. Any new manager you hire must comply with our training requirements within a reasonable time as we specify. The training of new managers generally occurs at one of our corporate stores, but we may schedule your training at another site. Under no circumstances may you permit the management of the Store's operation on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

If you request additional training or if we determine that it is necessary to provide you with more training, we may require you to pay to us for each additional training day at our then-current daily training fee.

C. Ongoing Training. We may require you, your manager and other key employees of the Store to attend, at your expense, ongoing training at our training facility, the Authorized Location or other location we designate. If you request training in addition to the initial training program identified above, you must pay to us our then-current daily training fee plus expenses.

D. Staffing. You will employ a sufficient number of competent and trained employees to ensure efficient service to your customers. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Trademarks in any way shifts any employee or employment related responsibility from you to us. You alone are responsible for hiring, firing, training, setting hours for and supervising all employees.

E. Attendance at Meetings. You must attend, at your expense, any annual franchise conventions we may hold or sponsor and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, store management, sales or sales promotion, or similar topics. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting.

ADVERTISING

8. You agree to actively promote your Store, to abide by all of our advertising requirements and to comply with the following provisions:

A. Marketing Fund. You must pay to us a Marketing Fee as set forth in Section 9.F. All Marketing Fees will be placed in a Marketing Fund that we own and manage. On behalf of our company-owned stores, we will pay the same Marketing Fee as similarly situated franchised stores (based on age and type of location) in the same local marketing area, except for Special Sites. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Marketing Fund; provided, however, we will make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. Because of the methods used, we are not required to spend a prorated amount on each store or in each advertising market. We have the right to make disbursements from the Marketing Fund for expenses incurred in connection with the cost of formulating, developing and

implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Marketing Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the advertising functions. If requested, we will provide you an annual unaudited statement of the financial condition of the Marketing Fund.

B. Required Local Expenditures. You must use your best efforts to promote and advertise the Store and participate in any local marketing and promotional programs we establish from time to time. In addition to any Marketing Fee we may collect, you are required to spend \$4,000 per year on approved local marketing and promotion in your own market. Upon our request, you must provide us with itemization and proof of marketing and an accounting of the monies that you have spent for approved local marketing. If you fail to make the required expenditure, we have the right to collect and contribute the deficiency to the Marketing Fund.

C. Grand Opening Marketing. You must spend at least \$5,000 on a grand opening campaign which will include promotional elements, merchandise/giveaways, entertainment, decorations, yogurt and labor (the "Grand Opening Marketing Campaign"). All grand opening marketing and promotion must be approved by us. Your Grand Opening Marketing Campaign expenditures will count towards your first year local advertising requirements.

D. Approved Materials. You must use only such marketing materials (including any print, radio, television, electronic, social media, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Store or on its premises are subject to our approval. We will not unreasonably withhold approval of any sales promotion materials or media and activities; provided that they are current, in good condition, in good taste and accurately depict the Trademarks.

E. Advertising Cooperatives. We have the right to designate local advertising markets and if designated, you must participate in and contribute to the cooperative advertising and marketing programs in your designated local advertising market. If established, you must direct your local advertising expenditure to the advertising cooperative, which is separate from the payment of the Marketing Fee. Each MENCHIE'S store, including those operated by us, within a designated local advertising area will be a member of the local advertising cooperative and each store will have one vote on all matters requiring a vote. Each advertising cooperative will be required to adopt governing bylaws that meet our approval. You must obtain our prior written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation. Each advertising cooperative will be required to prepare annual financial statements, which must be made available to all members of the cooperative and to us upon request. Also, each advertising cooperative must submit to us its meeting minutes upon our request. We have the right to require advertising cooperatives to be formed, changed, dissolved or merged in our sole determination.

F. Gift Cards, Certificates and Checks. We require you, as permitted by applicable law, to participate in a gift card or other customer loyalty program in accordance with the provisions set forth in the Manual and/or otherwise disclosed to you. In order to participate, you may be required to purchase additional equipment and pay any fees applicable to the use of that equipment. We have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards. You understand that state or federal law may impact how gift card or loyalty card revenues are divided and

accounted. In order to implement and manage the gift card or loyalty program, we reserve the right to view, access, or request the reporting of details and information regarding the use of gift cards or loyalty cards in your Store, including without limitation, transaction details and gift card or loyalty reward balance. You agree that such details and information may be used, with or without identifying information linking it to you or your Store, and in any manner we deem appropriate in our sole discretion, including without limitation for marketing and store analysis and comparison.

FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us an initial franchise fee of \$40,000 (the "Initial Franchise Fee"). If you are signing this Agreement in connection with your rights and obligations under an Area Development Agreement, the Initial Franchise Fee you will pay under this Agreement will be set forth in the Area Development Agreement. The Initial Franchise Fee must be paid at the time you sign this Agreement (unless otherwise provided under the Area Development Agreement), is fully earned upon receipt, and except as noted below, is nonrefundable.

Within 30 days of the Effective Date of this Agreement, you may choose to open additional Stores (a total of 3 Stores or 5 Stores, including the Store operated under this Agreement) and receive the benefit of a reduced, per Store, Initial Franchise Fee. If you choose to exercise this option, you will be required to pay us the difference between the Initial Franchise Fee(s) you already paid and the balance owed for the additional Stores you agree to open, which will be calculated and paid in accordance with the terms of our then-current form of Area Development Agreement. You also will be required to sign an Area Development Agreement, or if you are already a party to an Area Development Agreement, an addendum to the Area Development Agreement identifying the additional Stores you have agreed to open.

B. Uniforms, Merchandise and Store Supplies. Prior to the opening of your Store, you must pay us \$3,000 for uniforms, merchandise and store supplies.

C. Menchie's Development Services Fee. At the time you sign this Agreement, you must pay us a fee for providing real estate selection services to you (the "Development Services Fee"). The Development Services Fee is \$1,920. The Development Services Fee is earned upon receipt and is non-refundable.

D. Menchie's Proprietary System Software Package. You must pay us a monthly fee in the amount of \$80 for the Menchie's Proprietary System Software Package (the "Technology Fee"). The fee will cover our expenses associated with furnishing one user with our franchise management software, creating email accounts, email marketing, and providing technology administration and maintenance according to our then current guidelines and procedures, which may change from time to time. The monthly fee for the Menchie's Proprietary System Software Package is non-refundable and you will begin paying the fee 30 days after you sign a lease for your Store. We reserve the right to increase or decrease the monthly fee each calendar year in an amount not to exceed 5%. We will provide you with a 14 days' prior written notice of any such change.

E. Royalty Fee. In addition to the Initial Franchise Fee, during the term of this Agreement, and any Interim Period, and in consideration of the rights granted to you, you must pay to us a weekly royalty fee equal to 6% of Gross Sales (the "Royalty Fee").

F. Marketing Fee. In addition, you must pay to us a weekly marketing fee in an amount equal to 2% of Gross Sales (the "Marketing Fee"). These fees are not held by us in trust and become our property to be spent in accordance with Section 8.A of this Agreement.

G. Computations and Remittances. Except for the Initial Franchise Fee, Development Services Fee and Technology Fee, you must compute all amounts due and owing at the end of each weekly period from Sunday to Saturday and remittance for the amounts must be made to us on or before Friday of the following week, accompanied by the reports required by Section 9.J of this Agreement. We reserve the right to change the reporting day of the week for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us any amounts that we may hold from time to time on your behalf or that we owe to you.

H. Electronic Transfer of Funds. You must sign an electronic transfer of funds authorization, attached as Schedule C, to authorize and direct your bank or financial institution to transfer electronically, on a weekly basis, the Royalty Fee and Marketing Fee directly to our account and to charge to your account all amounts due to us. You will pay us the Technology Fee on a monthly basis via electronic transfer. You must maintain a balance in your account sufficient to allow us to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

I. Interest Charges; Late Fees. Any and all amounts that you owe to us will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late Royalty Fee and Marketing Fee payments, you must pay to us a service charge of 10% of the delinquent amount for each delinquent report or payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (i) we do not receive the payment on or before the date due; or (ii) there are insufficient funds in your bank account to collect the total payment by a transfer of funds on or after the date due. The service charge is neither interest nor a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

J. Financial Planning and Management. You must keep books and records and submit reports as we periodically require, including, but not limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledgers, all of which accurately reflect the operations and condition of your Store operations. You must compile, keep and submit to us the books, records and reports on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Store must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than five years. You must allow us electronic and manual access to any and all records relating to your Store.

K. Reports and Audit. Within ten days after the end of each month, you must submit to us a report of your Gross Sales with respect to the preceding month in the form and content as we periodically prescribe. The report must include, but not be limited to, the following information for the preceding month: (i) amount of Gross Sales and gross receipts of the Store, amount of sales tax, and the computation of the Royalty Fee and the Marketing Fee; (ii) quantities of products purchased and the sources from which each were obtained; (iii) copies of your most recent sales tax return, sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items (iv) if requested by us to verify your Gross Sales, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us within 90 days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year. We may require that the annual financial statements be reviewed by a certified public accountant. You must certify all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirement on our other franchisees.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Store are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. If any such evaluation or audit reveals any understatement of 2% or more of your Gross Sales, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary and any further audits and evaluations for up to three years thereafter will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Sales at any time, or if a subsequent audit or evaluation conducted within the three year period reveals any understatement of your Gross Sales of 2% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of 14 days from the date of notice of understatement or variance. You must fully cooperate with us or our representative in performing these activities and any expenses incurred by us from your lack of cooperation shall be reimbursed by you.

We will keep your financial books, records and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in Section 11.D.8 or where your information is grouped with similar information from other stores to produce shared results such as high-low ranges or average gross sales or expenses on a system-wide or regional basis.

YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to: (i) pay promptly when due all payments, obligations, assessments and taxes due and payable to us and our vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) promptly and timely discharge and satisfy all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Store or business; and (iii) promptly and

timely pay and satisfy all accounts and other indebtedness of every kind incurred by you in operating the Store or business. If you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

B. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Store. You must fully protect, indemnify and hold us and our owners, directors, officers, insurers, successors and assigns harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Store (regardless of cause or any concurrent or contributing fault or negligence of us) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all attorneys' fees immediately upon our request as they are incurred. It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, if we incur any liability, cost, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such liability, cost, loss or damage.

We waive all claims against you for damages to property or injuries to persons arising out of the operation of our company-owned stores. We must fully protect, indemnify and defend you and your affiliates and hold you and them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of our company-owned stores (regardless of cause or any concurrent or contributing fault or negligence of you) or any breach by us or our failure to comply with the terms and conditions of this Agreement.

C. Insurance. You must purchase and maintain in full force and effect, at your expense insurance that insures both you and us, and any other persons we designate by name. You must obtain your insurance from the source we designate. The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, must include the following (except as different coverages and policy limits may be specified for all franchisees from time to time in writing): (i) "special" causes of loss coverage forms (sometimes called "All Risk Coverage" or "All Peril Coverage") on the Store, store improvements and all furniture, fixtures, equipment, supplies and other property used in the operation of the Store, for full repair and replacement value, except that an appropriate deductible clause is permitted; (ii) business interruption insurance covering a minimum of 12 months loss of income, including coverage for our Royalty Fees (for example, in the event of a fire or destruction of the premises, the insurance must cover your average Royalty Fee payments to us (based on the previous 12-month timeframe, or if the Store has been in operation for a shorter timeframe, such total operating timeframe for the store) during the rebuilding process); (iii) comprehensive general liability insurance including product liability insurance and contractual liability insurance; (iv) workers' compensation insurance covering all of your employees; (v) motor vehicle insurance; (vi) umbrella liability insurance which also includes employers liability; (vii) "Per Location" aggregate limits when multiple store locations are insured under one comprehensive general liability and umbrella liability policy(cies); (viii) Menchie's Group, Inc. named as an additional insured on all liability policies required by this Section; (ix) severability of interests and/or separation of insureds provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by Menchie's Group, Inc.; and (x) any other such insurance coverages or amounts as required by law or other agreement related to the Store.

The insurance coverages referenced above must commence as of the date you sign a lease or purchase agreement for the Authorized Location. You must deliver to us at commencement and annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this Section. The insurance certificate must show our status as an additional insured and provide that we will be given 30 days' prior written notice of a material change in or termination or cancellation of the policy. We also may request copies of all policies. We may from time to time modify the required minimum limits and require additional insurance coverages, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the MENCHIE'S system, standards of liability and higher damage awards. If you do not procure and maintain the insurance coverage required by this Agreement, we have the right, but not the obligation, to procure such insurance coverage on your behalf and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

D. Noncompete Covenants. You agree that you will receive valuable training, Confidential Information and goodwill that you otherwise would not have received nor had access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term "you" as used in this Section 10.D includes, collectively and individually, all Operating Partners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 10.D.

2. You covenant that during the term of this Agreement and during any Interim Period you will not, except as we otherwise agree to in writing, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any Competing Business (as defined below).

3. You covenant that you will not, for a period of two years after the expiration or termination of this Agreement, or after the expiration of any Interim Period, regardless of the cause of termination, or within two years of the sale of the Store or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competing Business that is located:

- a. At the premises of the former Store;
- b. Within 25 miles of the former Store; or
- c. Within 25 miles of any other business or store using the MENCHIE'S System, whether franchised or owned by us.

For purposes of this Section 10.D, a Competing Business means and includes any business where 10% or more of its sales include the sale of soft-serve frozen yogurt or ice cream.

4. You agree that the length of time in paragraph 3 of this Section 10.D will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Store. Consequently, neither your interest in this Agreement nor in the Store may be transferred or assigned to or assumed by any other person or entity (the "assignee"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 11.F, and, if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 11.C is paid, and the transfer conditions described in Section 11.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Section 11:

1. Any change, pledge or seizure of any ownership interest in you that affects the ownership of 25% or more of you; or
2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity; or

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in Section 11.C, and satisfy the transfer conditions described in Section 11.D. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Store, or in any communication media or any form of advertising, any information relating to the sale of the Store or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Section 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 11.F must be made by submission of our form of application for consent to transfer, which must be

accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) and other required information. The application must indicate whether you or an Operating Partner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in this Agreement will be voluntarily abandoned, and it will provide us with the right to elect either to deem you in default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in Section 11.C.

C. Transfer Fee. You must pay to us a transfer fee in the amount of 50% of our then-current initial franchise fee. The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Requirements. The assignee must meet all of our then-current requirements for our MENCHIE'S franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement modified to reflect the term remaining under this Agreement.

2. Payment of Amounts Owed. All amounts owed by you to us or your suppliers or any landlord for the Store premises and Authorized Location, or upon which we have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with Sections 9.J and K.

4. Modernization. You must have complied with the provisions of Section 5.E.4.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Operating Partner retaining a security interest or other financial interest in this Agreement or the business operated hereunder, you or such Operating Partner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. General Release. You, each Operating Partner and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Store or the parties' business relationship, in the form we designate, releasing us.

7. Training. The assignee must, at your or assignee's expense, comply with the training requirements of Section 7.B.

8. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Store and

its operations reasonably necessary or appropriate for assignee and/or us to evaluate the Store and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Store and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Store and proposed transfer and must not be construed in any manner or form whatsoever as a financial performance representation or claims of success or failure.

9. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If any individual who is an Operating Partner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as an Operating Partner, such person or entity must apply for our consent under Section 11.B, pay the applicable transfer fee under Section 11.C, and satisfy the transfer conditions under Section 11.D, as in any other case of a proposed transfer, all within 180 days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Store still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in Section 11.F.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in you or the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 11.E or any transfer described in Section 11.A, you first must offer to sell to us your interest under the same terms. In the event of a bona fide offer from such third party, you must obtain from the third-party offer or and deliver to us a statement in writing, signed by the offer or and by you, of the terms of the offer. If the proposed transfer results from a transfer under Sections 11.A.1 or 11.A.2, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Store. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a transfer under Sections 11.A.1 or 11.A.2 or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in Section 14.B (the formula that excludes the value of any goodwill of the business) in connection with an asset purchase upon expiration or termination of this Agreement. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have 30 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration

included in the offer. If we fail to accept the offer within the 30-day period, you will be free for 90 days after such period to effect the disposition described in the statement delivered to us provided such transfer is in accordance with this Section 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 11.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee. In addition, we may assign certain of our obligations or duties under this Agreement to a sub-franchisor or area developer. For example, a sub-franchisor or area developer may assist us with or provide training or ongoing supervision to our franchisees.

DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Mediation. Before any party may bring an action in court or commence an arbitration proceeding (except as noted in Section 12.C below), the parties must first meet to mediate the dispute. The mediation will be held in the city in which our headquarters are located at the time of the mediation. Any such mediation will be non-binding and conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes.

B. Arbitration. If not resolved through mediation within 30 days or if one party refuses to participate in mediation, and except as qualified below, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your Store or Authorized Location must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in the city where our headquarters is located at the time of the dispute. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters or the state where your Store is located. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

C. Exceptions to Arbitration. Notwithstanding Section 12.B, the parties agree that the following claims will not be subject to arbitration:

1. any action for declaratory or equitable relief, including, without

limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder; and

2. any action in ejectment or for possession of any interest in real or personal property.

D. Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Store or Authorized Location, or the business will be entitled to recover its reasonable attorneys' fees and costs.

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Operating Partner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us, conviction of you, an Operating Partner, or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Store, any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Operating Partner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 13.B or elsewhere in the Agreement: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have ten days to cure those defaults; (ii) your failure to cure a default within the 30-day or ten-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: any material misrepresentation or omission in your franchise application, your voluntary abandonment of this Agreement or the Authorized Location, the loss of your lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to reopen or relocate under Section 5.D, the closing of the Store by any state or local authorities for health or public safety reasons, failure to locate a site for your Store within 24 months after signing this Agreement, failure to complete our initial training program, any unauthorized use of the Confidential Information, insolvency of you, an

Operating Partner, or guarantor, you, an Operating Partner, or guarantor making an assignment or entering into any similar arrangement for the benefit of creditors, any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks, conviction of you, any Operating Partners, or guarantors of (or pleading no contest to) any felony regardless of the nature of the charges, or any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Store, intentionally understating or underreporting Gross Sales, Royalty Fees or Marketing Fees or any understatement or 2% variance on a subsequent audit within a 3 year period under Section 9.J, violation by you of the provisions of Section 15.P, any unauthorized transfer or assignment in violation of Section 11 or any default by you that is the third same or similar default within any 12-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. If a default under this Agreement occurs that violates any health safety or sanitation law or regulation, violates any System standard as to food handling, cleanliness, health and sanitation, or if the operation of the Store presents a health or safety hazard to your customers or to the public: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) if you fail to cure the default within the 24 hour period, this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 30 days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your Post-Term obligations under Section 14 of this Agreement.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement, or the expiration of any Interim Period:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Store (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under Section 10.D, cease all use and display of the Trademarks and of any proprietary material (including the Operations Manual) and of all or any portion of point-of-sale materials furnished or approved by us, assign to us all right, title and interest in the telephone numbers for the Store and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us or our

designees and all sums you owe to third parties that have been guaranteed by us. You must immediately return to us, at your expense, all copies of the Operations Manual, Confidential Information, and customer lists then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.J. You must promptly at your expense and subject to Section 14.B, remove or obliterate all Store signage, displays or other materials (electronic or tangible) in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of the Store as to differentiate the Store unmistakably from duly licensed stores identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within 30 days, we have the right to enter the Authorized Location and remove all Store signage, displays or other materials in your possession at the Authorized Location or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement (or the expiration of any Interim Period), you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us that expressly or by their nature survive the expiration or termination of this Agreement.

B. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Store that are owned by you or any of your affiliates including, without limitation, the land, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and inventory of the Store at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Store's other assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Section within 30 days after the date of the expiration or termination of this Agreement, or the expiration of any Interim Period. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Authorized Location is located upon petition of either party.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a MENCHIE'S Store and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within 45 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Store that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If we do not exercise our option to purchase under this Section, you may sell or lease the Store premises to a third party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of two years after the expiration or termination of this Agreement, or the expiration of any Interim Period, not to use the premises for the operation of a store business that has a menu or method of operation similar to that employed by our company-owned or franchised stores.

C. Claims. You and your Operating Partners and guarantors may not assert any claim or cause of action against us relating to this Agreement or the MENCHIE'S business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. If one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement will be valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Schedules and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or

communication provided for herein must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or termination, by registered or certified mail, and addressed as follows:

1. If intended for us, addressed to Menchie's Group, Inc.,
17555 Ventura Boulevard, Suite 200, Encino, California 91316;
2. If intended for you, addressed to you at the address set forth on the
Data Sheet or at the Authorized Location; or,

in either case, to such other address as may have been designated by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

E. References. If the franchisee is 2 or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement include all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. Your spouse and all persons owning any interest in Franchisee, if Franchisee is a corporation, limited liability company, partnership or other legal entity, must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes an owner of Franchisee pursuant to the provisions of Section 11. or otherwise must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Section 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 12 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state where your Store is located.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of Section 5.E and other express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. 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 that is not subject to arbitration under Section 12, must be brought in the state or federal district court located in the county or district then encompassing our headquarters. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

K. Waiver of Punitive Damages. You and your affiliates and we agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, we shall have no liability in connection with or related to the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

M. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Menu Items and other standards, specifications, and requirements for any franchised

store or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such store or store, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard menus, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. Notice of Potential Profit. We may from time to time make available to you or require you to purchase goods, products and/or services for use in your Store on the sale of which we may make a profit. Further, we may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we are entitled to said profits and/or consideration.

P. Interference with Employment Relations. During the term of this Agreement, or during any Interim Period, neither we nor you may employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior 6 months employed in any type of managerial position by the other party or any of its affiliates, or by any franchisee in the system, unless the violating party compensates the former employer for all costs and expenses incurred in losing and replacing the employee up to a maximum of \$25,000, plus attorneys' fees and expenses. This Section will not be violated if (i) at the time we or you employ or seek to employ the person, the former employer has given its written consent or (ii) we employ or seek to employ the person in connection with the transfer of the Store to us. The parties acknowledge and agree that any franchisee from whom an employee was hired by you in violation of this Section shall be a third-party beneficiary of this provision, but only to the extent they may seek compensation from you.

Q. Effective Date. We will designate the "Effective Date" of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement. However, as described in Section 5.A, you do not have the right to, and may not, open and commence operation of a Store at the Authorized Location until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

R. Anti-Terrorism Provision. You and each Operating Partner represent and warrant to us that: (a) neither you nor any Operating Partner is named, either directly or by an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control currently located at www.treas.gov/offices/enforcement/ofac/; (b) you and each Operating Partner will take no action that would constitute a violation of any applicable laws against corrupt business practices, against money laundering and against facilitating or supporting persons or entities who conspire to commit acts of terror against any person or entity, including as prohibited by the U.S. Patriot Act U.S. Executive Order 13244 or any similar laws; and (c) you and each Operating Partner shall immediately notify us in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement on the dates written above.

Franchisor: Menchie's Group, Inc.

By: _____ MJ
Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

Schedule A to the Franchise Agreement

Data Sheet

1. **Franchisee:** _____

2. **Operating Partner.** You represent and warrant to us that the following person or entity, and only the following person or entity, will be your Operating Partner:

Name	Home Address	Percentage of Ownership

3. **Authorized Location.** As stated in Section 2.A of the Franchise Agreement, the Authorized Location is: _____

4. **Designated Territory.** As stated in Section 2.A of the Franchise Agreement, the Designated Territory under this Agreement shall mean: _____

Effective Date: _____

[Signatures on following page.]

By signing below you acknowledge that the Authorized Location noted above was chosen and approved by you.

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

Schedule B to the Franchise Agreement

Addendum to Lease

This Addendum to Lease ("Addendum"), dated _____, 20__ is entered into between
_____ "Landlord") and _____ ("Tenant").

R E C I T A L S

The parties have entered into a Lease Agreement, dated , 20(the "Lease), pertaining to the premises located at(the "Premises").

The Landlord acknowledges that Tenant intends to operate a MENCHIE'S® store (the "Store") from the Premises pursuant to Tenant's Franchise Agreement with Menchie's Group, Inc. ("Franchisor"), dated (the "Franchise Agreement"), whereby Tenant will utilize the MENCHIE'S name and the MENCHIE'S trademarks, logos, symbols and trade names as Franchisor may designate in the operation of the Store at the Premises (the "Marks").

Landlord further acknowledges that Franchisor has approved Tenant's request to locate its Store on the Premises that is the subject of the Lease, provided that the conditions and agreements set forth in this Addendum are made a part of the Lease.

A G R E E M E N T S

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows:

1. Remodeling and Decor. Landlord agrees that Tenant has the right to remodel, equip, paint and decorate the interior of the Premises and to display such Marks and signs on the interior and exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate the Store on the Premises. Any remodel of the building and/or its signs shall be subject to Landlord's prior and reasonable approval.

2. Assignment By Tenant.

(a) Tenant does not have the right to sublease or assign the Lease to any third party without Landlord's and Franchisor's prior written approval.

(b) So long as Tenant is in good standing under the Lease, Tenant has the right to assign all of its right, title and interest in the Lease to Franchisor or its affiliates during the term of the Lease, including any extensions or renewals, without first obtaining Landlord's consent. No assignment will be effective, however, until Franchisor or its designated affiliate gives Landlord written notice of its acceptance of the assignment. Franchisor will be responsible for the Lease obligations incurred after the effective date of the assignment.

(c) If Franchisor elects to assume the Lease, Franchisor shall not be required to begin paying rent until Landlord delivers possession of the Premises to Franchisor. At any time until Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume the Lease, by written notice to Landlord.

3. Default and Notices to Franchisor.

(a) Landlord shall send Franchisor copies of all notices of default under the Lease at the same time it provides Tenant with such notice(s). If Tenant fails to cure any defaults under the Lease within the period specified in the Lease, Landlord shall promptly give Franchisor written notice thereof, specifying the defaults that Tenant has failed to cure. Franchisor has the right to unilaterally assume the Lease if Tenant fails to cure a default. Franchisor shall have 15 days from the date Franchisor receives such notice to exercise, by written notice to Landlord and Tenant, its right for Franchisor or its affiliate designee ("Franchisor Entity"), to assume the Lease. Franchisor shall have an additional 30 days from the expiration of Tenant's cure period in which to cure the default or violation under the Lease.

(b) If Franchisor elects to assume the Lease, the Franchisor Entity shall not be required to cure defaults and/or to begin paying rent until Landlord delivers possession of the Premises to the Franchisor Entity. At any time until Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume the Lease, by written notice to Landlord.

4. Termination of Franchise Agreement; Expiration or Non-Renewal of Lease.

(a) If the Franchise Agreement is terminated for any reason during the term of the Lease or any renewal or extension thereof, and if Franchisor desires to assume the Lease, Franchisor shall promptly give Landlord written notice thereof. Within 30 days after receipt of such notice of assumption of the Lease, Landlord shall give Franchisor written notice specifying any defaults of Tenant under the Lease. If Franchisor elects to assume the Lease, Franchisor must cure said defaults consistent with Section 3 above.

(b) If the Lease contains term renewal or extension right(s) and if Tenant allows the term to expire without exercising said right(s), Landlord shall give Franchisor written notice thereof, and a Franchisor Entity shall have the option, for 30 days after receipt of said notice, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If a Franchisor Entity elects to exercise such right(s), it shall so notify Landlord in writing, whereupon Landlord and the Franchisor Entity shall promptly execute and deliver an agreement whereby the Franchisor Entity assumes the Lease, effective at the commencement of the extension or renewal term.

5. Access to Premises Following Expiration or Termination of Lease. Upon the expiration or termination of the Lease, Landlord will cooperate with and assist Franchisor in gaining possession of the Premises and, if the Franchisor Entity does not elect to assume the Lease for the Premises consistent with Sections 3(a) or 4(b) above, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord except for any damages caused by Franchisor's willful misconduct or gross negligence, to remove all signs and all other items identifying the Premises as a MENCHIE'S Store and to make such other modifications (such as repainting) as are reasonably necessary to protect the MENCHIE'S marks and system, and to distinguish the Premises from MENCHIE'S Stores. If Franchisor exercises its option to purchase assets of Tenant, Landlord must permit Franchisor to remove from the Premises all such assets being purchased by Franchisor.

6. Assumption and Subsequent Assignment By Franchisor. If Franchisor elects to assume the Lease under Section 2, or unilaterally assumes the Lease as provided for in Sections 3 or 4, Landlord and Tenant agree that:

(a) Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption. Further, Tenant shall be and remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment or assumption of the Lease by Franchisor. Franchisor shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

(b) Franchisor, upon taking possession of the Premises, shall cure any default specified by Landlord within the timeframes noted herein and shall execute and deliver to Landlord its assumption of Tenant's rights and obligations under the Lease. Following Franchisor's assumption of the Lease, Franchisor shall pay, perform and be bound by all the duties and obligations of the Lease applicable to tenant, except that Franchisor may elect not to assume or be bound by the terms of any Amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval.

(c) At or after the time Franchisor assumes Tenant's interests under the Lease, Franchisor may, at any time, assign such interests or sublet the Premises to a MENCHIE'S franchisee. Any such assignment shall be subject to the prior written consent of the Landlord, which Landlord shall not unreasonably withhold, delay or condition as long as it relates to a creditworthy franchisee who otherwise meets Franchisor's then-current standards and requirements for franchisees and agrees to operate the Store as a MENCHIE'S Store pursuant to a franchise agreement with Franchisor. Upon receipt by Landlord of an assumption agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease, Franchisor shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgement of such release by Landlord.

7. Access to Premises During Lease. As provided in the Franchise Agreement, Franchisor shall have the right to access the Premises during continuance of the Lease to ensure compliance by Tenant with its obligations under the Franchise Agreement.

8. Additional Provisions.

(a) Landlord hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Tenant plans to operate its business and Tenant would not lease the Premises from Landlord without this Addendum.

(b) Landlord further acknowledges that Tenant is not an agent or employee of Franchisor and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liability of or against Franchisor or any affiliate of Franchisor, unless and until the Lease is assigned to, and accepted in writing by, Franchisor or its affiliate.

(c) All notices to Franchisor required by this Addendum must be in writing and sent by registered or certified mail, postage prepaid, to the following address:

Menchie's Group, Inc.
17555 Ventura Boulevard, Suite 200
Encino, California 91316

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

9. **Sales Reports.** If requested by Franchisor, Landlord will provide Franchisor with whatever information Landlord has regarding Tenant's sales from the Store.

10. **Conflicts.** In the event of a conflict between the terms of the Lease and the terms set forth in this Addendum, the terms set forth herein shall govern. In the event of a conflict between notices provided to Landlord by Tenant and Franchisor, the notices of Franchisor shall prevail.

11. **Miscellaneous.** Any waiver excusing or reducing any obligation imposed by this Addendum shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Addendum shall in all cases be construed simply according to its fair meaning and not strictly for or against any party. Nothing in this Addendum is intended, nor shall it be deemed, to confer any rights or remedies upon any person or entity not a party hereto except for Franchisor. This Addendum shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Addendum sets forth the entire agreement with regard to the rights of Franchisor, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter of this Addendum. This Addendum may only be amended by written agreement duly executed by each party.

IN WITNESS WHEREOF, this Addendum is made and entered into by the undersigned parties as of _____.

LANDLORD:

By: _____

Print Name: _____

Its: _____

FRANCHISEE:

By: _____

Print Name: _____

Its: _____

By: _____

Print Name: _____

Its: _____

Schedule C to the Franchise Agreement

Electronic Transfer of Funds Authorization

Franchisee:

Location:

Date:

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes Menchie's Group, Inc. or any affiliated entity (collectively, "Franchisor") to initiate weekly ACH debit entries against the account of the undersigned with you in payment of amounts for Royalty Fees, Marketing Fees or other amounts that become payable by the undersigned to Franchisor. The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by Franchisor.

This authorization is binding and will remain in full force and effect until 90 days' prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Sincerely yours,

*** We also need a VOIDED Check ***

Account Name

Bank Name

Branch

Street Address

City State Zip Code

Bank Telephone Number

Bank's Account Number

Customer's Account Number

Street Address

City State Zip Code

Telephone Number

By

Its

Date

Schedule D to the Franchise Agreement

Telephone Assignment Agreement

This Assignment Agreement (the "Assignment") is made, and entered into, between Menchie's Group, Inc., a California corporation ("Menchie's") and the undersigned MENCHIE'S franchisee ("Franchisee").

RECITALS

A. Menchie's has developed a unique system for the establishment and operation of soft-serve frozen yogurt and ice cream stores which also feature desserts and beverage items for retail sale to the public (the "System");

B. Menchie's and Franchisee have entered into a Franchise Agreement dated _____ (the "Franchise Agreement"), pursuant to which Franchisee was granted the right to operate a MENCHIE'S Store under the System; and

C. It is the desire of and in the best interests of Menchie's and the System that if the Franchise Agreement terminates or expires, the telephone numbers, telephone directory listings and internet addresses used by Franchisee in connection with the operation of its MENCHIE'S Store are assigned to Menchie's

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and Menchie's agreeing to enter into the Franchise Agreement, Menchie's and Franchisee agree as follows:

1. Franchisee hereby agrees to assign to Menchie's: (i) those certain telephone numbers and regular, classified or other telephone directory listings used by Franchisee in connection with operating the MENCHIE'S Store (collectively, the "Numbers and Listings") and (ii) those certain Internet Web Site addresses ("URLs") associated with the MENCHIE'S trademarks and service marks and used from time to time by Franchisee in connection with the operation of its MENCHIE'S Store.

2. This Assignment is for collateral purposes only and, except as specified herein, Menchie's will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee's use of the Numbers and Listings and the URLs, unless and until Menchie's notifies the telephone company and the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as "Telephone Company") and Franchisee's Internet service provider ("ISP") to effectuate the assignment pursuant to the terms hereof.

3. Upon termination or expiration of the Franchise Agreement (without renewal or extension), Menchie's will have the right and is hereby empowered to effectuate the assignment of the Numbers and Listings and the URLs to itself or to any third party it designates. If Menchie's exercises its assignment rights Franchisee will have no further right, title or interest in the Numbers and Listings or the URLs; provided, however, Franchisee will remain liable to the Telephone Company and the ISP for any and all past due fees owing to the Telephone Company and the ISP on or before the effective date of the assignment.

4. Franchisee acknowledges and agrees that as between Menchie's and Franchisee, upon termination or expiration of the Franchise Agreement, Menchie's will have the sole right to and interest in the Numbers and Listings and the URLs, and Franchisee appoints Menchie's as Franchisee's true and lawful attorney-in-fact to direct the Telephone Company and the ISP to assign the same to Menchie's or its designee and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee will immediately notify the Telephone Company and the ISP to assign the Numbers and Listings and the URLs to Menchie's or its designee. If Franchisee fails to promptly direct the Telephone Company and the ISP to assign the Numbers and Listings and the URLs to Menchie's or its designee, Menchie's will direct the Telephone Company and the ISP to effectuate the assignment contemplated hereunder to Menchie's or its designee.

5. The parties agree that the Telephone Company and the ISP may accept Menchie's written direction, the Franchise Agreement or this Assignment as conclusive proof of Menchie's (or its designee's) exclusive rights in and to the Numbers and Listings and the URLs upon such termination or expiration of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon Telephone Company's and ISP's receipt of such notice from Menchie's or Franchisee. The parties further agree that if the Telephone Company or the ISP requires that the parties execute the Telephone Company's or the ISP's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Menchie's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

Agreed to this ____ day of _____, 20__.

[Signatures on following page.]

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

Schedule E to the Franchise Agreement

Personal Guarantee and Agreement to be Bound
Personally by the Terms and Conditions
of the Franchise Agreement

In consideration of the execution of the Franchise Agreement by Menchie's Group, Inc., ("we" or "us") and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of all covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Franchise Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-complete provisions in Section 10.D, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions as the Franchise Agreement.

Each of the undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, each of the undersigned consents and agrees that: (a) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (b) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE: _____

PERSONAL GUARANTORS:

Individually		

Print Name		

Address		
_____	_____	_____
City	State	Zip Code

Telephone		

Individually		

Print Name		

Address		
_____	_____	_____
City	State	Zip Code

Telephone		

Individually		
Print Name		
Address		
City	State	Zip Code
Telephone		

Individually		
Print Name		
Address		
City	State	Zip Code
Telephone		

Schedule F to the Franchise Agreement

Addendum to MENCHIE'S Franchise Agreement

This Addendum to the Franchise Agreement ("Addendum"), dated , _____, 20____, is entered into between _____ ("Franchisee"), and Menchie's Group, Inc. ("Franchisor").

RECITALS

A. The parties have entered into _____ separate Franchise Agreements, all dated _____, 20____, relating to the development and operation of MENCHIE'S stores around the following locations: (1) _____ (the "_____ Agreement"), (2) _____ (the "_____ Agreement"), (3) _____ (the "_____ Agreement"), (4) _____ Agreement ("_____ Agreement") and (5) _____ (the "_____ Agreement").

B. The parties desire to amend Sections 2.A and 2.B of the _____ accordance with the terms and conditions contained in this Addendum.

AGREEMENT

Agreement in

Franchisor and Franchisee agree that the _____ Agreement is hereby modified as follows:

1. The first paragraph of Section 2.A is deleted in its entirety and replaced with the following:

A. Authorized Location. Subject to the terms of this Agreement, we grant you the right and license to establish and operate a retail Store identified by the MENCHIE'S Trademarks at the location identified on the Data Sheet as the authorized location, which authorized location must be (I) within the Designated Territory identified on the Data Sheet (the "Designated Territory") and (II) designated by you and approved by us within days _____ from the date of this Agreement (the "Authorized Location"). When a location has been timely designated by you and you have received a non-objection (approval) notice from us, it will become the Authorized Location under this Section 2.A as if originally stated. If an Authorized Location is not timely designated by you and approved by us, we may terminate this Agreement. You accept the license and undertake the obligation to operate the Store at the Authorized Location using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

2. Section 2.B is deleted in its entirety and replaced with the following:

B. Opening. You agree that the Store will be open and operating in accordance with the requirements of Section 5.A within _____ to _____ days from the date of this Agreement, unless we authorize in writing an extension of time. Before you open your Store for business, we must inspect your Store and provide you with a Certificate of Opening.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement Addendum on the dates written below:

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

Schedule G to the Franchise Agreement

Acknowledgment Addendum to MENCHIE'S Franchise Agreement

As you know, you and we are entering into a Franchise Agreement for the operation of a MENCHIE'S franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment:

2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation:

5. Do you understand that the site selection process will take many months and, in some instances, more than one year? Do you understand that the Initial Franchise Fee is not refundable in the event you are unable to locate a site that meets our site selection criteria? Check one: ☐ Yes ☐ No. If no, please comment:

6. Did any employee or other person speaking on behalf of Menchie's Group, Inc. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? Check one: ☐ No ☐ Yes. If yes, please comment:

7. Except as stated in Item 19, did any employee or other person speaking on behalf of Menchie's Group, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any MENCHIE'S store, location or business, or the likelihood of success at your franchised business? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation:

8. Do you understand that that the franchise granted is for the right to operate a Store at the Authorized Location within the Designated Territory only and that we have the right to issue franchises or operate competing businesses for or at locations outside your Designated Territory and through alternate channels of distribution? Check one: ☐ Yes ☐ No. If no, please comment _____
9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning the franchise for the Store, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding? Check one: ☐ Yes ☐ No. If no, please comment: _____
10. Do you understand that the success or failure of your Store will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the MENCHIE'S trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Store may change? Check one ☐ Yes ☐ No. If no, please comment: _____
11. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the MENCHIE'S brand and Trademarks and to assist you in the operation of your Business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your Business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check One: ☐ Yes ☐ No. If no, please comment: _____
12. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 10.D of the Franchise Agreement and that an injunction is an appropriate remedy to protect the interest of the MENCHIE'S system if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly in Section 10.D, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one ☐ Yes ☐ No. If no, please comment: _____
13. On the receipt pages of your Disclosure Document you identified _____
as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one ☐ Yes

() No. If no, please identify any additional franchise sellers involved with this transaction: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS OPERATING PARTNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____ Date: _____

Signed: _____
Print Name: _____

Signed: _____
Print Name: _____
Date: _____ Date: _____

Signed: _____
Print Name: _____

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of liability incurred under the Maryland Franchise Registration and Disclosure Law.

Exhibit D

AREA DEVELOPMENT AGREEMENT

MENCHIE'S® Area Development Agreement

**Menchie's Group, Inc.
17555 Ventura Boulevard, Suite 200
Encino, California 91316**

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APPENDICES

- A. DATA SHEET
- B. DEVELOPMENT SCHEDULE

MENCHIE'S
®
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made this _____ day of _____, 20____, by and between MENCHIE'S GROUP, INC., a California corporation with its principal business located at 17555 Ventura Boulevard, Suite 200, Encino, California 91316 ("we" or "us"), and the person or entity identified as Developer ("Developer" or "you") on the Data Sheet attached as Appendix A (the "Data Sheet"). If Developer is a corporation, partnership, limited liability company or other entity, the provisions of this Agreement also apply to its owners.

RECITA
LS

A. We have developed a unique system for the establishment and operation of soft-serve frozen yogurt and ice cream stores which also feature desserts and beverage items for retail sale to the public (the "MENCHIE'S stores");

B. We own the MENCHIE'S trademark and other trademarks used in connection with the operation of a MENCHIE'S store;

C. You desire to develop and operate several MENCHIE'S stores; and

D. We have agreed to grant you the right to develop several MENCHIE'S stores subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

I. For purposes of this Agreement, the terms below have the following definitions:

A. "Net Sales" is Gross Sales minus discounts. Gross Sales includes the total revenues and receipts from the sale of all products, services and merchandise sold in your Store, whether under any of the Trademarks or otherwise, including any catering or delivery services, cover charges or fees, in your Store or on its premises and all revenues derived from any type of authorized vending machines. Gross Sales excludes sales tax.

B. "Menu Items" means the soft-serve frozen yogurt, ice cream, desserts, beverages, and other products prepared according to our specified recipes and procedures, as we may modify from time to time.

C. "Manual" or "Operations Manual" means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for your MENCHIE'S Store, all of which we may change from time to time.

D. "Stores" means the MENCHIE'S Stores you develop and operate pursuant to this Agreement.

E. "System" means the MENCHIE'S system, which consists of distinctive food and beverage products prepared according to special and confidential recipes and formulas with unique storage, preparation, service and delivery procedures and techniques, offered in a setting of distinctive exterior and interior layout, design and color scheme, signage, furnishings and materials and using certain distinctive types of facilities, equipment, supplies, ingredients, business techniques, methods and procedures, all of which we may modify from time to time.

F. "Trademarks" means the MENCHIE'S trademarks that have been registered in the United States and elsewhere and the trademarks, service marks and trade names set forth in each Franchise Agreement, as we may modify from time to time, and the trade dress and other commercial symbols used in the Stores. Trade dress includes the designs, color schemes and image we authorize you from time to time to use in the operation of the Stores.

GRANT OF DEVELOPMENT RIGHTS

2. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate _____ (____) MENCHIE'S stores (the "Stores").

B. You are bound by the development schedule ("Development Schedule") set forth in Appendix B. Time is of the essence for the development of each Store in accordance with the Development Schedule. Each Store must be developed and operated pursuant to a separate Franchise Agreement that you enter into with us pursuant to Section 4.B below.

C. The rights granted under this Agreement are limited to the right to develop, and upon execution of the applicable Franchise Agreement, operate, Stores and do not include any right to: (i) sell products and Menu Items identified by the Trademarks at any location other than the Stores, (ii) sell products or Menu Items through alternative channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce), (iii) sell products and Menu Items identified by the Trademarks to any person or entity for resale or further distribution, or (iv) exclude, control or impose conditions on our development or operation of franchised, company or affiliate owned MENCHIE'S stores at any time or at any location. You may not use the word MENCHIE'S or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other entity.

You acknowledge and agree that we have the right to operate and franchise others the right to operate stores or any other business under the Trademarks or any trademarks other than the Trademarks without paying you any compensation. We also have the right to offer, sell or distribute any products or services associated with the System (now or in the future) under the Trademarks or any other trademarks, service marks or trade names or through any distribution channel or method, all without paying you any compensation. The distribution channels or methods include, without limitation, grocery stores, club stores, convenience stores, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

You acknowledge and agree that we have the sole and exclusive right to develop or franchise MENCHIE'S stores at the following locations: (1) military bases; (2)

public transportation facilities; (3) sports facilities, including race tracks; (4) student unions or other similar buildings on college or university campuses; (5) amusement and theme parks; and
(6) community and special events ("Special Sites").

D. This Agreement is not a franchise agreement and you have no right to use in any manner the Trademarks by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a business or a Store or to use the System or the Trademarks.

DEVELOPMENT FEE

3. As consideration for the rights granted in this Agreement, you must pay us a fee (the "Development Fee") equal to the applicable Initial Franchise Fee multiplied by the number of Stores you agree to develop and operate. As a multi-Store developer, you will pay a discounted Initial Franchise Fee for each Store you agree to develop under this Agreement. Specifically, if you agree to develop three Stores, your Initial Franchise Fee for each Store will be \$32,000. If you agree to develop five Stores, your Initial Franchise Fee for each Store will be \$25,000. Therefore, if you agree to open three Stores, your Development Fee will be \$96,000 (\$32,000 x 3). If you agree to open five Stores, your Development Fee will be \$125,000 (\$25,000 x 5). The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon receipt and is non-refundable.

Upon the signing of this Agreement, you will pay us either: (i) one-half of the total Development Fee; or (ii) the entire Development Fee. If you pay one-half of the total Development Fee upon the signing of this Agreement, a pro-rata portion of such amount will be credited against the Initial Franchise Fee due for each Store that you agree to develop under this Agreement. The remaining balance of the Initial Franchise Fee for each Store will be due when you sign the Franchise Agreement for such Store. Under this option, you will develop and open each Store before beginning the development of your next Store. If you choose to pay the total Development Fee upon signing this Agreement (and, thereby the entire Initial Franchise Fee for each Store you agree to open), you also will sign a Franchise Agreement for each such Store contemporaneous with the signing of this Agreement.

DEVELOPMENT SCHEDULE

4. The following provisions control with respect to your development rights and obligations:

A. You are bound by and strictly must follow the Development Schedule. By the dates set forth under the Development Schedule, you must enter into Franchise Agreements with us pursuant to this Agreement for the number of Stores described under the Development Schedule. You also must comply with the Development Schedule requirements regarding (i) the opening date for each Store and (ii) the cumulative number of Stores to be open and continuously operating. If you fail to either execute a Franchise Agreement or open a Store according to the dates set forth in the Development Schedule, we have the right to immediately terminate this Agreement pursuant to Section 7.B.

B. You may not develop a Store unless (i) at least 45 days, but no more than 60 days, prior to the date set forth in the Development Schedule for the execution of the Franchise Agreement, you send us a notice (a) requesting that we send you our then current disclosure documents, (b) confirming your intention to develop your next Store and (c) sending us all information necessary to complete the Franchise Agreement for the particular Store, and (ii) all

of the following conditions have been met (these conditions apply to each Store to be developed under the terms of this Agreement):

1. Your Submission of Information. You must furnish to us, at least 30 days prior to the earlier of (i) the date set forth in the Development Schedule by which you must execute a Franchise Agreement or (ii) the actual date on which the Franchise Agreement would be executed, a franchise application for the proposed Store, financial statements and other information regarding you, the operation of any of your other Stores and the development and operation of the proposed Store (including, without limitation, investment and financing plans for the proposed Store) as we may reasonably require.

2. Your Compliance with Our Then-Current Standards for Franchisees. You must receive written confirmation from us that you meet our then-current standards for franchisees, including financial capability criteria for the development of a new Store. You acknowledge and agree that this requirement is necessary to ensure the proper development and operation of your Stores, and preserve and enhance the reputation and goodwill of all MENCHIE'S stores and the goodwill of the Trademarks. Our confirmation that you meet our then-current standards for the development of a new Store, however, does not in any way constitute a guaranty by us as to your success.

3. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us. You also must have satisfied on a timely basis all monetary and material obligations under the Franchise Agreements for all existing Stores.

4. Execution of Franchise Agreement. You and we must enter into our then-current form of Franchise Agreement for the proposed Store. You understand that we may modify the form of Franchise Agreement from time to time and that it may be different from the current form of Franchise Agreement, including different fees and obligations. You understand and agree that any and all Franchise Agreements will be construed and exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, each Store must be established and operated in accordance with the terms of the applicable Franchise Agreement.

C. Upon the execution of the Franchise Agreement for the proposed Store, the terms and conditions of the Franchise Agreement regarding site selection and construction will control.

D. You must construct and equip each Store in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, design and layout of the building. You may not commence construction of any Store until you have received our prior written consent to your building plans.

E. You acknowledge that you have conducted an independent investigation of the prospects for the establishment of the Stores and recognize that the business venture contemplated by this Agreement involves business and economic risks and that your financial and business success will be primarily dependent upon the personal efforts of you and your

management and employees. We expressly disclaim the making of, and you acknowledge that you have not received, any estimates, projections, warranties or guaranties, express or implied, regarding potential gross sales, profits, earnings or the financial success of the Stores you develop.

F. You recognize and acknowledge that this Agreement requires you to open Stores in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Stores likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all the Stores on the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your prior Stores, or (iii) any other circumstances, financial or otherwise. The foregoing will not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Stores.

TERM

5. Unless sooner terminated in accordance with Section 7 of this Agreement and subject to the terms detailed in Section 2.C, the term of this Agreement and all rights granted to you will expire on the date that your last MENCHIE'S Store is scheduled to be opened under the Development Schedule.

YOUR DUTIES

6. You must perform the following obligations:

A. You must comply with all of the terms and conditions of each Franchise Agreement, including the operating requirements specified in each Franchise Agreement.

B. You and your owners, officers, directors, shareholders, partners, members and managers (if any) acknowledge that your entire knowledge of the operation of a MENCHIE'S Store and the System, including the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential and constitutes our trade secrets. The term "trade secrets" refers to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the manuals or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Stores. You and your owners, officers, directors, shareholders, partners, members and managers (if any), jointly and severally, agree that at all times during and after the term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from the individuals identified in the first sentence of this paragraph and other key employees.

C. You must comply with all requirements of federal, state and local laws, rules and regulations.

DEFAULT AND TERMINATION

7. The following provisions apply with respect to default and termination:

A. The rights granted to you in this Agreement have been granted in reliance on your representations and warranties, and strictly on the conditions set forth in Sections 2, 4 and 6 of this Agreement, including the condition that you comply strictly with the Development Schedule.

B. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreements between you or your affiliates and us. All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency, (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority, (iii) you make a general assignment or other similar arrangement for the benefit of your creditors, (iv) a final judgment remains unsatisfied of record for 30 days or longer (unless supersedeas bond is filed), (v) execution is levied against your business or property, (vi) suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days, or is not in the process of being dismissed, (vii) you fail to meet the development obligations set forth in the Development Schedule attached as Appendix B, (viii) you violate the provisions of Section 10.0; (ix) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of that failure is delivered to you, or (x) we have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

8. Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Stores under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours.

C. You must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains the name MENCHIE'S or any other Trademark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. You must assign to us or our designee all your right, title, and interest in and to your telephone numbers and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular, classified or other telephone directory listing associated with the Trademarks and to authorize transfer of same at our direction.

E. You must within 30 days of the termination or expiration pay all sums owing to us. If at the time of termination you have not signed a Franchise Agreement for a Store(s) that you agreed to develop under this Agreement, we will not refund any portion of the Development Fee you paid to us nor will we charge you any additional fees for these undeveloped Stores.

All unpaid amounts will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us as a result of the default. You also must pay to us all damages, costs and expenses, including reasonable attorneys' fees and expenses that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

TRANSFER

9. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent and you Transfer all of your rights and interests under all Franchise Agreements for Stores opened pursuant to this Agreement. Accordingly, the assignment terms and conditions of the Franchise Agreements will apply to any Transfer of your rights and interests under this Agreement. As used in this Agreement, the term "Transfer" means any sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, share exchange, transfer by operation of law or otherwise, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you.

MISCELLANEOUS

10. The parties agree to the following provisions:

A. You agree to indemnify, defend, and hold us and our affiliates, members, managers, officers, directors, shareholders, representatives, agents and employees harmless from and against any and all claims, losses, damages and liabilities, however caused, arising directly or indirectly from, as a result of, or in connection with, the development, use and operation of your Stores, as well as the costs, including attorneys' fees, of defending against them ("Franchise Claims"). Franchise Claims include, but are not limited to, those arising from any death, personal injury or property damage (whether caused wholly or in part through our active or passive negligence), latent or other defects in any Store or your employment practices. If a Franchise Claim is made against us, we reserve the right in our sole judgment to select our own legal counsel to represent our interests, at your cost.

B. If one or more clauses of this Agreement are held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

C. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

D. This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

E. Except as otherwise provided in this Agreement, any notice, demand or communication provided for must be in writing and signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid and addressed as follows:

1. If intended for us, addressed to Menchie's Group, Inc., 17555 Ventura Boulevard, Suite 200, Encino, California 91316;

2. If intended for you, addressed to you at the address set forth on the Data Sheet;
or;

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

F. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by Developer (or an owner of Developer if Developer is a legal entity) or, if on behalf of us, in writing executed by our President or one of our authorized Vice Presidents.

G. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 10.N of this Agreement, the parties' rights under this Agreement, and the relationship between the parties, is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state where you are located.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of "Reasonable Business Judgment", even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

H. 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 that is not subject to arbitration under Section 10.N must be brought in the state or federal district court located in the county or district then encompassing our headquarters. Both parties irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding, agree to be bound in the manner set forth.

I. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or

similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

J. You and your affiliates and we agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

K. If you are a corporation, partnership, limited liability company or other legal entity, all of your owners must execute the form of undertaking and guarantee attached at the end of this Agreement. Any person or entity that at any time after the date of this Agreement becomes your owner must also execute such form of undertaking and guarantee.

L. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Except as qualified below, any dispute between you and us or any of your affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis, and the parties and arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in the city where our headquarters are located at the time of the dispute. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

Before any party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted in the paragraph immediately below), the parties must first meet to mediate the dispute. The mediation will be held in the city in which our headquarters are located at the time of the mediation. Any such mediation will be non-binding and conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes.

Nothing in this Agreement bars either party's right to obtain injunctive relief against threatened conduct that will cause loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. Furthermore, we have the right to commence a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with our trademark standards and requirements to protect the goodwill of the Trademarks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable attorneys' fees and costs.

O. During the term of this Agreement, neither we nor you may employ or seek to employ, directly or indirectly, any person who is at the time or was at any time during the prior six months employed in any type of managerial position by the other party or any of its affiliates, or by any franchisee in the System. If you violate this provision, we will have the right to terminate this Agreement without opportunity to cure pursuant to subparagraph 7.B. In addition, any party who violates this provision agrees to compensate the former employer for all costs and expenses incurred in losing and replacing the employee up to a maximum of \$25,000, plus attorneys' fees and expenses. This subparagraph will not be violated if (i) at the time we or you employ or seek to employ the person, the former employer has given its written consent or (ii) we employ or seek to employ the person in connection with the transfer of the Store(s) to us or our designee. The parties acknowledge and agree that any franchisee from whom an employee was hired by you in violation of this subparagraph shall be a third-party beneficiary of this provision, but only to the extent that they may seek compensation from you.

P. We will designate the "Effective Date" of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we sign this Agreement.

Q. You represent and warrant to us that: (i) you are not named, either directly or by an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control currently located at www.treas.gov/offices/enforcement/ofac/; (ii) you will take no action that would constitute a violation of any applicable laws against corrupt business practices, against money laundering and against facilitating or supporting persons or entities who conspire to commit acts of terror against any person or entity, including as prohibited by the U.S. Patriot Act or the Order 13244 or any similar laws; and (iii) you shall immediately notify us in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the Effective Date.

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Developer: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

**PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE
TERMS AND CONDITIONS
OF THE AREA DEVELOPMENT AGREEMENT**

In consideration of the execution of the Area Development Agreement (the "Agreement") between MENCHIE'S GROUP, INC. ("we" or "us") and _____ (the "Developer"), dated _____, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of all covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Developer, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

Each of the undersigned waives (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Developer or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Developer.

In addition, the undersigned consents and agrees that: (a) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Developer or any other person; (b) such liability will not be diminished, relieved or otherwise affected by the Developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (c) this Personal Guaranty shall apply to all modifications to the Agreement of any nature agreed to by Developer with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

DEVELOPER: _____

PERSONAL GUARANTORS:

Individually _____

Print Name

Address

City State Zip Code
Telephone _____

Individually _____

Print Name

Address

City State Zip Code
Telephone _____

Individually

Print Name

Address

City
Code

State

Zip Code

Telephone

Individually

Print Name

Address

City

State

Zip

Telephone

APPENDIX A

DATA SHEET

1. **Developer:** _____

2. **Effective Date:** _____

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Developer: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

APPENDIX B
DEVELOPMENT
SCHEDULE

You acknowledge and agree that a material provision of the Area Development Agreement is that the following number of MENCHIE'S Stores must be opened and continuously operating in accordance with the following Development Schedule:

Store Number	Date by Which Franchise Agreement Must be Signed	Date by Which the Store Must be Opened and Continuously Operating for Business	Cumulative number of Stores Required to be Open and Continuously Operating for Business as of the Date in Preceding Column
1	Date of this Agreement		1
2			2

For purposes of determining compliance with the above Development Schedule, only the Stores actually open and continuously operating for business as of a given date will be counted toward the number of Stores required to be open and continuously operating for business.

We will only charge the remaining balance of the Initial Franchise Fee and ongoing fees for a particular Store upon the signing of a Franchise Agreement for the Store. If this Agreement is terminated and you have not signed a Franchise Agreement for a Store(s) you agreed to develop, we will not refund any portion of the Development Fee you paid to us nor will we charge you any additional fees for the undeveloped Stores. Once a Franchise Agreement is signed, we will charge the initial and ongoing fees are outlined in the Franchise Agreement. These additional and ongoing fees will be charged should you elect to open additional MENCHIE'S Stores through executing additional Franchise Agreements according to our franchise policies.

[Signatures on following
page.]

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Developer: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

**ACKNOWLEDGMENT ADDENDUM TO
MENCHIE'S® AREA DEVELOPMENT AGREEMENT**

As you know, you and we are entering into an Area Development Agreement for the development and operation of MENCHIE'S® stores. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Area Development Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

2. Have you studied and reviewed carefully our Disclosure Document and Area Development Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

3. Did you understand all the information contained in both the Disclosure Document and Area Development Agreement? Check one: ☐ Yes ☐ No. If no, please comment: _____

4. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

5. Except as stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of Menchie's Group, Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any MENCHIE'S location or business, or the likelihood of success at your franchised business? Check one: ☐ No ☐ Yes. If yes, please state in detail the oral, written or visual claim or representation: _____

6. Did any employee or other person speaking on behalf of Menchie's Group, Inc. make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: ☐ No ☐ Yes. If yes, please comment: _____

7. Do you understand that the success or failure of the development and operation of your Stores will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the MENCHIE'S trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you sign your Area Development Agreement may change? Check one ☐ Yes ☐ No. If no, please comment: _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

Franchisor: Menchie's Group, Inc.

By: _____

MJ Kwon

Its: Senior Director Franchise Development.

Exhibit E

COMPUTER AND SOFTWARE REQUIREMENTS A.

Point of Sale Platform

1. North American Menchie's locations must use the MGHQ approved POS platform
2. Approved POS platform must report daily to the Menchie's North American Reporting portal

B. Back Office IT Environment

1. Back office Windows PC required for all non-POS related tasks including but not limited to, reporting, accounting, electronic communications and web based activities.
2. Color Printer

C. Store IT Environment:

1. Store required to maintain PCI-DSS compliance
2. DVR security cameras require a PCI compliant configuration
3. If site provides wireless access a separate Internet connection and local area network is required
4. POS network minimum internet bandwidth - 3Mbps download / 2Mbps upload

Exhibit F

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Exhibit G

STATE ADDENDA

CALIFORNIA ADDENDUM

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

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

Item 6: In California, the highest interest rate allowed by law is 10% annually. Item

19: Additional Disclosure: The following is added to Item 19:

The financial performance representation figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Net revenue or Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

- A. The franchisor, any person or franchise broker in Item 2 of the franchise disclosure document is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
- B. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
- C. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- D. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- E. The franchise agreement requires binding arbitration. The arbitration will occur in the city where our headquarters are then located (currently Los Angeles County, California) with the costs being borne by the non-prevailing party.
- F. The franchise agreement requires application of the laws of California.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

- a) **Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Business Oversight before we ask you to consider a material modification of your franchise agreement.**
- b) **You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).**

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

HAWAII ADDENDUM

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

ILLINOIS ADDENDUM

Item 17. Additional Disclosures. The following statement is added to Item 17:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.

Except for those cases in which Franchisor is entitled to the entry of temporary and permanent injunctions and orders of specific performance in accordance with the terms of the Franchise Agreement and claims of promissory fraud, all disputes must be arbitrated in the county in which Franchisor's principal offices are located at the time the demand for arbitration is filed.

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between Menchie's Group, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Illinois; (b) Franchisee is a resident of the State of Illinois; and/or (c) the Franchised Business will be located or operated in the State of Illinois.
2. The following sentence is added to the end of Section 15.I:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.
3. The following sentence is added to the end of Section 15.H(1):

Notwithstanding the foregoing, the Illinois Franchise Disclosure Act shall govern the Franchise Agreement.
4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[Signatures on following page.]

Franchisor: Menchie's Group, Inc.

By: _____

MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

**ADDENDUM TO THE AREA DEVELOPMENT
AGREEMENT REQUIRED FOR ILLINOIS
DEVELOPERS**

This Addendum to the Area Development Agreement ("Area Development Agreement") dated between Menchie's Group, Inc. ("Franchisor") and ("Developer") is entered into simultaneously with the execution of the Area Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Area Development Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Developer was made in the State of Illinois; (b) Developer is a resident of the State of Illinois; and/or (c) the Franchised Businesses will be located or operated in the State of Illinois.
2. The following sentence is added to the end of Section 10.G(1):

Notwithstanding the foregoing, the Illinois Franchise Disclosure Act shall govern this Agreement.
3. The following sentence is added to the end of Section 10.H:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in this Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that this Agreement may provide for arbitration in a forum outside of Illinois.
4. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision of the Area Development Agreement is inconsistent with Illinois law, Illinois law will control.
5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.
6. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

[SIGNATURE PAGE TO FOLLOW]

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

MARYLAND ADDENDUM

Item 1. Additional Disclosures. The following statements are added to Item 1:

The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17. Additional Disclosures. The following statements are added to Item 17:

The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The "Summary" column of Item 17(H) of the Disclosure Document, pertaining to "Cause defined – defaults that cannot be cured" is supplemented to state that any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law.

Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided that the Franchise Agreement may provide for arbitration in a forum outside of Maryland.

Section 14-227(e) of the Maryland Franchise Registration and Disclosure Law requires that any claims arising under that Law be brought within 3 years after the grant of the franchise.

Item 22. Additional Disclosures. The following statements are added to Item 22:

Item 22 of the Disclosure Document is supplemented to state that the form of general release referred to in Items 17.c. and 17.m is attached to this Disclosure Document pursuant to Maryland Franchise Registration and Disclosure Law.

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Menchie's Group, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Maryland; (b) Franchisee is a resident of the State of Maryland; and/or (c) the Franchised Business will be located or operated in the State of Maryland.
2. The following sentence is added to the end of Section 1:

Representations in the Franchise Agreement are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
3. The following sentence is added to the end of Sections 4.B and 11.D:

The general release required as a condition of renewal or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
4. The following sentence is added to the end of Section 15.I:

Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided that the Franchise Agreement may provide for arbitration in a forum outside of Maryland.
5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[Signatures on following page.]

Franchisor: Menchie's Group, Inc.

By: _____ Amit
Y. Kleinberger

Its: Chief Executive Officer

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

MINNESOTA ADDENDUM

Item 13. Additional Disclosure: The following statement is added to Item 13:

We will protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name to the extent required by Minn. Stat. Sec. 80C.12, Subd.1(g).

Item 17. Notice of Termination. The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non- renewal of the Franchise Agreement.

Item 17. Governing Law, Jurisdiction and Venue and Choice of Forum. The following statement is added to the cover page and Item 17:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Item 17. General Release. The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between Menchie's Group, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the Franchised Business will be located or operated in the State of Minnesota.
2. The following sentence is added to the end of Section 13.B:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivision 3, 4, and 5 which requires, except in certain cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Franchise Agreement.
3. The following sentence is added to the end of Sections 4.B and 11.D:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.
4. Section 12.C is deleted and replaced with the following:

Franchisor shall be entitled to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (1) Franchisee's use of the Trademarks; (2) the construction and equipping of the Franchised Business; (3) the obligations of Franchisee upon termination or expiration of this Agreement; (4) a Transfer of this Agreement, any ownership interest therein or in the lease for the Franchised Business; and (5) as necessary to prohibit any act or omission by Franchisee or its employees that would constitute a violation of any applicable law, ordinance, or regulation, or which is dishonest or misleading to Franchisor and/or Franchisor's other licensees.
5. The following sentences are added to the end of Sections 12.B and 15.I:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring arbitration or litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or the Franchise Agreement can abrogate or reduce any of Licensee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

NEW YORK ADDENDUM

Cover Page. Additional Disclosures. The following language is added to the State Cover Page as additional Risk Factors:

1. FRANCHISOR WILL NOT BE GRANTING AN EXCLUSIVE TERRITORY TO THE FRANCHISEE.

Item 3. Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Except as described above, neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Accordingly, other than the three actions described above, no litigation is required to be disclosed in this Disclosure Document.

Item 4. Additional Disclosure. Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 17. Additional Disclosures. The following statements are added to Item 17:

Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.

The New York Franchises Law requires that New York law govern any cause of action which arises under the New York Franchises Law.

The New York General Business Law, Article 33, Sections 680 through 695 may supersede any provision of the Franchise Agreement inconsistent with that law.

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between Menchie's Group, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of New York; (b) Franchisee is a resident of the State of New York; and/or (c) the Franchised Business will be located or operated in the State of New York.
2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.
3. The following sentence is added to the end of Sections 4.B and 11.D:

Any provision in the Franchise Agreement requiring Franchisee to sign a general release of claims against Franchisor does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.
4. The following sentence is added at the end of Section 11.G:

Franchisor will not assign its rights under the Franchise Agreement except to an assignee who in Franchisor's good faith and judgment is willing and able to assume Franchisor's obligations under the Franchise Agreement.
5. The following sentence is added to the end of Section 15.H(1):

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.
6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[THE REST OF THIS PAGE IS
INTENTIONALLY LEFT BLANK]

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

NORTH DAKOTA ADDENDUM

Item 17: Additional Disclosures. The following statements are added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void. Any mediation or arbitration will be held at a site agreeable to all parties. The laws of the State of North Dakota will govern any dispute.

Any general release the franchisee is required to assent to is not intended to nor shall it act as a release, estoppel or waiver of any liability Menchie's Group, Inc. may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of the franchise agreement are generally not enforceable in the State of North Dakota, except in certain instances as provided by law.

The Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Menchie's Group, Inc. in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Disclosure Document, Franchise Agreement and Area Development Agreement state that franchisee must consent to the jurisdiction of courts in the state of California. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document, Franchise Agreement and Area Development Agreement.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead the statute of limitations under North Dakota law will apply.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES

This Addendum to the Franchise Agreement ("Franchise Agreement") dated _____ between Menchie's Group, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of North Dakota; (b) Franchisee is a resident of the State of North Dakota; and/or (c) the Franchised Business will be located or operated in the State of North Dakota.
2. Any release executed in connection herewith shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.
3. Covenants not to compete are generally considered unenforceable in the State of North Dakota.
4. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern any dispute.
5. The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.
6. The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.
7. The requirement that mediation or arbitration be held in the city in which franchisor's headquarters are then located (currently California) may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.
8. The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.
9. The Franchise Agreement states that franchisee must consent to the jurisdiction of courts in the state in which franchisor's headquarters are then located (currently California). That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Franchise Agreement.
10. The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. That requirement will not apply to North Dakota franchisees and, instead, the statute of limitations under North Dakota law will apply.
11. The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Menchie's Group, Inc. in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

Franchisor: Menchie's Group, Inc.

By: _____

MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

**ADDENDUM TO THE AREA DEVELOPMENT
AGREEMENT REQUIRED FOR NORTH DAKOTA
DEVELOPERS**

Notwithstanding anything to the contrary in the Area Development Agreement to which this Addendum is attached, the following terms and conditions shall control:

1. The Area Development Agreement states that Developer must consent to the jurisdiction of courts in the state in which franchisor's headquarters are then located (currently California). That requirement will not apply to North Dakota Developers and is deemed deleted in each place it appears in the Area Development Agreement.
2. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. The laws of the State of North Dakota will govern any dispute.

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Area Developer: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

RHODE ISLAND ADDENDUM

Item 17. Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

**ADDENDUM TO THE FRANCHISE
AGREEMENT REQUIRED FOR RHODE
ISLAND FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement") dated between
execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Rhode Island; (b) Franchisee is a resident of the State of Rhode Island; and/or (c) the Franchised Business will be located or operated in the State of Rhode Island.
2. The following sentence is added to the end of Sections 15.I:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the
Franchise
Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF VIRGINIA**

Item 17. Additional Disclosure. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Franchisor for use in the Commonwealth of Virginia shall be amended as follows:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the Franchise Agreement ("Franchise Agreement")
dated between _____ Menchie's Group, Inc.
_____ ("Franchisor") and ("Franchisee") is entered into
simultaneously
with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Washington; (b) Franchisee is a resident of the State of Washington; and/or (c) the Franchised Business will be located or operated in the State of Washington.
2. The State of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of your franchise. There also may be court decisions which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration involving a franchise purchased in the State of Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
4. In the event of a conflict of laws, the provisions of the Act shall prevail.
5. A release or waiver of rights executed by Franchisee shall not include rights under the Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.
6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
7. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

[SIGNATURE PAGE TO FOLLOW]

Franchisor: Menchie's Group, Inc.

By: _____
MJ Kwon

Its: Senior Director Franchise Development

Franchisee: _____

By: _____

Printed Name: _____

Its: _____

By: _____

Printed Name: _____

Its: _____

Exhibit H

RELEASE

BE IT KNOWN, that _____ and _____,
(hereafter referred to as the "Releaser(s)"), for and in consideration of the sum of Ten Dollars (US)
(\$10.00), or other valuable consideration received from or on behalf of Menchie's Group, Inc. (hereafter
referred to as the ("Releasee"), the receipt of which is hereby acknowledged, do(es) hereby remise, release,
acquit, satisfy, and forever discharge the said Releasee, its administrators, successors and assigns, of and
from all manner of action(s), cause(s) of action, suits, debts, sums of money, accounts, reckonings, bonds,
bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses,
damages, judgments, executions, claims and demands whatsoever, in law or in equity, which said
Releaser(s) ever had, now has, or which any personal representative, successor, heir or assignor said
Releaser(s), hereafter can, shall or may have, against said Releasee by reason of any matter, cause or thing
whatsoever, arising out of the Franchise Agreement and relationship entered into between the parties on
the _____ day of _____, 20____ to the date of this instrument.

IN WITNESS WHEREOF, the said Releaser(s) has hereunto set his/her hand and seal this ____
day of _____, 20_____.

Releaser

Releaser

State of _____)
_____) ss.
County of _____)

The foregoing instrument was acknowledged by me this _____ day of _____,
20____ by _____ and _____, who is/are
personally known by me.

(SEAL) _____

Notary Public State of _____
My Commission Expires: _____

EXHIBIT I

LIST OF FRANCHISEES AND SUBFRANCHISEES IN THE SYSTEM AS OF DECEMBER 31, 2016

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
AK	Casey Millar	9000 Lake Otis Parkway	Anchorage	99507	907.929.9977	kcmillarak@gmail.com
AR	Sam Abshire	7301 Alcoa Road, Suite 5	Bryant	72022	501.794.6070	skabshire@aol.com
AR	Sam Abshire	17801 Chenal Parkway	Little Rock	72201	501.794.6071	skabshire@aol.com
AZ	Delaney Sander	15147 N Scottsdale Road	Scottsdale	85254	480.219.6880	delanaysander@gmail.com
AZ	Bryan Brinkley	3757 S Gilbert Rd	Gilbert	85297	(480) 786-9180	blbrinkley@hotmail.com
AZ	Mark Phelan	15678 N. Frank Lloyd Wright Blvd.	Scottsdale	85260	(480) 451-5804	markephelan@gmail.com
AZ	Craig Early	3121 W Peoria Ave	Phoenix	85029	623-266-9010	cearly1@cox.net
AZ	Craig Early	9925 W. McDowell Rd.	Avondale	85392	623-936-9987	cearly1@cox.net
AZ	Matthew Webster	5022 S. Power Road	Gilbert	85212	480783-2441	mrwbeav@aol.com
AZ	Art Delph	3977 S. Arizona Ave	Chandler	85248	480-802-8397	ACIODelph@cox.net
AZ	Rick Brown	21295 S. Ellsworth Loop Road	Queen Creek	85142	480-784-3943	az.rickbrown@gmail.com
CA	Adam Caldwell	4849 Laurel Canyon Blvd.	Valley Village	91607	818.985.9150	Adam.caldwell@menchies.com
CA	Marina Haentjens	6731 1/2 Fallbrook Ave.	West Hills	91307	818.703.7300	menchieswesthills@gmail.com
CA	Fariba Dadko	2515 Artesia Blvd.	Redondo Beach	90278	310.370.4888	fariba.menchies@gmail.com
CA	Marsha Haina	20968 Ventura Blvd.	Woodland Hills	91364	818.887.1777	zimarmenchies@gmail.com
CA	Diego Halac	13369 Ventura Blvd.	Sherman Oaks	91423	818.788.9900	diegohalac@aol.com
CA	John Spishak	26865 Sierra Hwy.	Newhall	91321	661.250.0500	menchiejohn@sbcglobal.net
CA	Brandy Derrick	3800 West Verdugo Ave.	Burbank	91505	818.859.7801	brandyderrick@mac.com
CA	Hootan Zarghampour	4776 Commons Way	Calabasas	91302	818.222.1158	hootan.zargham@gmail.com
CA	Carlos Canseco	5622 Sawtelle Blvd.	Culver City	90230	310.915.7190	Carlos.canseco.g@gmail.com
CA	Esti Klaiman	9201 Winnetka Ave.	Chatsworth	91311	818.717.8128	MEN014@menchiesfroyo.com
CA	Jim Hudson	1201 Truman St.	San Fernando	91340	818.365.6599	hudson@actainc.com
CA	Liz Charlton	17840 Chatsworth St.	Granada Hills	91344	818.368.7700	liz.charlton@menchiesfroyo.com
CA	Melodee Yee	24201 West Valencia Blvd.	Valencia	91355	661.260.3900	may91364@yahoo.com
CA	Larry Block	732 Montana Ave.	Santa Monica	90403	310.393.4242	larry@larryllc.com
CA	Bob Lillard	973 E Stanley Blvd.	Livermore	94550	925.447.3300	men035@menchiesfroyo.com
CA	Menchie's University	17245 Ventura Blvd.	Encino	91316	818.990.1500	education@menchieshq.onmicrosoft.com
CA	Lars Martin	1040 Mission Street	South Pasadena	91030	626.799.2132	menchiessouthpas@sbcglobal.net
CA	Steven Mueller	133 S. Las Posas Rd.	San Marcos	92078	760.798.8000	steve@bluerigel.com
CA	Farhad Ezligini	168 W. Hillcrest Dr.	Thousand Oaks	91360	805.557.0700	ferg.holding@gmail.com

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MENCHIE'S 2017 FDD
US.104840820.03

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
CA	Steven Mueller	5617 Paseo Del Norte	Carlsbad	92008	760.929.1000	steve@bluerigel.com
CA	Affiliate-owned	17555 Ventura Blvd.	Encino	91316	818.708.0316	
CA	Vasken Jeknavorian	2901 Ocean Park Blvd.	Santa Monica	90405	310.450.2228	vaskenj4@yahoo.com
CA	Carlos Canseco	9 E. Main St.	Alhambra	91801	(626) 289-9289	Carlos.canseco.g@gmail.com
CA	Mike kurko/ Jim Kurko	1710 E. Main Street	El Cajon	92021	619.440.9648	mikekurko@gmail.com
CA	Yanitz Rubin	245 N Barranca St	West Covina	91791	626.332.2400	yanitz@me.com
CA	Susan Gralnick Hoster	2530 Sand Creek Road	Brentwood	94513	925.513.6600	menchies068@gmail.com
CA	Rowena Yago	12146 Lakewood Blvd.	Downey	90242	562.401.9610	menchiesoc@aol.com
CA	Martha Santana	10122 Carmenita Road	Whittier	90605	562-944-4700	noahsantana@verizon.net
CA	Yanitz Rubin	4138 N. Maine Avenue	Baldwin Park	91706	626.337.5400	yanitz@me.com
CA	Shelly Jose	15333 Culver Drive	Irvine	92604	949-551-6130	shelly@cnjcpas.com
CA	Scott Spencer	30461 Avenida De Las Flores	Rancho Santa Margarita	92688	949-635-9365	spspencer@cox.net
CA	Susan Gralnick Hoster	1200 El Camino Real	Belmont	94002	650.802.8373	menchies068@gmail.com
CA	Nani Thakkar	12263 Highland Avenue	Rancho Cucamonga	91701	909 385-2904	naniteam@gmail.com
CA	Joe Cohan	667 Town Center Drive	Oxnard	93036	805.278.1153	menchiesoxnard@aol.com
CA	Adele Bloch	1888 W. 11th St.	Tracy	95376	209.229.1998	adelebloch@yahoo.com
CA	Cristian Pellegrini	19755 Vanowen Street	Winnietka	91306	(818) 999-4700	xtianp@xtianp.com
CA	Misun Kim	21109 Newport Coast Drive	Newport Beach	92657	(949) 719-2700	misunkim2955@gmail.com
CA	David Aucella	1862 Euclid Ave.	Berkeley	94709	(510) 883-0822	daucella@gmail.com
CA	Tom Koai	5030 Mowry Ave	Fremont	94538	510.221.6833	ktkoai@yahoo.com
CA	Mike Kurko	2471 Jamacha Road	El Cajon	92019	619-44-6000	mikekurko@gmail.com
CA	Josh Grewal	12719 Main Street	Hesperia	92345	760.662.5777	grewaljosh@gmail.com
CA	Edward Tarverdians	6840 Eastern Ave.	Bell Gardens	90201	(323) 562-4000	edtarverd@gmail.com
CA	Kathy Abels	349 West Felicita Plaza	Escondido	92025	(760) 735-6334	kabels@yogurtlabinc.com
CA	David Kao	16645 Sierra Lakes Pkwy.	Fontana	92336	(909) 854-3605	Dkao88888@yahoo.com
CA	Hootan Zarghampour	606 W. Huntington Dr.	Monrovia	91016	(626) 303-6400	hootan.zargham@gmail.com
CA	Fariba Dadko	1415 E. Gage Avenue	Los Angeles	90001	(323) 277-9247	fariba.menchies@gmail.com
CA	Carlos Canseco	3851 Main St.	Culver City	90232	310-838-2000	Carlos.canseco.g@gmail.com
CA	Hani Esoo	3225 Sports Arena Blvd.	San Diego	92110	(619) 221-5944	Hani@Esoo.US
CA	Bob Krist	30211 Golden Lantern	Laguna Niguel	92677	(949) 441-7505	rjkrist@gmail.com
CA	Jerry Maloney	32195 Temecula Parkway	Temecula	92592	(951) 303-1600	jmaloneydo@hotmail.com
CA	Yeshim Mahmood	1759 South Alameda	Compton	90220	(310) 537-7678	ymahmood@gatewaysmiles.com

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MENCHIE'S 2017 FDD
US.104840820.03

State	Franchise Owner	Store Address Street	City	Zip	Store Phone	Email
CA	Gabriel Dosdos	925 Blossom Hill Rd	San Jose	95123	(408) 227-6453	gabriel.dosdos@yahoo.com
CA	Geraldine Williams	1164 Galleria Blvd	Roseville	95678	(916) 865-4665	geraldine.williams@comcast.net
CA	Mitch Nitta	3090 W. Shaw	Fresno	93711	(559) 274-9002	mitchnitta@hotmail.com
CA	Kay Ramzan	5194 Commons Drive	Rocklin	95677	(916) 652-6577	kayramzan@aol.com
CA	Yanitz Rubin	1265 N Hacienda Blvd	La Puente	91744	626-918-1924	yanitz@me.com
CA	Holly Manning	2188 Santa Rosa Ave	Santa Rosa	95407	707-545-9866	Holly@homesandlandofkauai.com
CA	Carlos Canseco	8815 S. Sepulveda Blvd	Westchester	90045	310.642.8200	Carlos.canseco.g@gmail.com
CA	Mark Russell	3742 Fallon Road	Dublin	94568	925-361-5589	markru@fogland.com
CA	Mercedes McDermott	2202 S. Bradly Road	Santa Maria	93455	805-925-1255	mcdermott.mercedes@icloud.com
CA	Kristin Turner	1620 Camino De La Reina	San Diego	92108	(619) 450-6294	kristin.turner@cjc.com;
CA	Kathy Abels	2525C Vista Way	Oceanside	92054	(760) 730-5728	kabels@yogurtlabinc.com
CA	Alex Kozlovsky	28273 Newhall Ranch Road	Valencia	91355	(661) 678-0753	kozlovskyalex@gmail.com
CA	Kevin O Neal	40557 California Oaks Rd.	Murrieta	92562	951-698-2244	kvbsonel@msn.com
CA	Michael Causey	785 W. Herndon Ave	Clovis	93612	559.298.2878	MEN575@menchiesfrozenyogurt.co
CA	Geraldine Williams	2405 Iron Point Road	Folsom	95630	(916) 365-9640	geraldine.williams@comcast.net
CA	Will Tang	12261 La Mirada Boulevard	La Mirada	90638	(562) 906-6128	wtang@gmx.com
CA	Melad Ghabrial	943 Avenida Pico	San Clemente	92673	(949) 910-1331	melad.ghabrial@gmail.com
CA	Ik Sung	972 Admiral Callaghan Ln.	Vallejo	94591	(707) 373-5890	in2bate@gmail.com
CA	Pacific Gateway Concessions	1701 Airport Blvd	San Jose	95110	800.920.1011	business@pgconcessions.com
CA	Kathy Abels	7625 Via Campanile	Carlsbad	92009	(760) 436-4036	kabels@yogurtlabinc.com
CA	Carlos Canseco	5944 Telegraph Road	Ventura	93003	(805) 477-9725	Carlos.canseco.g@gmail.com
CA	Esti Klaiman	1301 Rancho Vista Blvd., Suite F, Palmdale 93551		93551	661.947.9950	MEN014@menchiesfroyo.com
CA	Bob Cole	510 Hidden Valley Parkway	Corona	92879	(951) 898-4523	bob.cole34@yahoo.com
CA	Sanjay Patel	27130 Eucalyptus Avenue	Moreno Valley	92555	951-992-1517	psanjaypatel@yahoo.com
CA	Robert Younan	8880 East Whittier Blvd	Pico Rivera	90660	562-942-7382	robert.younan@gmail.com
CA	Josh Grewal	14400 Bear Valley Rd.	Victoryville	92392	(760) 243-5773	grewaljosh@gmail.com
CA	Raj Batra	3104-Crow Canyon Place	San Ramon	94583	(925) 307-7755	rbatra99@yahoo.com
CA	Rene Ortiz	10619 Valley Boulevard	El Monte	91731	949-637-9870	reicapital@yahoo.com
CA	Melad Ghabrial	1911 West Malvern Ave,	Fullerton	92835	(657) 248-2420	melad.ghabrial@gmail.com
CA	Edmond Kwan	11331 Thienes Ave	South El Monte	91733	626-444-4779	phantomphantomphantom@yahoo.cc

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
CA	Paul Siapno	2624 W. Kettleman Lane	Lodi	95242	(209) 625-8700	ps.menchies438@gmail.com
CA	Fernando Chen	6611 N Riverside Drive	Fresno	93722	559-277-0277	fchenod@gmail.com
CO	Lisa Smith	8302 Northfield Blvd.	Denver	80238	303.375.1101	lsmithmenchies@gmail.com
CO	Gary Richman	1569 Fall River Drive	Loveland	80538	970.461.9700	gdrichman@comcast.net
CO	Lisa Smith	535 W South Boulder Rd.	Lafayette	80026	(720) 890-9500	lsmithmenchies@gmail.com
CO	Mitch Godfrey	10601 East Garden Drive	Aurora	80012	303.750.0705	mitch.godfrey@gmail.com
CO	Richard Hause	2656 W. 32nd Ave.	Denver	80211	720.328.8705	chesterhause@aol.com
CO	Lucy Nguyen	1001 W. 120th Avenue	Westminster	80234	(303) 280-2900	lucyquynhho@yahoo.com
CO	Allen Gallogly	1749 North Main Street	Longmont	80501	720-378-4247	ajgpartners@comcast.net
CO	Andy Van Gilder	3217 Dillon Dr.	Pueblo	81008	719.696.7148	andyvangilder@dragonpeaksinc.com
CT	Gloria Greider	1095 Kennedy Road	Windsor	06095	(860) 683-2236	menchies.windsorct@gmail.com
CT	Richard Khazzaka	2997A Berlin Turnpike	Newington	06111	860-436-9906	Rkhazzaka@hotmail.com
CT	Rajesh Nimbalkar	641 Farmington Avenue	Bristol	06010	(860) 261-7336	rajeshnimbalkar@gmail.com
CT	David Truglio	35 Talcottville Rd	Vernon	06066	860-875-1711	David.truglio@gmail.com
DC	Anthony Aligo	1939 12th Street NW	Washington	20009	202-289-7588	aaligo@gmail.com
FL	Rebecca Barbosa	7339 W. Sand Lake Rd.	Orlando	32819	407.601.7792	reb-barb@hotmail.com
FL	Aileen Martinez	11057 Pines Blvd.	Pembroke Pines	33026	954.499.4044	ABSOL1AC@aol.com
FL	Montserrat Miranda	2617 West Osceola Pkwy.	Kissimmee	34741	407-201-8948	yofreeze.fl@gmail.com
FL	Xiaoyan Shao	1939 Aloma Ave	Winter Park	32792	407-622-6551	shao_xiaoyan@yahoo.com
FL	Xiaoyan Shao	510 North Orlando Avenue	Winter Park	32789	(407) 622-6555	shao_xiaoyan@yahoo.com
FL	Abdule Rahman Mukati	18451 NW 67th Ave	Hialeah	33015	305.826.6014	advententerprises@hotmail.com
FL	Suzanne Strump	5729 N. University Drive	Tamarac	33321	954.721.8585	suzannestrump@aol.com;
FL	Thomas Kuhns	4900 University Dr.	Davie	33328	954.680.6499	tkuhns1@aol.com
FL	Laura Williams	3005 Lake Mary Blvd.	Lake Mary	32746	(407) 878-2811	menchie@centurylink.net
FL	Tony Nguyen	6046 Winthrop Town Centre Ave.	Riverview	33578	813.409.3834	tony.nguyen@tibbsentreprisellc.com
FL	Charles Lodowski	5100 PGA Boulevard	Palm Beach Gardens	33418	561.627.9800	clodowski@sjm.com
FL	Daniele Ranaudo	5744 Sunset Dr.	Miami	33146	305.661.8677	dranaudosuk@gmail.com
FL	Rene Suarez	1830 Pine Island Road NE	Cape Coral	33909	239.573.9951	reedsuarez@gmail.com
FL	Jimmy Robaina	7309 Miami Lakes Dr.	Miami Lakes	33014	305.557.5755	jimmyr828@yahoo.com
FL	Daniele Ranaudo	14814 Pines Blvd.	Pembroke Pines	33027	954.447.4007	dranaudosuk@gmail.com

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
FL	Laura Williams	1120 Townpark Avenue	Lake Mary	32746	(407) 915-5715	lakemarymenchies@gmail.com
FL	Christian Gabela	7028 West Palmetto Road	Boca Raton	33433	561.347.7001	cxgabela@gmail.com
FL	Paul Pollack	6355 Naples Boulevard	Naples	34109	239.260.1343	paulpollack13@aol.com
FL	Jose Lara Jr.	2488 N. Federal Highway	Lighthouse Point	33064	(954) 582-8077	mayraitalia77@yahoo.com
FL	Jose Mendez	2512 NE 10th Court	Homestead	33033	305.247.8600	menb591@menchiesfroyo.com
FL	Melissa Kushner	2607 N. Dixie Hwy	Wilton Manors	33334	754.200.4962	melissakush@yahoo.com
FL	Luis Lazzari	1270 N. Wickham Road	Melbourne	32935	321.622.8709	bramanteretailcorp@cfl.rr.com
FL	Rene Suarez	2809 University Parkway	Sarasota	34243	941.359.2658	reedsuarez@gmail.com
FL	Ven Puskur	225 Palm Bay Rd	West Melbourne	32904	321.768.2001	venp@outlook.com
FL	Jerry Colon	9685 Lake Nona Village Place	Orlando	32827	407-856-4811	jerry_colon@yahoo.com
FL	Carlos Sanchez	6169 Jog Road	Lake Worth	33467	561.357.9914	sanchezgarcia@gmail.com
FL	Montserrat Miranda	5220 Red Bug Lake Road	Winter Springs	32708	407.677.0213	yofreeze.fl@gmail.com
FL	Lori Hudson	404 E. Central Blvd.	Orlando	32801	407.440.2843	MENB625@menchiesfroyo.com
FL	Al Virani	15798 SW 56th St.	Miami	33165	305-382-8700	alvirani@comcast.net
FL	Stephenie Whitcomb	11560 Panama City Beach Parkway	Panama City Beach	32407	850-588-7295	whitcomb007@hotmail.com
FL	Jordan Gary	196 37th Ave North	St. Petersburg	33704	727.329.8822	jordanggary@gmail.com
FL	Ricardo Aguirre Sr.	280 Indian Trace	Weston	33326	954-659-9118	agpa777@hotmail.com
FL	John Cen.	1553 W 49th St	Hialeah	33012	(305) 822-8322	john.cen@gmail.com
FL	Leo Ring	18839B Biscayne Blvd.	Aventura	33180	305-935-6777	leonardoring@yahoo.com
FL	Aileen Martinez	8130 U.S. 192	Kissimmee	34747	407-964-1627	a.martinez.menchies@outlook.com
FL	Ricardo Aguirre Sr.	10011 Cleary Blvd.	Plantation	33324	(954) 473-5000	agpa777@hotmail.com
FL	Rick Medwedeff	5100 Daniels Parkway	Fort Myers	33912	239.437.6283	rick.medwedeff@marriott.com
FL	Brian Pekny	5770 Ranch Lake Blvd Unit #c136	Bradenton	34202	941.758.5095	bpekny@yahoo.com
FL	Ven Puskur	1505 West New Haven Ave.	West Melbourne	32904	321.725.8889	venp@outlook.com
FL	Abdule Rahman Mukati	1309 B.S.W. 107th Avenue	Miami	33174	305-223-7707	advententerprises@hotmail.com
FL	Universal CityWalk Orlando	6000 Universal Blvd.	Orlando	32819	(407) 224-2327	
FL	Greg Holcombe	794 East Lake Rd.	Palm Harbour	34685	(727) 785-7768	greg@fpyc.biz
FL	Cory Courtney	3267 Hodges Blvd.	Jacksonville	32224	(904) 232-8234	cory.h.courtney@comcast.net
FL	Marriott Marco Island	400 South Collier Blvd	Marco Island	34145	(239) 394-2511	rick.medwedeff@marriott.com
FL	Hershel Burden	4125 Cleveland Ave	Fort Myers	33901	(239) 204-9678	heavyburden1@gmail.com
FL	Jordan Gary	27001 US Hwy 19 N	Clearwater	33761	727-725-1600	jordanggary@gmail.com
FL	Hershel Burden	257 N Cattlemen Road	Sarasota	34243	(941) 360-2162	heavyburden1@gmail.com

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State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
FL	Philip Wallace	2107 East Semoran Blvd.	Apopka	32703	(407) 814-3765	pjw4fsu@gmail.com
FL	Jonathan Snider	780 Grand Boulevard	Miramar Beach	32550	(850) 424-6099	snidej01@gmail.com
FL	Jose Mendez	7540 NW 104 Avenue	Doral	33178	786-245-7481	menb591@menchiesfroyo.com
FL	Deborah Chaparro	6817 Eagle Watch Dr.	Orlando	32822	407-203-3855	vzlandeb@me.com
FL	Babar Majeed	1700 W International Speedway Blvd.	Daytona Beach	32114	386-281-5060	bmajeed@hotmail.com
FL	John Cen	4100 N. Alafaya Trail	Orlando	32826	407-658-4817	john.cen@gmail.com
GA	Hunter Mays	12030 Etris Road Suite	Roswell	30075	770.992.7992	mhhmays@aol.com
GA	Cooper Jobe	3011 North Druid Hills Rd.	Atlanta	30329	404.228.6229	cooperjobe@yahoo.com
GA	Cooper Jobe	3655 Roswell Rd.	Atlanta	30342	(404) 228-6387	cooperjobe@yahoo.com
GA	Kevin Townsend	3348 Cobb Pkwy	Acworth	30101	770.529.3221	ktown5280@gmail.com
GA	Joe Bono	2265 Towne Lake Parkway	Woodstock	30189	770-924-4004	menb542@menchiesfroyo.com
GA	Hunter Mays	4475 Roswell Rd.	Marietta	30062	(770) 973-9009	mhhmays@aol.com
GA	Randy Hutto	196 Alps Rd	Athens	30606	706.208.7223	rlmhutto@gmail.com
GA	Casey Matlock	2463 Hamilton Mill Pkwy	Dacula	30019	678.714.2981	menchieshm@yahoo.com
GA	Nisha Mahmood	12850 Highway 9 N	Alpharetta	30004	678.297.0107	nisha.momin@gmail.com
GA	Randy Hutto	1860 Barnett Shoals Road	Athens	30605	706.850.8336	rlmhutto@gmail.com
GA	Robert Bearden	3030 Watson Blvd.	Warner Robins	31093	478-953-1910	drbearden1@gmail.com
GA	Grace Chang	2515 Fence Road NE	Dacula	30019	678.546.7493	amazingworld77@gmail.com
GA	Corey Bierria	3645 Marketplace Blvd	East Point	30344	(404) 629-9100	rocoyogurt@yahoo.com
GA	Greg Brooks	1355 Riverstone Parkway	Canton	30114	(770) 704-7510	greg.brooks@me.com
GA	Anora Blackwell	916 Loganville Highway	Bethlehem	30620	(770) 586-0172	anorablackwell@hotmail.com
GA	Tim O'Sullivan	712 Glynn Isles	Brunswick	31525	(912) 275-8793	osulliv@comcast.net
GA	Mehul Patel	5857 Spout Springs Road	Flowery Branch	30542	770-967-8277	mehulmpatel@yahoo.com
GA	Maged Lofty	2907 Washington Rd	Augusta	30917	706.363.7060	mmlofty@hotmail.com
GA	Ty Cardin	1700 Norman Dr.	Valdosta	31601	229-469-7330	ty.cardin@e3businesspartners.com
GA	Ron Solanki	4166 Buford Hwy	Atlanta	30345	(404) 565-2252	ron.solanki@yahoo.com
GA	Guida Marroquin	2200 Peachtree Industrial Blvd.	Duluth	30097	707-624-7600	gdiazmarroquin@gmail.com
GA	Larry Hanger	1300 Ernest Barrett Parkway	Kennesaw	30152	(404) 307-8311	hangerlarry@gmail.com
HI	Randy Hiraki	1050 Ala Moana Blvd.	Honolulu	96814	808.592.9292	randy@complumbing.com
HI	Randy Hiraki	4450 Kapolei Parkway	Kapolei	96707	808.674.1320	randy@complumbing.com
HI	Randy Hiraki	95-1249 Meheula Parkway	Mililani	96789	808.623.7799	randy@complumbing.com

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
HI	Rayna Fukunaga	1756 Kuntz Ave	JBPHH	96853	317-219-5440	rayna.style@gmail.com
IA	John Kha	4825 EP True Parkway	West Des Moines	50265	(515) 223-7800	khazilla81@gmail.com
IA	John Kha	2105 Ingersoll Avenue	Des Moines	50312	515-288-3410	khazilla81@gmail.com
IA	Greg Johansen	3418 8th Street SW	Altoona Crossing	50009	515-967-0403	greg.johansen@grxholdings.com
IA	Brent Dahlstrom	421 Viking Plaza Dr.	Cedar Falls	50613	(319) 266-6359	brentdahlstrom@gmail.com
ID	Joe Sauvage	2126 N. Eagle Rd.	Meridian	83642	208-884-0518	sauvagehoops@comcast.net
ID	Lars Honan	228-F E. Eagle Plaza Dr.	Eagle	83616	(208) 215-2480	lm2khon@att.net
IL	Mary Jo Kraft	1027 N. Elmhurst Rd.	Mount Prospect	60056	224-735-2296	mjkraft61@yahoo.com
IL	Jeff Podjasek	1364 Patriot Boulevard	Glenview	60026	847-834-0426	men563@menchiesfroyo.com
IL	Kwan Choi	160D S. Roselle Road	Schaumburg	60193	224.653.9634	kchoi411@yahoo.com
IL	Mike Malik	7339 Lemont Rd	Downers Grove	60516	(630) 277-7262	mike@mikemalik.net
IL	Barney Stanner	358 W. Army Trail Rd.	Bloomington	60108	(630) 295-8650	bstanner@mindspring.com
IL	Don Elbert	2531 North County Line Road	Algonquin	60102	224-333-0641	Done@fairwaymc.com
IL	Tom Swingle	950-B Milwaukee Ave.	Lincolnshire	60069	847-821-6590	tom.swingle142@gmail.com
IL	Jeff Podjasek	789 East Dundee Rd.	Palatine	60074	847-907-9306	men563@menchiesfroyo.com
IL	Linda Berlin	775 Deerfield Road	Deerfield	60015	(224) 804-6945	linxrt@aol.com
IL	Craig Gutmann	1730 W. Fullerton Ave.	Chicago	60614	(773) 525-7006	craig@smallc.com
IN	Peggie Soni	17043 Mercantile Blvd.	Noblesville	46060	(317) 219-5440	peggie.soni@gmail.com
IN	Trey (Robert) Miller	3530 S. U.S. Highway 41	Terre Haute	47802	(812) 814-4298	trey.miller@zoho.com
KY	John Colmar	8544 US 42	Florence	41042	859.647.7300	menchiespvc@gmail.com
LA	Travis Hood	6401 Bluebonnet Blvd.	Baton Rouge	70836	225.763.6244	thood9126@gmail.com
LA	Travis Hood	524 Palace Dr.	Hammond	70403	985.542.4514	thood9126@gmail.com
LA	Travis Hood	14350 Wax Rd	Central	70818	225.261.6440	thood9126@gmail.com
LA	Travis Hood	120 Bass Pro Boulevard	Denham Springs	70726	225-243-7292	thood9126@gmail.com
LA	Travis Hood	6300 Canal Blvd	New Orleans	70124	504-304-4668	thood9126@gmail.com
MA	Weimin (William) Zhao	15 Shipyard Drive	Hingham	02043	(781) 740-1245	williamzhao2005@gmail.com
MA	Christine McLaughlin	504 Constitution Road	Littleton	01460	781-626-1879	christinemclaughlin5@comcast.net
MA	Georgios Karavasilidis	268 Patriot Place	Foxborough	02035	508-543-8000	newengland.frozenventures.inc@gmail.com
MD	Rick Mostyn	1905 Towne Centre Blvd.	Annapolis	21401	410.224.7599	Rmostyn@bozzuto.com
MD	Keni Winger	4135 Mountain Rd.	Pasadena	21122	443-305-2590	winger.keni@gmail.com
MD	John Clayton	10418 Campus Way South	Largo	20774	301.350.2710	da3rdjohn@hotmail.com

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State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
MD	Rick Mostyn	2002 Annapolis Mall	Annapolis	21401	(410) 266-5749	Rmostyn@bozzuto.com
MD	Dhaval Kothari	1991 E Joppa Rd	Parkville	21234	(410) 513-7050	yashllc2012@gmail.com
MD	John Carnesi	3473 Merchant Blvd.	Abingdon	21009	(410) 569-5080	men183@menchiesfrozenyogurt.com
MD	Dianina Adams	2430B Osprey Way	Frederick	21701	(301) 682-8800	adams_dianna@yahoo.com
MD	Eileen Frazier	7000 Arundel Mills Circle	Hanover	21076	707-624-7600	ae.frazier@verizon.net
MD	Keni Winger	403 East Joppa Rd.	Towson	21286	(410) 337-7000	winger.keni@gmail.com
MD	Doug Belfield	6400B Ridge Road	Eldersburg	21784	(410) 875-7753	DougBelfield1@Gmail.com
MI	Louis Messina	55124 Van Dyke Ave.	Shelby Township	48316	(586) 697-5651	louis.messina@outlook.com
MI	Joyce Barszcz	6427 N. Canton Center Road	Canton	48187	734-335-7679	men175@menchiesfroyo.com
MI	Nilesh Patel	48010 Grand River Avenue	Novi	48374	248.374.4960	npatel24@gmail.com
MI	Nilesh Patel	29619 Plymouth Rd.	Livonia	48150	248.703.4248	npatel24@gmail.com
MI	Louis Messina	29367 Mound Road	Warren	48092	(586) 751-3446	louis.messina@outlook.com
MI	Yousra Perayeff	15075 Hall Rd	Shelby Township	48316	(586) 566-4002	dorand2004@gmail.com
MI	Urvashi Patel	17911 Haggerty Rd	Northville	48168	248-449-4733	upatel1010@gmail.com
MI	Farooq Minhas	3155 Ann Arbor-Saline Road	Ann Arbor	48108	734.222.1125	shahzadakhani23@netscape.net
MI	Anant Patel	31015 Orchard Lake Rd	Farmington Hills	48334	248-539-0320	anant.i.patel@gmail.com
MI	Nilesh Patel	35000 W. Warren	Westland	48185	734-855-6900	npatel24@gmail.com
MI	Raphael Martins	2721 Preyde Blvd.	Lansing	48912	(517) 657-2307	lrslenterprises@gmail.com
MI	Louis Messina	3990 John R ST	Detroit	48201	248.840.1668	louis.messina@outlook.com
MI	Anthony Hitsman	2004 E. Beltline Ave. NE	Grand Rapids	49525	616-228-1538	anthonyjhitsman@gmail.com
MN	Richard Sachse	750 Cleveland Avenue South	St. Paul	55116	651.797.6428	richsachse@wisconsinfroyo.com
MO	Sean Quinn	98 Gravois Bluffs Circle Drive	Fenton	63026	636-326-6311	sbquinn@att.net
MO	Chris Stark	106 Laura K Drive	O'Fallon	63366	636.294.9888	crstarks@gmail.com
MO	Monique Garris-Bingham	12587 Olive Blvd.	Creve Coeur	63141	314-439-0457	bingham834@yahoo.com
MO	Michael Matchett	1122 Town & Country Crossing Drive	Town and Country	63017	(314) 384-8773	mike.matchett@mallinckrodt.com
MS	Wynn Suebhongsang	733 Lake Harbour Drive	Ridgeland	39157	601.853.7505	wynns123@hotmail.com
MS	Wynn Suebhongsang	175 Grandview Blvd.	Madison	39110	601-856-2477	wynns123@hotmail.com
NC	Heath Osburn	1247 East Blvd.	Charlotte	28203	(704) 348-1256	heathosburn@mac.com
NC	Brandon Rhodes	6325 Falls of Neuse Road	Raleigh	27615	(919) 876-1002	Aspireassociatesllc@gmail.com
NC	Thai Doan	4711 Hope Valley Road	Durham	27707	(919) 908-9330	thaidoan3@gmail.com
NC	Lilly Mead	5607 W Friendly Avenue	Greensboro	27410	336-285-9587	lilly.menchies@gmail.com
NC	Bob Meynardie	5613 Creedmoor Road	Raleigh	27612	(919) 615-1552	bobmeynardie@mac.com

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
NC	Lisa Lamalfa	1760 Blowing Rock Road	Boone	28607	(828) 386-1765	lovemenchies@gmail.com
NC	Martha Spires	2636 Timber Drive	Garner	27529	(919) 771-1895	spires1987@yahoo.com
NC	John Robinette	3604 Witherspoon Blvd.	Durham	27707	919-402-0028	MEN537@menchiesfrozenyogurt.co
NC	Brian Johnston	7169 O'Kelly Chapel Rd.	Cary	27519	(919)797-0976	bdjohnston6@gmail.com
NC	Renu Pal	591-R.River Highway	Mooreville	28117	(704) 343-5530	sanjeevrenupal@yahoo.com
NJ	Jeffrey Edwards	1520 New Jersey 38	Hainesport	08036	609-267-7336	jae94@aol.com
NJ	Robert Pures	4705 U.S 9	Howell	07731	(732) 363-5154	Rpures@gmail.com
NJ	Atul Khanna	200 Mill Creek Drive	Seacaucus	07094	(201) 863-7700	atul_khanna@email.com
NJ	Sanjay Varma	691 West Edgar Road	Linden	07036	(908) 583-6222	svarma@softart-inc.com
NM	Angela Blakely	6500 Holly Avenue NE	Albuquerque	87113	505.797.8221	acrpnr@aol.com
NM	Angela Blakely	6001 Winter Haven Road NW	Albuquerque	87120	505-899-2299	acrpnr@aol.com
NM	Angela Blakely	11225 Montgomery Blvd.	Albuquerque	87111	505.293.0615	acrpnr@aol.com
NM	Angela Blakely	1101 Unser Blvd. S.E.	Rio Rancho	87124	505-892-6770	acrpnr@aol.com
NM	Larry Gaylord	Commissary Address: 1601 4th St. N.W.	Albuquerque	87102	505-433-1582	larrygaylord@allstate.com
NV	Phil and Rhonda Langager	111 N. Nellis Blvd	Las Vegas	89110	702-531-0060	yogager.inc@gmail.com
NV	Roland Trub	435 Sparks Blvd	Sparks	89434	(775) 356-6500	roland.trub@gmail.com
NV	Antoine Eustache	70965 Lavender Hill Drive	Las Vegas	89135	702-888-1193	eustache@msn.com
NV	Ravinder Grewal	7400 Las Vegas Blvd South	Las Vegas	89123	702-837-1214	ravigrewal192@gmail.com
NY	Brian Trager	22 Clifton Country Rd	Clifton Park	12065	518-371-7700	briantrager@gmail.com
NY	Chris Hogan	2160 Penfield Road	Penfield	14526	(585) 678-4436	Chogan1@rochester.rr.com
NY	Brian Trager	1410 Altamont Ave	Rotterdam	12303	(518) 356-2223	briantrager@gmail.com
NY	Chi Tang	3555 Johnson Ave.	Bronx	10463	(718) 432-2580	chiwtang@gmail.com
NY	Brian Trager	500 Amsterdam Commons	Amsterdam	12010	518.842.2222	briantrager@gmail.com
NY	Brian Trager	131 Colonie Center	Albany	12205	518.489.3333	briantrager@gmail.com
NY	Brian Trager	3076 Route 50	Saratoga Springs	12866	518-282-6030	briantrager@gmail.com
NY	Kevin Taylor	1520 Military Road, Unit 142	Niagara Falls	14304	716-297-1904	kevin1964taylor@gmail.com
NY	Michael Alsid	3546 W. Genesee Street	Syracuse	13219	(315) 488-4592	mealsid@verizon.net
NY	Amelia Roopnarine	8060 Cooper Ave	Glendale	11385	718-704-4952	amelia.roopnarine2@gmail.com
OH	Sandra Leess	7545 Sawmill Rd.	Dublin	43016	614.339.5656	dublin.menchies@gmail.com
OH	Robert Stark (POC: Tony Jones)	28699 Chagrin Boulevard	Woodmere	44122	216.591.1740	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	3737 West Market Street	Fairlawn	44333	330.668.2345	tjones@starkenterprises.com

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State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
OH	Robert Stark (POC: Tony Jones)	15008 Detroit Avenue	Lakewood	44107	216.221.8226	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	35925 Detroit Road	Avon	44011	440.937.0825	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	24 Main St.	Westlake	44145	440.835.4460	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	6787 Strip Avenue	North Canton	44720	330.244.9740	tjones@starkenterprises.com
OH	Dennis Blankenship	6360 Tylersville Road	Mason	45040	513.229.0920	drblank1@fuse.net
OH	Robert Stark (POC: Tony Jones)	4748 Ridge Road	Brooklyn	44144	216.739.4860	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	36295 Euclid Avenue	Willoughby	44094	440-942-2825	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	2172 Walker Lake Road	Ontario	44903	419-747-1369	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	813 Boardman Poland Road	Boardman	44512	330.953.2712	tjones@starkenterprises.com
OH	Jim Hach	8177 Princeton Glendale Road	West Chester	45069	513.860.3705	jhach65@gmail.com
OH	Robert Stark (POC: Tony Jones)	13905 Cedar Road	South Euclid	44118	216-862-4827	tjones@starkenterprises.com
OH	Robert Stark (POC: Tony Jones)	34200 Aurora Road	Solon	44139	440-600-7156	tjones@starkenterprises.com
OH	Sandra Leess	5043 Tuttle Crossing Blvd	Columbus	43016	614-602-4760	dublin.menchies@gmail.com
OH	Jim Hach	5382 Dixie Hwy	Fairfield	45014	513.858.3705	jhach65@gmail.com
OH	Rajeev Desai	85 N. Hamilton Rd.	Gahanna	43230	614.472.4044	rajeevdesai@gmail.com
OH	Mark Hotes	1090 Williams Reserve Blvd.	Wadsworth	44281	(330) 334-1800	M.Hotes@yahoo.com
OH	Clara Weitz	2300 Elida Road	Lima	45805	(419) 224-2564	ctw.enterprises.inc@gmail.com
OH	Roxana Turner	11397 Montgomery Road	Cincinnati	45249	(513) 928-2255	roxanaturnermba3339@gmail.com
OK	Scott Charles	205 S. Santa Fe Avenue	Edmond	73003	405.216.3644	scott@818aviation.com
OR	Mark Sandwith	8950 SE Sunnyside Rd.	Clackamas	97015	503-654-1188	mark.broyo@comcast.net
OR	Mark Sandwith	12325 SW Horizon Blvd	Beaverton	97007	503-579-6124	mark.broyo@comcast.net
OR	Wayne Shinseki	2387 NW 185th Ave	Hillsboro	97124	(503) 690-7770	wayne.shinseki@gmail.com
OR	David Brown	21430 SW Langer Farms Parkway	Sherwood	97140	503-625-2961	jmbrown5629@msn.com
OR	Richard Calcagno	1408 Molalla Ave.	Oregon City	97045	(503) 305-7680	rvcalcagno@comcast.net
OR	Jonathan Higa	2820 Gateway St.	Springfield	97477	541-357-4262	jon0125@gmail.com
OR	Rafael Ponce	17105 SE Sunnyside Rd	Happy Valley	97015	(503) 855-3485	rafaelponce1@gmail.com
PA	Robert Stark (POC: Tony Jones)	6825 Peach Street	Erie	16509	814-528-5480	tjones@starkenterprises.com
PA	Richard Ryan	353 South Cedar Crest Blvd	Allentown	18103	610-841-1900	reryan30@yahoo.com
PA	Katarina (Kat) Hauben	872 W. Street Road	Warminster	18974	215-444-0811	menchiespa@gmail.com
PA	Dean Gumhold	3032 Linden Street	Bethlehem	18017	610-419-0096	rxtra1@gmail.com

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State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
PA	Anne Dougherty	2953 Swede Road	East Norriton	19401	610-277-2722	annestallman@hotmail.com
PA	Richard Ryan	943 Airport Center Drive	Allentown	18109	610-841-4913	reryan30@yahoo.com
PA	Karen Douglas	1991 Sproul Road	Broomall	19008	(610) 356-3300	MEN526@menchiesfrozenyogurt.co
PA	Fred Mecadon	9173 Roosevelt Blvd, Unit 4	Philadelphia	19114	215-941-7718	fmecadon@comcast.net
PA	Erik Lingren	257 Butler Commons	Butler	16001	724-256-9332	erikwilliamlingren@gmail.com
PA	Erik Lingren	115 Federal St.	Pittsburgh	15212	(412) 735-3025	erikwilliamlingren@gmail.com
RI	Nancy Gardiner	300 Quaker Lane	Warwick	02886	(401) 615-7450	sidebyeachinc@gmail.com
SC	Jorge Gonzalez	5580 Sunset Blvd	Lexington	29072	803-356-0643	jorge.menchies@gmail.com
SC	Sam Wells	3608 Pelham Road	Greenville	29615	(864) 234-5845	samj.wells@gmail.com
SC	Sam Wells	2111-B Augusta Road	Greenville	29605	(864) 568-8111	samj.wells@gmail.com
SC	Sybil Shipley	7955 North Kings Hwy.	Myrtle Beach	29572	843-945-2585	sena@senallc.net
TN	Alan Sims	11162 Parkside Dr.	Knoxville	37934	865.671.2910	alansims@comenviro.com
TN	Alan Sims	6900 Lenox Village Dr.	Nashville	37211	615-730-7855	alansims@comenviro.com
TN	Alan Sims	234 Brookview Centre Way	Knoxville	37919	865.851.8109	alansims@comenviro.com
TN	Craig Wehinger	3135 Peoples Street	Johnson City	37604	423.328.7004	craigwehinger@hotmail.com
TN	Ron Christian	440 Sam Ridley Parkway	Smyrna	37167	(615) 984-4676	christian.ronc@gmail.com
TN	Jill Green	2040 Hamilton Place Blvd.	Chattanooga	37421	423.531.8020	tnneyland@aol.com
TN	Chekib Kchouk	750 N. Germantown Pkwy	Cordova	38018	(901) 753-0808	chekib.kchouk@gmail.com
TN	Belinda Watkins	7706 Winchester Road	Memphis	38125	901-756-0014	bgwatkinsjp@gmail.com
TX	Jack Page	10880 Louetta Road	Houston	77070	832-717-4500	jpage.menchies@gmail.com
TX	Danny Vaswani	655 Sunland Park Drive Ste	El Paso	79912	915.584.1820	danny@casahinduinc.com
TX	Jack Page	512 W. 19th Street	Houston	77008	713.861.9600	jpage.menchies@gmail.com
TX	Jack Page	301 W. Parkwood Ave	Friendswood	77546	281-482-2806	jpage.menchies@gmail.com
TX	Jack Page	8303 Highway 6 N	Houston	77095	281.859.8900	jpage.menchies@gmail.com
TX	Jack Page	5310 Wesleyan Street	Houston	77005	713.661.7300	jpage.menchies@gmail.com
TX	Jack Page	5122 Bissonnet Street	Bellaire	77401	713-660-0606	jpage.menchies@gmail.com
TX	Arif Maknojia	3363 Highway 6	Sugar Land	77478	281.265.1158	arif@admcpapc.com
TX	Mike Naquin	2021 Northpark Drive	Kingwood	77339	(281) 359-1088	peppersvn@yahoo.com
TX	Jack Page	6501 S. Fry Road	Katy	77494	281-392-4020	jpage.menchies@gmail.com
TX	Danny Vaswani	1355 George Dieter Dr.	El Paso	79936	915.307.6361	danny@casahinduinc.com
TX	Jack Page	9550 Spring Green Blvd.	Katy	77494	281-392-2040	jpage.menchies@gmail.com
TX	Augustus "Gus" Elmer	5145 N. FM 620	Austin	78732	512-266-9945	Aelmer3@comcast.net

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State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
TX	Jack Page	2353 Bay Area Blvd	Houston	77058	281-218-6060	jpage.menchies@gmail.com
TX	Nikita Cheairs	2129 F.M. 2920	Spring	77388	281-528-9100	nikcheairs@sbcglobal.net
TX	Steve Campbell	5805 E. Sam Houston Parkway	Houston	77049	281-741-5506	soupsteve1984@sbcglobal.net
TX	Jack Page	1944 West Gray Street	Houston	77019	713-853-9695	jpage.menchies@gmail.com
TX	Augustus "Gus" Elmer	14028 N US Hwy 183	Austin	78717	(512) 996-9002	Aelmer3@comcast.net
TX	Danny Vaswani	8889 Gateway Blvd West	El Paso	79925	915.591.1800	danny@casahinduinc.com
TX	Lisa Blank	8223 Marbach Rd	San Antonio	78227	210-375-3796	
TX	Michael Landess	8201 Quaker Avenue	Lubbock	79424	806-368-0776	landess@suddenlink.net
TX	Jack Page	Mobile Unit	Houston			jpage.menchies@gmail.com
TX	Deepak Nair	9530 Feather Grass Ln	Fort Worth	76177	817-741-3696	dcnair73@hotmail.com
TX	James Wilcox	5619 W 1604 N Suite 126	San Antonio	78253	210.688.9835	james@texasmenchies.com
TX	Augustus "Gus" Elmer	909 East Whitestone Blvd	Cedar Park	78613	(512) 986-7086	Aelmer3@comcast.net
TX	Thomas Ward	999 E Basse Rd	San Antonio	78209	(210) 824-1104	toanwa@gmail.com
TX	Bill Brown	4709 Colleyville Blvd.	Colleyville	76034	817-485-1111	williamobrowndfw@gmail.com
TX	Rey Cintra	2903 Woodridge Drive	Houston	77087	713.487.4886	reycintra1@me.com
TX	Marion Parfan	1000 E. 41st Street	Austin	78751	512-614-4255	marion.parfan@seventhmo.com
TX	Alex Zhai	19824 Southwest Fwy	Sugar Land	77479	832-945-5891	alexzhai0724@gmail.com
TX	Alex Zhai	20440 Highway 59	Humble	77338	281-570-2954	alexzhai0724@gmail.com
TX	Danny Vaswani	10771 Gateway South Boulevard	El Paso	79934	(915) 821-0101	danny@casahinduinc.com
TX	Don McClain	4801 W Park Blvd.	Plano	75093	972-612-0100	dcmcclain@aol.com
TX	Maria Bologna	13421 Westheimer Road	Houston	77077	281-496-0828	mariaebologna@yahoo.com
TX	Moses Kovalchuk	4740 State Highway 121	Lewisville	75056	214 618 0086	men619@menchiesfroyo.com
TX	Craig Turczynski	4001 N. Hwy 75	Sherman	75090	(3) 870-7828	turczdad@aol.com
TX	Anuar Jobi	201 N Shary Rd.	Mission	78572	(956) 600-7815	walabi_job@hotmail.com
TX	Lisa Blank	17619 La Cantera Parkway	San Antonio	78257	(210) 549-0013	
TX	Gary Novit	651 N US Hwy 183	Leander,	78641	512.259.6994	gary.menchies@icloud.com
TX	Digant Jariwala	6717 FM 1960 East	Humble	77346	281-812-1844	digantjariwala@yahoo.com
TX	James Sneed	2701 State Hwy 121	Euless	76039	(817) 857-6206	jsneeds@swbell.net
TX	David Martin	305 W FM 1382	Cedar Hill	75104	(469) 909-0609	david.michael.martin1@gmail.com
TX	Adrian Gonzalez	8255 Preston Rd.	Plano	75024	214-556-2647	bluevenetex@gmail.com
TX	John Sierra	2324 FM 685	Pflugerville	78660	512-614-6168	jmsierra57@gmail.com
TX	Mickie Hernandez	SWC Hwy 171 and Childress Dr.	Bastrop	78602	512-297-1766	mickie_hernandez@outlook.com
TX	Michael Hayzlett	1161 E. Southlake Blvd	Southlake	76092	(817)329-3229	michaelhayzlett@yahoo.com

State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
TX	Amita Bhalla	2680 Pearland Parkway	Pearland	77581	(281) 997-7874	amitabhalla@me.com
TX	Caryl Whittington	8926 S. Broadway Ave.	Tyler	75703	(903) 630-7061	cewhitt2@gmail.com
UT	Shawna Willits	1665 W Towne Center Dr	South Jordan	84095	801.727.2605	shawnawillits@gmail.com
UT	Shawna Willits	765 West Antelope Drive	Layton	84041	801.416.8280	shawnawillits@gmail.com
UT	Rob Fuller	691 East St. George Blvd.	St. George	84770	435.628.6464	l.dkfenterprises@gmail.com
UT	Shawna Willits	153 N. State Street	Orem	84057	801.426.5259	shawnawillits@gmail.com
UT	Shawna Willits	3165 East 3300 South	Salt Lake City	84109	801.486.0971	shawnawillits@gmail.com
UT	Angie Ward	2682 South High Commons Way	West Valley City	84120	(801) 297-1707	angieswens@gmail.com
UT	Jim Reeves	663 W. Marketplace Drive	Centerville	84014	801-294-2850	men510@menchiesfrozenyogurt.com
UT	Angie Ward	550 East 12300	South Draper	84020	801-432-8105	angieswens@gmail.com
VA	Rick Mostyn	2405 Columbia Pike	Arlington	22204	(703) 271-4189	Rmostyn@bozzuto.com
VA	Philip Jenkins	1 Towne Centre Blvd	Fredericksburg	22407	540-370-8743	philney@msn.com
VA	Barry Lowery	4645 Casey Blvd.	Williamsburg	23188	(757) 585-2740	barry.lowery17@gmail.com
VA	Amir Keshvarinia	1515 Stafford Marketplace	Stafford	22556	(540) 628-4649	aknow92@gmail.com
WA	Mark Sandwith	1409 S. 348th St.	Federal Way	98003	253.835.2110	mark.broyo@comcast.net
WA	Ken Mork	19171 SE Mill Plain Blvd.	Vancouver	98683	360.597.4055	kendallmork@comcast.net
WA	Mark Sandwith	2101 Queen Anne Ave N	Seattle	98109	206.216.1650	mark.broyo@comcast.net
WA	Mark Sandwith	2902 164th Street SW	Lynwood	98087	(425) 742-9872	mark.broyo@comcast.net
WA	Julie Ogata	4609 Village Court NE	Seattle	98105	206-525-4445	jotogata@msn.com
WA	Guy Castanha	2620 California Ave SW	Seattle	98116	206.935.3816	castanha@comcast.net
WA	Mark Sandwith	10306 156 th St E	Puyallup	98374	253.770.1330	mark.broyo@comcast.net
WA	Robert (Penn) Penney	1070 Lakeway Drive	Bellingham	98225	(360) 685-6199	penneycandyinc@gmail.com
WA	Joe Sauvage	3411 West McGraw Street	Seattle	98199	260-588-2888	sauvagehoops@comcast.net
WA	Brent Johnson	935 6th St. S.,	Kirkland	98033	425-298-4857	brent04@comcast.net
WA	Hiten Changela	4819 Point Fosdick Drive NW	Gig Harbor	98335	253-858-3435	hiten_changela@hotmail.com
WA	Alfredo Gamiz	507 Broadway East	Seattle	98102	206.743.8510	demiz06@gmail.com
WA	Mark Sandwith	14865 Main St.	Bellevue	98007	425-644-3035	mark.broyo@comcast.net
WA	Ross White	21225 Bothell Everett Hwy.	Bothell	98021	425.286.6039	Menchies. CanyonParkCommons@ri
WA	Joe Sauvage	7785 Sunset Highway	Mercer Island	98040	206-232-2545	sauvagehoops@comcast.net
WA	Julie Ogata	625 Black Lake Blvd	Olympia	98502	360-754-5355	jotogata@msn.com
WA	Kent Radek	18336 Aurora Ave. N.,	Shoreline	98133	(206) 629-4495	gateway@radek.org
WA	Julio Ibarra	1816 S. Mildred	Tacoma	98465	(253) 565-0410	jibarrab@live.com

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State	Franchise Owner	Store Address	City	Zip	Store Phone	Email
		Street				
WA	Mark Sandwith	21210 State Route 410 East	Bonney Lake	98391	(253) 862-7440	mark.broyo@comcast.net
WA	Robert (Penn) Penney	1301 Bakerview Road	Bellingham	98226	(360) 685-6198	penneycandyinc@gmail.com
WA	Ramon Cruz	11308 NE 124th Street	Kirkland	98034	425-307-1490	ramonscruz@gmail.com
WA	Julio Ibarra	14024 SE Petrovitsky Rd.	Renton	98058	(425) 264-5725	jibarrab@live.com
WA	Mark Sandwith	4502 S. Steele St	Tacoma	98409	(253) 472-2133	mark.broyo@comcast.net
WA	Alfredo Gamiz	17875 Redmond Way NE	Redmond	98052	425-896-7137	demiz06@gmail.com
WA	Sang K Lee	1186 Outlet Collection Road	Auburn	98001	(253) 737-4891	tonylee777@live.com
WA	Julie Ogata	424 NE 71st St.	Seattle	98115	(206) 556-3184	jotogata@msn.com
WA	Kay Ramzan	19122 Beardslee Blvd	Bothell	98011	(425) 419-4664	kayramzan@aol.com
WA	Julie Ogata	1110 Galaxy Dr. NE	Lacey	98516	360-628-8010	jotogata@msn.com
WA	Justin Lee	1408 Lake Tapps Parkway	Auburn	98092	253.737.4912	poweredbyjuice@gmail.com
WI	Richard Sachse	6712 Frank Lloyd Wright Ave	Middleton	53562	608-836-1212	richsachse@wisconsinfroyo.com
WI	Richard Sachse	4017 State Hwy 28	Kohler	53044	(920) 459-8580	richsachse@wisconsinfroyo.com
WI	Richard Sachse	4550 Calumet Avenue	Manitowac	54220	(920) 684-1788	richsachse@wisconsinfroyo.com
WI	Richard Sachse	1733 S Main St	West Bend	53095	262-353-9505	richsachse@wisconsinfroyo.com

List of Franchisees and Subfranchisees that have Signed Agreements, but Outlet not Open; (as of December 31, 2016)

State	Franchise	Address	Phone	Email
AR	Sam Abshire	5358 buckingham place Bryant, AR 72022	(318) 773-4143	skabshire@aol.com
AR	Raphael Martins	3454 Wyngate Meadow	(479) 799-7976	lrs1enterprises@gmail.com
AR	Raphael Martins	3454 Wyngate Meadow	(479) 799-7976	lrs1enterprises@gmail.com
AZ	Bryan Brinkley	14002 S31st ST	(480) 659-1612	blbrinkley@hotmail.com
AZ	Duff Heyl	2979 E Agritopia Loop N	(480) 297-3256	duffhey1@yahoo.com
AZ	Duff Heyl	2979 E Agritopia Loop N	(480) 297-3256	dhey1frozoaz@gmail.com
AZ	Erica Nunez	2645 W. Windstar Place	(323) 868-9046	erica.nunez@live.com
AZ	Keith Latchaw	833 n Poplar Ct.	(602) 740-3680	keith.latchaw@gmail.com
AZ	David Schneider	17584 N. 96 th Way	(480) 234-6513	dave@jcdamar.com
AZ	David Schneider	17584 N. 96 th Way	(480) 234-6513	dave@jcdamar.com
AZ	Cheri LI	15900 E. Sheridan St. Goodyear, AZ 85395	(480) 838-9133	xuancompany@yahoo.com
AZ	Miguel Samonte Jr.	564-A Green Village Court	(915) 309-9350	mbsamontejr@yahoo.com
AZ	Rhonda Dunn	5373 US hwy 68 #D256	(951) 634-7135	machinecuisine@aol.com
AZ	Delaney Sander	14248 N 56th Place	480-435-5232	delaneysander@gmail.com
CA	Andy Charlton	4900 Ethel Ave.	818.907.0785	andy67@me.com

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State	Franchise	Address	Phone	Email
CA	Patricia Emrich	14360 Seabridge Lane, San Diego, CA 92128	619.246.2045	grfrozenyogurt@gmail.com
CA	Chen Li	6806 Kenton pl Corona, CA 92880	626-688-5558	Menchiesmorenovalley@gmail.com
CA	Jim Hudson	1661 Via Arriba	(310) 994-0901	hudson@actainc.com
CA	Bob Bodossian	10375 W. Cobblestone Lane - Twinsburg, OH 44087	805.433.2034	bbodossian@yahoo.com
CA	Martha Santana	10140 Harvest Ave.	(323) 854-3573	noahsantana@verizon.net
CA	Lawrence ("Larry") Lim	16198 Spring Hills Drive Chino Hills, CA 91709	(909) 973-2240	larry.lim@optimacaregroup.com
CA	Kathy Abels	6944 Sitio Cordero	(760) 585-5047	kabels@yogurtlabinc.com
CA	Kathy Abels	6945 Sitio Cordero	(760) 585-5047	kabels@yogurtlabinc.com
CA	Minglun Zhang	515 Quimby Ct, San Ramon, CA 94582	(408) 431-9988	mlzsfo@gmail.com
CA	Sergey Belikov	4120 Regal Oak Dr., Encino, CA 91436	323-332-7959	belka99@bk.ru
CA	Sergey Belikov	4120 Regal Oak Dr., Encino, CA 91436	323-332-7959	belka99@bk.ru
CA	Sergey Belikov	4120 Regal Oak Dr., Encino, CA 91436	323-332-7959	belka99@bk.ru
CA	Sergey Belikov	4120 Regal Oak Dr., Encino, CA 91436	323-332-7959	belka99@bk.ru
CA	Ram Iyer	3614 Meadowlands Ln.	(408) 691-7952	iyerramc@gmail.com
CA	Steve Mueller	9435 Mount Israel Road	760-532-1999	steve@bluerigel.com
CA	Steve Mueller	9435 Mount Israel Road	760-532-1999	steve@bluerigel.com
CA	Davinder Rajasuncy	9842 Cortino Way, Elk Grove, CA 95757	(510) 468-6378	drajasuncy@gmail.com
CA	Rene Ortiz	620 Newport Center Dr.	949-637-9870	reicapital@yahoo.com
CA	Rene Ortiz	620 Newport Center Dr.	949-637-9870	reicapital@yahoo.com
CA	Sergio Moncada	16559 Sagebrush St.	(714) 547-2814	moncada@nicaweb.com
CA	Rhonda Angell	27833 Meadowcreek Rd. Santa Clarita, CA 91351	818-458-9856	rhondaka22@gmail.com
CA	Jerry Maloney	41327 Cresta Verde Ct. Temecula, CA 92592	(951) 591-1840	jmaloneydo@hotmail.com
CA	Jerry Maloney	41327 Cresta Verde Ct. Temecula, CA 92592	(951) 591-1840	jmaloneydo@hotmail.com
CA	Antonio Torrez	23681 San Dona	(949) 939-8683	soccer_team4u@yahoo.com
CA	Ik Sung	235 Cantada Way	(760) 238-1904	in2bate@gmail.com
CA	Ik Sung	235 Cantada Way	(760) 238-1904	in2bate@gmail.com
CA	Mitch Nitta	4806 W James Ct.	(559) 667-8756	mitchnitta@hotmail.com
CA	Mitch Nitta	4806 W James Ct.	(559) 667-8756	mitchnitta@hotmail.com
CA	Atta Erikat	5877 Desert View Dr.	(858) 518-3769	attaerikat@gmail.com
CA	Roland Trub	328 N. Garden Terrace Bellingham, WA 98225	360-483-9017	roland.trub@gmail.com
CA	Roland Trub	328 N. Garden Terrace Bellingham, WA 98225	360-483-9017	roland.trub@gmail.com
CA	Mevis Machado	9311 Cambridge Dr.	(818) 915-3206	menchies.smile@gmail.com
CA	Michael Causey	5286 N. Valentine Dr., #203 Fresno, CA. 93711	(818) 917-8808	MEN575@menchiesfrozenyogurt.co
CA	Roger Lee	22697 Princeton Pl.	(510) 207-3186	Roger.Lee49@sbcglobal.net
CA	Andy Chen	7679 Daphne St	(626) 377-6722	andychen222@gmail.com
CA	Andy Chen	7679 Daphne St	(626) 377-6722	andychen222@gmail.com
CA	Andy Chen	7679 Daphne St	(626) 377-6722	andychen222@gmail.com
CA	Enrique Ruvalcaba	2216 Clark Ln.	(310) 343-5395	eruvalcaba@stanfordalumni.org
CA	Edmund Lam	1044 Redmond Ave.	(415) 250-2987	edcylam@gmail.com
CA	Edmund Lam	1044 Redmond Ave.	(415) 250-2987	edcylam@gmail.com

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State	Franchise	Address	Phone	Email
CA	Edmund Lam	1044 Redmond Ave.	(415) 250-2987	edcylam@gmail.com
CA	Yongxin (Eugene) Shen	10997 Charleston St.	(909) 210-8666	yongxin.shen@gmail.com
CA	Rajinder ("Rus") Walia	2060 Virazon Drive, La Habra Heights, CA, 90631	(562) 587-4733	aicraj@gmail.com
CA	Mohammed Al-Anesi	3800 Parkview Ln.	(949) 247-9927	alanesi@gmail.com
CA	Wendy Helberg	30995 Via Norte, Temecula, CA 92591	(951) 296-7820	wendyhelberg@gmail.com
CA	Chintu Patel	2661 Pummelo Ct., Escondido, CA 92027	(760) 855-8347	chintupatel80@gmail.com
CA	Chintu Patel	2661 Pummelo Ct., Escondido, CA 92027	(760) 855-8347	chintupatel80@gmail.com
CA	Chintu Patel	2661 Pummelo Ct., Escondido, CA 92027	(760) 855-8347	chintupatel80@gmail.com
CA	Reynaldo Reyes	724 Timor Ct., San Jose, CA 95127	(408) 834-5025	reycreyes@gmail.com
CA	Gary Marrone	8816 Bridalsmith Dr.	(916) 995-5676	glmarrone@icloud.com
CA	Bob Cole	12209 Kingswood Court	(951) 634-2996	bob.cole34@yahoo.com
CA	Derek Cha	28 Belmonte	(714) 614-8989	dlcenterprises2@gmail.com
CA	John Parent	5331 Keystone Drive, Fremont, CA 94536	(510) 207-5398	john.m.parent@gmail.com
CA	April Azarian	9033 Jayseel St.	(818) 262-5607	april.azarian@integraleng.com
CA	Ayman Tawadrous	1 Ismail Molri Eldien, Heliopolis, Cairo, Egypt	(2) 100-767-4444	aymantawadrous@yahoo.com
CA	Craig Halcromb	4323 Toyon Circle	(909) 593-3106	cvhalcromb@aol.com
CA	Mark Russell	2351 Bay St.	(415) 806-3590	markru@fogland.com
CA	Yongxin Shen	10997 Charleston St.	(909) 210-8666	yongxin.shen@gmail.com
CA	Terry Brennan	2410 Albatross St #18, San Diego, CA 92101	(253) 509-4662	terry@terrybrennan.org
CA	Bob Cole	12209 Kingswood Court	(951) 634-2996	bob.cole34@yahoo.com
CA	Anurag Gupta	1963 Limewood Drive	(408) 956-8607	gupta.acii.menchies@gmail.com
CA	John Spishak	4436 Beeman Ave.	818.398.3860	menchiejohn@sbcglobal.net
CA	Amor Taylor	7712 live oak way	(916) 224-3489	amortaylor@ymail.com
CA	Rupinder Azrot	46 Willowbrook Ln., Pomona, CA 91766	(310) 560-0339	rupdog@gmail.com
CA	Lloyd Leavitt	2025 Santa Rena Dr.	(310) 874-1667	Lrljii@aol.com
CA	Raju Mann	147 Chesapeake Lane	925.528.9279	rajugracemann@gmail.com
CA	Carlos Canseco	10710 Reseda Blvd.	(818) 219-0976	Carlos.canseco.g@gmail.com
CA	Michael Chin	21 Beaufort Harbor	510.381.3278	mikekchin@hotmail.com
CA	Sohail Mallick	44242 Lupine Place	510.708.4152	sohail_mallick@yahoo.com
CA	Joanna Naschold	1498 Summit Ave	(760) 943-9890	jnaschold@gmail.com
CA	Tim McGinn	444 E. Glaucus Street	(760) 271-2265	timmcg22@hotmail.com
CA	Maria Pilar Llorente	26665 Aracena Dr.	(949) 273-8648	pllorente2014@gmail.com
CA	Ivan Rukavina	325 West Gladstone Street	323.253.2626	ivan.rukavina@hotmail.com
CA	Scott Spencer	28 Lakeridge	949.713.9088	spsencer@cox.net
CA	Kevin Wong	12214 Graystone Ave	(562) 858-4449	Kwong11987@gmail.com
CA	Eddie Shamas	3166 N Lamer Street	818.599.1275	eshamas21@yahoo.com
CA	Hector Jibaja	7063 Freesia Ct	(909) 520-3379	hbjibaja@gmail.com
CA	Arman Hovakemian	10589 Art Street	(818) 419-2768	arman.hovakemian@icloud.com
CA	Harpreet Singh	12032 Ratner Street	(818) 751-9066	harpreetzy23@yahoo.com
CA	Chris Arndt	315 Montana Ave	(773) 806-9600	chris@redgranitellc.com

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State	Franchise	Address	Phone	Email
CA	Chris Arndt	315 Montana Ave	(773) 806-9600	chris@redgranitelc.com
CA	Chris Arndt	315 Montana Ave	(773) 806-9600	chris@redgranitelc.com
CA	Eddia Shamas	3166 N. Lamer Street	818.599.1275	eshamas21@yahoo.com
CA	Firas Qanbar	11926 Calle Limonero	(619) 971-9317	firas.qanbar@yahoo.com
CA	Michele Rothschild	6908 Lena Ave.	(818) 857-7677	michelerothschild@hotmail.com
CA	Eric Ghiselli	11237 Encino Avenue	(818) 271-1271	ericghiselli@gmail.com
CA	Cheng Wang	106 Ladybug Lane	(646) 270-1496	chgwang512@gmail.com
CA	Chris Siegler	844 Placenza st	(707) 477-9077	chris.siegler01@gmail.com
CA	Spring Mason	8639 Reetey Ave.	(916) 275-1418	men821@menchiesfroyo.com
CA	Kyle Kennedy	2719 Adeo Lane	(661) 328-4433	Kkenn2719@bak.rr.com
CA	Armando Gonzales	1602 Payton Way	(805) 310-9862	hopefarms@gmail.com
CA	Mevis Machado	931 Cambridge Dr	(818) 915-3206	menchies.smile@gmail.com
CA	George Wanis		(661) 860-0226	Wanisgeorge@yahoo.com
CA	Jaspal Singh	5919 W. Wathen Ave	(559) 908-1246	jaspal7singh@live.com
CA	USH (Morell Marean)		(818) 622-3873	Morell.Marean@nbcuni.com
CA	Kuljinder Sekhon	5517 Pleasant Grove Ct.	209.543.0576	kksekhon@msn.com
CA	Kuljinder Sekhon	5517 Pleasant Grove Ct.	209.543.0576	kksekhon@msn.com
CA	Simardeep Kaur		(818) 357-1165	simar08@gmail.com
CA	Stacey Cordova	1689 Aisndale Dr.	(505) 977-2018	wsmcordova@gmail.com
CA	Rene Ortiz	620 Newport Center Dr.	949-637-9870	reicapital@yahoo.com
CA	Rene Ortiz	620 Newport Center Dr.	949-637-9870	reicapital@yahoo.com
CA	Terry Brennan		(214) 316-6964	terry@terrybrennan.org;
CO	Andy Van Gilder	2175 S. Monroe St., Denver, CO 80210	303.880.8374	andylvangilder@dragonpeaksinc.com
CO	Allen Gallogly	1915 Larson Court	303.264.4882	ajgpartners@comcast.net
CO	Lisa Smith	2110 Emerald Drive	(303) 204-6453	lsmithmenchies@gmail.com
CO	Abhaya Gurung	1281 trail ridge rd. Longmont, CO 80504	(303) 684-0513	pushpagrg1@gmail.com
CO	Gary Richman	10 Monadnock Lane, Merrimack, NH 03054	(603) 854-3740	gdricman@comcast.net
CO	Ken Hammell	3529 Xanthia Ct.	(441) 238-6727	qing32@gmail.com
CO	Ken Hammell	3529 Xanthia Ct.	(441) 238-6727	qing32@gmail.com
CO	Ken Hammell	3529 Xanthia Ct.	(441) 238-6727	qing32@gmail.com
CO	Ken Hammell	3529 Xanthia Ct.	(441) 238-6727	qing32@gmail.com
CO	Ken Hammell	3529 Xanthia Ct.	(441) 238-6727	qing32@gmail.com
CO	Hershel Burden	8372 Southwind Bay Cr Fort Myers, FL 33908	(239) 284-5173	heavyburden1@gmail.com
CO	Mark Allen	2592 South Field Ct., Lakewood, CO 80227	(303) 902-2202	mailen5usa@gmail.com
CO	Cleveland Wiltz	17576 Cabin Hill Ln.	(941) 321-9682	cwiltz68@gmail.com
CT	Richard Khazzaka	331 Transylvania Road, Woodbury CT 06798	(203) 530-7355	Rkhazzaka@hotmail.com
CT	Pasquale Cirone	236 Upper Pattagansett Road	(203) 848-0129	pasquale.cirone@gmail.com
DC	Nureddin Aman	1478 Kingstream Dr	(703) 582-9155	goaaall@yahoo.com
FL	Daniele Ranaudo	8960 NW 180 Terrace	786-566-7906	dranaudosuk@gmail.com
FL	Tony Nguyen	9803 Compass Point Way, Tampa, FL 33615	(703) 474-4134	tony.nguyen@tibbsentreprisellc.com

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State	Franchise	Address	Phone	Email
FL	Leroy Lee	5327 Sagecrest Drive	570-677-8468	leelc4@yahoo.com
FL	Christopher Martin	3752 NW 85th Terrace - Cooper City, FL 33024	(754) 423-9423	clkm@live.com
FL	Christopher Martin	3752 NW 85th Terrace - Cooper City, FL 33024	(754) 423-9423	clkm@live.com
FL	Ishvar Patel	7390 sw 85 th Dr. Gainesville, FL 32608	(352) 219-4726	ipatel53@yahoo.com
FL	Cory Courtney	3919 Brampton Island Ct. S.	(904) 238-5212	cory.h.courtney@comcast.net
FL	Cory Courtney	3919 Brampton Island Ct. S.	(904) 238-5212	cory.h.courtney@comcast.net
FL	John Solomita	13852 Carryback Dr.	(703) 980-0627	eatfresh@verizon.net
FL	Eric Hart	30790 Jackson Road	(216) 360-9916	erichart1@live.com
FL	Steve Thomson	6305 Loma De Cristo	(915) 526-7041	papapogollic@gmail.com
FL	Arpit Dudhia	207 Penmark Stone Pl	(813) 817-5451	arpitdudhia@yahoo.com
FL	Nancy Flores	4939 Lazy Oaks Way	(407) 729-5462	lexus37@mac.com
FL	Bobby Caldwell	139 Madina Circle		CaldwellCompany@aol.com
FL	Jill McCallum	13677 Mandarin Circle	(239) 297-8927	jillmccallum@hotmail.com
FL	Jerry Colon	10227 Wittenberg Way	(321) 279-4792	jerry_colon@yahoo.com
FL	Chris White	1742 Balsam Willow Trail	(321) 442-3626	White124@msn.com
FL	Greg Overend	1862 Venetian Point Drive	(727) 244-6723	gaoverend@gmail.com
FL	Greg Overend	1862 Venetian Point Drive	(727) 244-6723	gaoverend@gmail.com
FL	Greg Overend	1862 Venetian Point Drive	(727) 244-6723	gaoverend@gmail.com
FL	Arpit Dudhia		813-817-5451	arpitdudhia@yahoo.com
FL	Julio Jimenez	10420 NW 74th Street #304	(908) 247-2680	jjimenez4@live.com
FL	Suzanne Strump	1497 N.W. 153 Ave., Pembroke Pines FL 33028	(305) 915-8835	suzannestrump@aol.com;
FL	Paul Pollack	12945 Kingsmill Way	(239) 233-3285	paulpollack13@aol.com
FL	Estaban Merlo	201 Crandon Boulevard #533 Key Biscayne, FL 33149	(305) 562-8204	emerlo@security-re.com
FL	Rene Suarez	2313 NE 34th Lane	954-802-4468	reedsuarez@gmail.com
FL	Aileen Martinez	11510 NW 15 CT, Pembroke Pines, FL 33026	754-214-4938	ABSOL1AC@aol.com
FL	Michelle Carpio	16214 NW 82 Place Miami, FL 33016	786-468-5333	mjgl275@gmail.com
FL	Kevin Townsend	9205 Sweet Maple Ave. Orlando, FL 32832	770.380.7908	ktown5280@gmail.com
FL	John Wilson	7214 Pine Valley St	(941) 360-9306	john@srqwilsons.com
FL	John Wilson	7214 Pine Valley St	(941) 360-9306	john@srqwilsons.com
FL	John Wilson	7214 Pine Valley St	(941) 360-9306	john@srqwilsons.com
FL	Brian Pekny	3602 Neptune Drive Orlando, FL 32804	(407) 342-9812	bpekny@yahoo.com
FL	Brandon Rhodes	2900 Briar Mill Trail	(772) 486-3358	Aspireassociatesllc@gmail.com
GA	Jayson Rogers	1337 W. 10th Ave	(216) 577-5750	jaysonrogers.legacy@gmail.com
GA	Olatunde Idowu	3080 Jardin Lane	(678) 528-7862	upshutin@yahoo.com
GA	Larry Hanger	426 Barnett Street	(404) 307-8311	lhanger@clear.net
GA	Savita Patel	15470 Hwy South	(931) 296-2432	savita2432@gmail.com
GA	Odalys Marte	8777 Westwind Drive Odalys, GA 31820	(808) 397-7218	odalys.marte@yahoo.com
GA	Jonathan Smithgall	4765 Paran Oak Court	(404) 456-4258	jfsmithgall@aol.com
GA	Clark Cordner	702 Settler Crossing, Canton GA 30114	770-639-8615	clarkcordner@yahoo.com
GA	Cooper Jobe	3256 Mathieson Dr NE Atlanta GA 30305	678-488-8646	cooperjobe@yahoo.com
GA	Carlos Urrea	450 Hembree Grove Overlook, Roswell, GA	404-805-6500	cjurrea@att.net

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State	Franchise	Address	Phone	Email
		30076		
HI	Bill Rehwald	1710 Chastain Parkway E	424.238.5685	BILLMBZ@EARTHLINK.NET
IA	Greg Johansen	1200 Valley West Drive, Ste. 504, West Des Moines, IA 50266	515-491-9184	greg.johansen@grxholdings.com
IA	John Kha	2908 Elm Street West	(515) 664-0699	khazilla81@gmail.com
ID	Brian Hanks	760 Corner Ridge Dr.	(801) 369-9033	hanks1415@gmail.com
IL	Linda Berlin	536 The Lane, Hinsdale, IL 60521	630.660.8188	linxrt@aol.com
IL	Jeff Podjasek	2299 Timothy Dr.	(847) 274-7049	men563@menchiesfroyo.com
IL	Tom Fleming	713 Donna Drive	(618) 973-0563	td.fleming@hotmail.com
IL	Amin Sharapov	2056 Spice Circle	(214) 316-6965	dilshod.sharapov@gmail.com
IL	Amin Sharapov	2056 Spice Circle	(214) 316-6965	dilshod.sharapov@gmail.com
IL	Amin Sharapov	2056 Spice Circle	(214) 316-6965	dilshod.sharapov@gmail.com
IL	Randy Sturges	12400 Ventura Blvd. #1600 Studio City, CA 91604	818.980.1600	randysturges@gmail.com
IL	Randy Sturges	12400 Ventura Blvd. #1600 Studio City, CA 91604	818.980.1600	randysturges@gmail.com
IL	Randy Sturges	12400 Ventura Blvd. #1600 Studio City, CA 91604	818.980.1600	randysturges@gmail.com
IL	Barney Stanner	439 Ridge Ave Clarendon Hills, IL 60514	(773) 551-5507	bstanner@mindspring.com
IL	Barney Stanner	439 Ridge Ave Clarendon Hills, IL 60514	(773) 551-5507	bstanner@mindspring.com
KS	Dennis Doyle	11011 W 49th Terrace, Shawnee, KS 66203	(402) 450-4870	MEN492@menchiesfrozenyogurt.co
KS	Dennis Doyle	11011 W 49th Terrace, Shawnee, KS 66203	(402) 450-4870	MEN492@menchiesfrozenyogurt.co
LA	Sam Abshire	5358 buckingham place Bryant, AR 72022	(318) 773-4143	skabshire@aol.com
LA	Nahel "Chester" Rimawi	2020 Bradford Place	504.975.3307	ramee74@aol.com
MA	Christine McLaughlin	11 Ryans Lane	(617) 905-7975	christinemclaughlin5@comcast.net
MA	Ronobir Mallick	3064 Camino Largo Ave.	(614) 315-2545	Ron.Mallick (ron.mallick@yahoo.co
MA	Jorge Simoes	8 Evergreen Ln.	(978) 587-5923	jsimoes1@yahoo.com
MD	Rick Mostyn	740 South River Landing Edgewater, MD 21037	(301) 785-5802	Rmostyn@bozzuto.com
MD	Rick Mostyn	740 South River Landing Edgewater, MD 21037	(301) 785-5802	Rmostyn@bozzuto.com
MD	Keni Winger	2181 Jamieson Ave.	(703) 906-5041	winger.keni@gmail.com
MD	Robert Jacobs	5803 Bradley Blvd.	301.787.6169	rjacobs124@gmail.com
MD	Dianna Adams	400 Mohican Dr.	(301) 471-7250	adams_dianna@yahoo.com
MD	Kristine Garfinkel	4407 Walsh Street, Chevy Chase, MD, 20815	301-956-9883	kagarfinkel@gmail.com
MD	Ed Crane	9709 C Leatherfern TR	(301) 518-4119	ed.crane@llc-bits.com
MI	Danny Samson	333 West Fort Street, Suite 1200, Detroit, Michigan 48226	313.570.6264	dannys@sgdetroit.com
MI	Danny Samson	333 West Fort Street, Suite 1200, Detroit, Michigan 48226	313.570.6264	dannys@sgdetroit.com
MI	Danny Samson	333 West Fort Street, Suite 1200, Detroit, Michigan 48226	313.570.6264	dannys@sgdetroit.com
MI	Marvin Kassab	19020 Cass Ave.	586.557.9557	marvinkassab@gmail.com
MI	Mehul Patel	4330 Neward Circle Grand Blanc, MI 48439	(810) 603-2565	MRPATEL.RX@gmail.com
MI	Andrew Van Timmeren	13355 Patchin Dr.	(616) 710-6392	andrew.vantimmeren@gmail.com

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State	Franchise	Address	Phone	Email
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Farooq Minhas	2945 Turtle Pond Court, Bloomfield, MI 48302	248.719.8691	shahzadakhani23@netscape.net
MI	Dena Crow	13505 Greenbriar Dr.	(616) 402-0648	denacrow71@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive, Troy, MI 48085	(248) 379-2663	dorand2004@gmail.com
MI	Farzana Younas	49489 Lansdowne St.	(734) 272-9633	yfarzana@gmail.com
MI	Farzana Younas	49489 Lansdowne St.	(734) 272-9633	yfarzana@gmail.com
MI	Yousra Perayeff	4925 Pickford Drive	248.379.2663	fperayeff@comcast.net
MI	Michael May	16585 Jessica Dr.	(586) 246-6078	may0886@gmail.com
MI	Boby Thomas	981 Arcadian Ct.	(248) 778-8621	boby_thomas@hotmail.com
MI	Anthony Hitsman	315 Wildwood Dr.	(616) 218-5028	anthonyjhitsman@gmail.com
MI	Abdel Belkasri	6143 Nor Elizabeth St.	313-319-8370	belkasri@gmail.com
MI	Rohan Patel	45339 Diamond Pond Drive	(586) 438-5000	rpk800@gmail.com
MI	Farooq Minhas		248.719.8691	shahzadakhani23@netscape.net
MI	Anil Bilimoria	4773 Ventura Drive	(313) 613-0212	bilimoria.anil@gmail.com
MI	Anil Bilimoria	4773 Ventura Drive	(313) 613-0212	bilimoria.anil@gmail.com
MI	Niko Ahee		(313) 475-8483	niko@abholdings.net
MI	Dave Gasowski	59201 Hamilton Circle	(586) 536-5005	djgasowski@aol.com
MN	Pete Vaillant	13493 Marigold St. - Andover, MN 55304	763.576.1036	Pete.Vaillant@comcast.net
MO	Sean Quinn	2054 Meramec Meadows Dr.	314.378.2743	sbquinn@att.net
MO	Michael Matchett	4521 Forder Oaks Dr	(314) 308-5554	mike.matchett@mallinckrodt.com
MS	Wynn Suebhongsang	1880 Lakeland, Ste. 3	601.951.4085	wynns123@hotmail.com
NC	Jiten Majithia	3230 Granard Lane Charlotte, NC 28269	(704) 516-4642	ndoogu@hotmail.com
NC	Robin Ford	8891 Graham Point Lane Denver, North Carolina 28037	(704) 425-0813	mrford@charter.net
NC	Martha Spires	1112 Offshore Dr.	(910) 322-3345	spires1987@yahoo.com
NC	Martha Spires	1112 Offshore Dr.	(910) 322-3345	spires1987@yahoo.com
NC	Heath Osburn	1033 Sedgewood Place Ct, Charlotte, NC 28211	(704) 817-8256	heathosburn@mac.com
NC	Victor Medina	4820 Clubview Court, Fuquay-Varina, NC 27526	(919) 369-9017	vamedina@trianglesurgical.com
NC	Domeica White	9313 Edwards Place	(704) 607-6879	domeicawhite@bellsouth.net
NC	Lalit Solanki	319 Malvern Hill Lane Morrisville, NC 27560	(919) 462-9241	lalitji@gmail.com
NC	Jacqueline Ogden	601 Southshore Parkway	(919) 957-1937	jacqueogden@yahoo.com
NC	Sybil Shipley	5112 Minnesota Drive SE	(443) 904-4347	sybilshipley@gmial.com
NC	Robin Ford	8891 Graham Point Lane Denver, North Carolina 28037	(704) 425-0813	mrford@charter.net
NC	Robin Ford	8891 Graham Point Lane Denver, North Carolina 28037	(704) 425-0813	mrford@charter.net
NC	Scott Stolp	203 Rosemont Drive	(828) 612-5434	scoby0871@gmail.com

State	Franchise	Address	Phone	Email
NC	Lisa Lamalfa	5785 Heisley Rd.	(440) 343-3209	lovemenchies@gmail.com
ND	Shane Skarison	11 Central St. W	(218) 230-5347	sskarison@gmail.com
NE	Brian Krohe	6209 Hawser Dr.	(217) 473-2341	bkrohe@hotmail.com
NE	Brian Krohe	6209 Hawser Dr.	(217) 473-2341	bkrohe@hotmail.com
NJ	Robert Pures	607 Peterson Farm Court	(201) 470-8107	Rpures@gmail.com
NJ	Robert Pures	608 Peterson Farm Court	(201) 470-8108	Rpures@gmail.com
NJ	Monica Harwell	13 Bayview Drive	(201) 697-8507	linelady1@verizon.net
NJ	Joseph Auriemma	301 River Avenue	(917) 836-0714	joe@aljinincorporated.com
NJ	Joseph Auriemma	301 River Avenue	(917) 836-0714	joe@aljinincorporated.com
NJ	Joseph Auriemma	301 River Avenue	(917) 836-0714	joe@aljinincorporated.com
NM	Angela Blakely	30 Camino De La Paloma	505.401.3606	acrpnr@aol.com
NM	Angela Blakely	30 Camino De La Paloma	505.401.3606	acrpnr@aol.com
NM	Eric Hoessel	509 Cielo Azul	(505) 898-0714	drugsolutions@aol.com
NM	Si Do	1715 Avenida Comunidad SE	505.250.0565	finishline14@gmail.com
NM	Mark Jones	59 Prestwick Ct.	480.381.0584	marjones1@hotmail.com
NM	Eric Hoessel	509 Cielo Azul	(505) 898-0714	drugsolutions@aol.com
NM	Larry Gaylord	3296 Coors Blvd. NW #D	(505) 453-3136	larrygaylord@allstate.com
NM	Ben Schenkman	10534 Olympic St. NW	(505) 507-3484	blschen45@gmail.com
NV	Phil and Rhonda Langager	7222 Bachelors Button Drive	702-371-5233	yogager.inc@gmail.com
NV	Phil and Rhonda Langager	7223 Bachelors Button Drive	702-371-5233	yogager.inc@gmail.com
NV	Phil and Rhonda Langager	7224 Bachelors Button Drive	702-371-5233	yogager.inc@gmail.com
NV	Phil and Rhonda Langager	7225 Bachelors Button Drive	702-371-5233	yogager.inc@gmail.com
NV	Scott Somerville	2929 Josephine Drive	(541) 217-9801	naizl1116@yahoo.com
NV	Scott Somerville	2929 Josephine Drive	(541) 217-9801	naizl1116@yahoo.com
NV	Scott Somerville	2929 Josephine Drive	(541) 217-9801	naizl1116@yahoo.com
NV	Philip Langager	7221 Bachelors Button Drive	702-658-1999	plangager@cox.net
NV	Bhupinder Gill	14251 Westminster Hwy. Richmond, BC V6V 1A4 Canada	(604) 889-7006	vmm@direct.ca
NV	Ron McMillan	520 Canyon Greens Drive	702.592.1100	RMCTMC@hotmail.com
NY	Chi Tang	64-05 Yellowstone Blvd #114	917.669.0955	chiwtang@gmail.com
NY	Don Warhol	85 Curley Drive	716.867.5857	donwarhol@verizon.net
NY	Joe Morrissey	323 E Moreland Ave	(267) 961-8999	jmorrissey100@gmail.com
NY	William Aldebot Jr.	3411 Riverdale Avenue	(646) 387-5103	waldebit@gmail.com
NY	Arlinda Eggleston	33 Washington Avenue - N. White Plains, NY 10603	914.607.3041	arlinda33@hotmail.com
NY	Fiona Chin	1169 67th St. Brooklyn, NY 11219	(917) 385-5855	fionac611@gmail.com
NY	Johny Taveras	929 Gloucester Ct.	(646) 673-3585	johntaveras@gmail.com
NY	Kevin Taylor	1935 Huth Road Grand Island, NY 14072	(716) 946-7949	kevin1964taylor@gmail.com
NY	Hasbleidy Gaenslen	546 Scarborough Rd.	(347) 345-6498	gaenslen_melo@outlook.com
OH	Chetan Patel	59 Wildwood Ln.	(419) 571-9571	chetanatma@aol.com

State	Franchise	Address	Phone	Email
OH	Joe Lukasik	21481 North Park Dr.	(216) 990-0779	luke2728@aol.com
OK	Randy Goben	18700 Otter Creek Dr	(405) 474-0444	Randy.goben@chk.com
OR	Eric Spencer	90845 Marquis Way	541-343-5772	ericry@msn.com
OR	Richard Calcagno	10420 SW Cornhusker Ave	503.524.7537	rvcalcagno@comcast.net
OR	Richard Calcagno	10420 SW Cornhusker Ave	503.524.7537	rvcalcagno@comcast.net
OR	Camelia Gocan	7130 sw Scholls Ferry Rd	(503) 679-7036	roncamy@yahoo.com
OR	Igor Mytryk	14924 SE Main St.	503.432.9836	mytryki@yahoo.com
PA	Michael Fineman	104 Lombard St.	(267) 265-7048	mbfl30@gmail.com
PA	Anne Dougherty	25 Laurence Place Plymouth Meeting, PA 19462	215-316-8993	annestallman@hotmail.com
PA	Katarina (Kat) Hauben	329 Sherwood Drive Yardley, PA 19067	267-242-9857	menchiespa@gmail.com
PA	Karen Douglas	3216 Tynning Ln.	(917) 670-1080	MEN526@menchiesfrozenyogurt.co
PA	Erik Lingren	768 Venango Ave.	(412) 735-3025	erikwilliamlingren@gmail.com
PA	Jonathan Wirth	2484 W. Pine Grove Rd.	(814) 571-6346	jtw959@msn.com
PA	Lisa Brestensky	1383 Glencoe Ave.	(412) 279-2667	lfbrestensky@yahoo.com
PA	Doug Willwerth	1028 Shadowstone Drive	(717) 725-9512	Tazz1028@comcast.net
RI	Nancy Gardiner	24 Circlewood Dr.	(315) 935-9933	MEN281@menchiesfroyo.com
SC	Kyle Kuriger	1350 Long Leaf Dr.	(803) 493-0402	kylekuriger@gmail.com
TN	Jill Green	jill	423-618-5870	tnneyland@aol.com
TN	Craig Wehinger	1133 Willowood Road Knoxville, TN 37922	(865) 719-8764	craigwehinger@hotmail.com
TN	Isaiah Azadgan	3815 Jupiter Ave.	949-627-1407	jclvsiaia@gmail.com
TX	Gary Novit	3140 Sun Drenched Path, Austin, TX 78732	(512) 415-1251	gary.menchies@icloud.com
TX	Gary Novit	3140 Sun Drenched Path, Austin, TX 78732	(512) 415-1251	gary.menchies@icloud.com
TX	Gary Novit	3140 Sun Drenched Path, Austin, TX 78732	(512) 415-1251	gary.menchies@icloud.com
TX	Gary Novit	3140 Sun Drenched Path, Austin, TX 78732	(512) 415-1251	gary.menchies@icloud.com
TX	Alex Zhai	28626 Rolling Ridge Dr.	(201) 443-5745	alexzhai0724@gmail.com
TX	Alex Zhai	28626 Rolling Ridge Dr.	(201) 443-5745	alexzhai0724@gmail.com
TX	Anuar Jobi	2816 Abbey Rd	(956) 280-3637	walabi_job@hotmail.com
TX	Anuar Jobi	2816 Abbey Rd	(956) 280-3637	walabi_job@hotmail.com
TX	Anuar Jobi	2816 Abbey Rd	(956) 280-3637	walabi_job@hotmail.com
TX	Anuar Jobi	2816 Abbey Rd	(956) 280-3637	walabi_job@hotmail.com
TX	Anuar Jobi	2816 Abbey Rd	(956) 280-3637	walabi_job@hotmail.com
TX	James Wilcox	7654 Paraiso Point	(281) 857-7993	james@texasmenchies.com
TX	James Wilcox	7654 Paraiso Point	(281) 857-7993	james@texasmenchies.com
TX	James Wilcox	7654 Paraiso Point	(281) 857-7993	james@texasmenchies.com
TX	James Wilcox	7654 Paraiso Point	(281) 857-7993	james@texasmenchies.com
TX	Thomas Ward	21203 Promontory Circle, San Antonio Texas 78258	(210) 232-2238	toanwa@gmail.com
TX	Thomas Ward	21203 Promontory Circle, San Antonio Texas 78258	(210) 232-2238	toanwa@gmail.com
TX	Lisa Blank	26204 Old Fredericksburg Rd.	(210) 215-2991	
TX	Adrian Gonzalez	900 Hawk Valley Dr.	(561) 350-7314	bluëvenetex@gmail.com

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MENCHIE'S 2017 FDD
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State	Franchise	Address	Phone	Email
TX	Kristine McBride	1223 Huntington Dr.	(214) 418-6757	ksmcbrideotr@tx.rr.com
TX	Michael Landess	4415 79th St.	806 368-7031	landess@suddenlink.net
TX	Thomas Ward	21203 Promontory Circle, San Antonio Texas 78258	(210) 232-2238	toanwa@gmail.com
TX	Thomas Ward	21203 Promontory Circle, San Antonio Texas 78258	(210) 232-2238	toanwa@gmail.com
TX	Mickie Hernandez	4301 W. William Cannon Dr.	512-297-1766	mickie_hernandez@outlook.com
TX	Saleem Hirani	6208 Tynning Circle	(248) 819-8385	saleem.hirani@gmail.com
TX	Saleem Hirani	6208 Tynning Circle	(248) 819-8385	saleem.hirani@gmail.com
TX	Saleem Hirani	6208 Tynning Circle	(248) 819-8385	saleem.hirani@gmail.com
TX	Rey Cintra	11511 Rocky Bend dr. Houston TX 77077	(832) 489-7104	reycintra1@me.com
TX	Suhail Rahim	7512 Keith Lane	(817) 993-0277	suhaile@archstone-holdings.com
TX	Meredith Bruce	2425 McKeever Road, Rossharon, TX 77583	(281) 380-9377	meredithb71@gmail.com
TX	David Martin	2242 Robin Dr.	(651) 491-5886	david.michael.martin1@gmail.com
TX	Bill Brown	203 Charlottesville Ave	(817) 528-9137	williamobrowndfw@gmail.com
TX	Krupal Patel	1709 Riviera Drive	(469) 226-7823	krupal.patel@yahoo.com
TX	Jesus Sanchez	1147 Sienna Hill Drive	832.493.0560	jesusscc@gmail.com
TX	Richard Coons	3610 Puesta De Sol	210.592.7383	ric.coons@parallon.com
TX	Paul Rampersad	26822 Wylie W Valley Ln	(206) 274-8340	paul.r.rampersad@gmail.com
TX	Moses Kovalchuk	6068 Northview Ct.	(940) 600-3333	men619@menchiesfroyo.com
TX	Rafael Zavala	12722 Apple Bend Cir	(832) 644-1845	rafaelzm1@gmail.com
TX	Gabriella Gonzalez-Camacho		(832) 725-1799	
TX	Karen Berteau	5015 Addison Circle #411	(214) 316-6961	berteauenterprises@gmail.com
TX	Karen Berteau	5015 Addison Circle #411	(214) 316-6962	berteauenterprises@gmail.com
TX	Karen Berteau	5015 Addison Circle #411	(214) 316-6963	berteauenterprises@gmail.com
TX	Joseph Markosfeld	3113 Wavecrest Blvd	(512) 652-8901	bobbysfroyolc@gmail.com
TX	Joseph Markosfeld	3113 Wavecrest Blvd	(512) 652-8901	bobbysfroyolc@gmail.com
TX	Rick Ulloa	31206 Arbor Forest Lane	(832) 498-7985	rxulloa70@sbcglobal.net
TX	Belay Yeworkwoha			
TX	Kim Wilson	14514 Mountain Cliff Lane	713) 725-2939	MEN848@menchiesfroyo.com
TX	Luis Huerte	1505 Whitaker Way	214.316.0693	pepeluish@yahoo.com
TX	Vinay Sharma	425 El Camino Drive	(972) 413-5331	vkshar@gmail.com
TX	Maria Kelly	22022 Lapis Creek Ln.	713.501.6625	malolaparra@gmail.com
TX	Rick Ulloa	31206 Arbor Forest Lane	(832) 498-7985	rxulloa70@sbcglobal.net
TX	Jose A. Garcia	28411 Joanie Kay	(504) 451-5439	cura666@aol.com
TX	Ralph Hodges	1711 Windy Hill Lane	(832) 721-2456	hodgesrd@flash.net
TX	Jack Page	16402 Golf View Trail Houston, Tx 77059	(832) 457-2548	jpage.menchies@gmail.com
TX	Jack Page	16402 Golf View Trail Houston, Tx 77059	(832) 457-2548	jpage.menchies@gmail.com
TX	Jack Page	16402 Golf View Trail Houston, Tx 77059	(832) 457-2548	jpage.menchies@gmail.com
TX	Jack Page	16402 Golf View Trail Houston, Tx 77059	(832) 457-2548	jpage.menchies@gmail.com
TX	Danny Vaswani	7368 Skyrocket Drive El Paso Texas 79911	915-487-2755	danny@casahinduinc.com
TX	Karen Sellers	PO Box 1085	979-257-9514	stxfroyo@yahoo.com

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State	Franchise	Address	Phone	Email
TX	Karen Sellers	PO Box 1085	979-257-9515	stxfroyo@yahoo.com
TX	Karen Sellers	PO Box 1085	979-257-9516	stxfroyo@yahoo.com
TX	Karen Sellers	PO Box 1085	979-257-9517	stxfroyo@yahoo.com
TX	Maher Altamimi	619 Cribbs Dr.	(214) 597-5671	Maher.altamimi@gmail.com
TX	Terrance Sookdeo	10600 Six Pines Drive, The Woodlands, TX, 77380	337-298-5505	tsookdeo@hotmail.com
TX	Hemant Patel	4811 Mountain Timber Dr.	(832) 867-5364	hemantpatel3@gmail.com
TX	Oscar Rojas	719 Sawdust Road, Suite 117, The Woodlands, TX 77380	(832) 482-8620	orojass@easterngulfsvcs.com
TX	Oscar Rojas	719 Sawdust Road, Suite 117, The Woodlands, TX 77380	(832) 482-8620	orojass@easterngulfsvcs.com
TX	Oscar Rojas	719 Sawdust Road, Suite 117, The Woodlands, TX 77380	(832) 482-8620	orojass@easterngulfsvcs.com
TX	Eric Morhet	1744 Cranston Grove Dr. - Dickinson, TX 77539	281.678.8172	EAMSDM@SBCGLOBAL.NET
TX	Olu George			
TX	Shawn Morris	20 Ferris Branch	(210) 854-0566	usasm@msn.com
TX	Robin Parfan	2001 South Mopac Expressway #2226	(512) 243-7314	robin.parfan@seventhmo.com
UT	Rory Rich	3945 N 650 W	(801) 605-8458	BadDaddyEnterprisesInc@comcast.
VA	Suzie and Jim Altieri	408 Carolina Avenue Virginia Beach, VA 23456	757.692.2221	saltiere@me.com
VA	Brian Davenport	6009 Marilyn Dr.	(703) 216-0081	briandavenport33@gmail.com
VA	Brian Davenport	6009 Marilyn Dr.	(703) 216-0081	briandavenport33@gmail.com
VA	Brian Davenport	6009 Marilyn Dr.	(703) 216-0081	briandavenport33@gmail.com
VA	Matt Ricciardi	2001 15th Street N Apt 516	(202) 550-1815	matt@syniksolutions.com
WA	Julio Ibarra	902 197th Avenue SE Sammamish WA 98075	(425) 998-3297	jibarrab@live.com
WA	Julio Ibarra	903 197th Avenue SE Sammamish WA 98075	(425) 998-3297	jibarrab@live.com
WA	Julio Ibarra	904 197th Avenue SE Sammamish WA 98075	(425) 998-3297	jibarrab@live.com
WA	Derek Walton	5620 Old Settler Dr. Ferndale, WA 98248	(604) 250-9288	dwalton@jsn-usa.com
WA	Derek Walton	5620 Old Settler Dr. Ferndale, WA 98248	(604) 250-9288	dwalton@jsn-usa.com
WA	Derek Walton	5620 Old Settler Dr. Ferndale, WA 98248	(604) 250-9288	dwalton@jsn-usa.com
WA	Derek Walton	5620 Old Settler Dr. Ferndale, WA 98248	(604) 250-9288	dwalton@jsn-usa.com
WA	Sulaiman Pradhan	20213 83rd place NE	(425) 949-8266	menchies440@gmail.com
WA	Melissa Forslund	13529 137th Pine, Kirkland, WA 98034	(425) 218-1225	lissarn@gmail.com
WA	Melissa Forslund	13529 137th Pine, Kirkland, WA 98034	(425) 218-1225	lissarn@gmail.com
WA	Melissa Forslund	13529 137th Pine, Kirkland, WA 98034	(425) 218-1225	lissarn@gmail.com
WA	Kent Radek	9002 NE 152nd Place, Kenmore, WA 98028	(425) 205-7511	sporadek@gmail.com
WA	Shawna Meyer-Ravelli	6906 NW 192nd Street	(650) 996-8885	shawnaravelli@gmail.com
WA	Shawna Meyer-Ravelli	6906 NW 192nd Street	(650) 996-8885	Shawnaravelli@gmail.com
WA	Shawna Meyer-Ravelli	6906 NW 192nd Street	(650) 996-8885	shawnaravelli@gmail.com
WA	Joe Sauvage	2634 32nd Ave West Seattle, WA 98199	(206) 898-4821	sauvagehoops@comcast.net
WA	Saqab Husain	16423 41st PL W Lynnwood, WA 98037	(206) 856-5881	saqabhusain@ymail.com
WA	Julio Ibarra	902 197th Avenue SE Sammamish WA 98075	(425) 998-3297	jibarrab@live.com

State	Franchise	Address	Phone	Email
WI	Richard Sachse	5210 Vanguard Dr Sheboygan, WI 53083	920-980-6077	richsachse@wisconsinfroyo.com
WI	Richard Sachse	5210 Vanguard Dr Sheboygan, WI 53083	920-980-6077	richsachse@wisconsinfroyo.com
WI	Richard Sachse	5210 Vanguard Dr Sheboygan, WI 53083	920-980-6077	richsachse@wisconsinfroyo.com
WV	Heath Ellis	PO Box 224 Justice, WV 24851	(304) 784-5417	devco@lightlynx.net

**Franchisees and Subfranchisees that Left the System During
2016**

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.

Transfers:

Franchisee	City	State	Phone	Email
Trina Walker	La Puente	CA	(626) 988-3421	mench277@gmail.com
David Habibi	Culver Sity	CA	(310) 991-5363	dldmgt@yahoo.com
Debbie Sullivan	Kissimmee	FL	(516) 375-3418	lindymenchies@gmail.com
Chris Hess	Aventura	FL	(305) 682-1967	stoph67@yahoo.com
Nancy Gilbreath	West Des Moines	IA	(515) 661-1067	megsmom101@yahoo.com
Nancy Gilbreath	Des Moines	IA	(515) 661-1067	megsmom101@yahoo.com
Charles Lei	Fredrick	MD	(703) 606-9839	charlesqlei@gmail.com
Fred Perayeff	Ann Arbor	MI	(248) 506-3123	dorand2004@gmail.com
Andy Trapuzzano	Westland	MI	(412) 496-7276	trapuzzano@gmail.com
Mace McNutt	St. Paul	MN	(507) 412-9697	mace.mcnett@wellsfargo.com
Thai Doan	Raleigh	NC	(919) 539-3309	thaidoan3@gmail.com
Michael Ruckman	Las Vegas	NV	(702) 767-6626	34ichael.ruckman@senteo.net
Gabriela Pohl	Austin	TX	(512) 574-6137	johnestherllc@gmail.com
Jerry Farr	St. George	UT	(818) 639-7787	jerryafarr@gmail.com
Tony Scherrer	Shoreline	WA	(206) 708-0159	scherrer3@gmail.com
Lynnette Truxal	Lacey	WA	(253) 973-6565	lynnette_truxal@msn.com

Brent Johnson	Kirkland	WA	(206) 300-7829	brent04@comcast.net
Jennifer Hassrick	Middleton Hills	WI	(608) 445-8707	jhassrick@gmail.com

Terminations or Left the System (Franchise Agreement With Open Store):

Richard Reisberg	Huntington Beach	CA	(310) 459-8402	richardreisberg@gmail.com
Linda Miller	Centennial	CO	720-484-6627	bootcampbabe10@gmail.com
Andy Van Gilder	Denver	CO	719-696-7149	andyvangilder@dragonpeaksinc.com
David Truglio	Vernon	CT	(860) 729-8276	David.truglio@gmail.com
Akin Oparison	North Port	FL	(941) 757-9551	akin557@yahoo.com
Reinaldo Arreaza	Jacksonville	FL	(904) 315-3902	arreazaa@bellsouth.net
Monica Long	Marietta	GA	(678) 427-7624	monicatlong@msn.com
Corey Bierra	East Point	GA	(770) 306-7244	rocoyogurt@yahoo.com
Jody Wolk	Highland Park	IL	847-780-4930	jodymwolk@me.com
Hsiu-Chiung (Ginnie) Yang	Indianapolis	IN	(317) 908-6534	ginnie_yang_hc@yahoo.com
Travis Hood	Baton Rouge	LA	(225) 921-2773	thood9126@gmail.com
Rick Mostyn	Germantown	MD	(301) 785-5802	Rmostyn@bozzuto.com
Valli Chidambaram	Rockville	MD	(240) 644-8952	vallichid@hotmail.com
Brian Sloss	Cary	NC	(843) 743-3807	briansloss@yahoo.com
Debbie Kirby	Lindenhurt	NY	(516) 375-3418	lindymenchies@gmail.com
Bob Stark	Sandusky	OH	(216) 292-0042	gteresi@starkenterprises.com
Ezra Stark	Macedonia	OH	(216) 292-0042	estark@starkenterprises.com
Ezra Stark	Fairview Park	OH	(216) 292-0042	estark@starkenterprises.com
Tim Jamison	Washington	PA	(412) 335-3881	timjamison1@hotmail.com
Chris Matello	Warwick	RI	401-487-0445	
Stuart Nichols	Myrtle Beach	SC	843-582-3888	snichols@alum.mit.edu
Alan Sims	Alcoa	TN	865-804-1564	alansims@comenviro.com
Jack Page	Cypress	TX	(832) 457-2548	jpage.menchies@gmail.com

Rick Mostyn	Arlington	VA	(301) 785-5802	Rmostyn@bozzuto.com
Richard Sachse	Fond Du Lac	WI	(920) 980-6077	richsachse@ wisconsinfroyo.com
Richard Sachse	Milton	WI	(920) 980-6077	richsachse@ wisconsinfroyo.com

Terminations (Signed Franchise Agreements but Never Opened):

Hart, Eric and Lori	Moreland Hills	OH	(216) 360-9916	erichart1@live.com
Kirby, Steve and Sullivan, Debbie	Lindenhurst	NY	(516) 375-3418	lindymenchies@gmail.com
Kirby, Steve and Sullivan, Debbie	Lindenhurst	NY	(516) 375-3418	lindymenchies@gmail.com
			(408) 799-4043	frogurtllc@gmail.com
Lam, Michael	San Jose	CA		
Solomon, Shelby and Theresa	Edina	MN	(734) 846-4551	shelby@shelbysolomon.com
			(734) 846-4551	shelby@shelbysolomon.com
Solomon, Shelby and Theresa	Edina	MN		
			(734) 846-4551	shelby@shelbysolomon.com
Solomon, Shelby and Theresa	Edina	MN		
			(262) 212-9496	sondhi.arun@gmail.com
Sondhi, Monika and Arun	Waukesha	WI		
			(917) 848-6064	bobbysuri@gmail.com
Suri, Bobby and Monika	New Windsor	NY		
			(248) 798-8881	jeff.abro@yahoo.com
Abro, Jeff	Troy	MI		
			(248) 798-8881	jeff.abro@yahoo.com
Abro, Jeff	Troy	MI		
Collier, Charles E. & Julia K.	Fairfax	VA	(703) 424-4549	yozen_mengurt@cox.net
Hishikawa, Yoshi	Tamuning	Guam	(671) 727-7223	yoshi@ricguam.com
			(414) 465-2662	greg@fpyc.biz
Holcombe, Greg and Laura	Palm Harbor	FL		
			(414) 465-2662	greg@fpyc.biz
Holcombe, Greg and Laura	Palm Harbor	FL		
			(414) 465-2662	greg@fpyc.biz
Holcombe, Greg and Laura	Palm Harbor	FL		
Jamison, Timothy	Pittsburgh	PA	(412) 335-3881	timjamison1@hotmail.com
Ljubi, Theresa and Gary	Mentor	OH	(440) 477-3561	menchiesswfl@gmail.com
Pohl, Gabriela & Heredia, Raul	Austin	TX	(512) 574-6137	johnestherllc@gmail.com
Pohl, Gabriela & Heredia, Raul	Austin	TX	(512) 574-6137	johnestherllc@gmail.com
Shradar, Robert and Kassa	Bennington	NE	(402) 250-2568	rshradar@hotmail.com

Exhibit J
RECEIPT

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MENCHIE'S 2017 FDD
US:104840820.03

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If Menchie's Group, Inc. offers you a franchise, it must provide this Disclosure Document to you 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.

Iowa, New York, Oklahoma and Rhode Island require that Menchie's Group, Inc. give you this Disclosure Document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that Menchie's Group, Inc. give you this Disclosure Document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Menchie's Group, Inc., located at 17555 Ventura Boulevard, Suite 200, Encino, California 91316. Its telephone number is (818) 708-0316.

Issuance Date: April 26, 2017

The name, principal business address and telephone number of each franchise seller offering the franchise:

☐ Amit Kleinberger	☐ Chris Brown	☐ Joe Matthews	☐ MJ Kwon
☐ Tom Regev	☐ Eric Edwards	☐ Michael Mudd	☐ Angela Shaw-Long
Principal business address and telephone number for each franchise seller identified above is:			

Menchie's Group, Inc. authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Disclosure Document dated April 26, 2017 (please also see the State Effective Dates Page), that included the following Exhibits: (A) Agents for Service of Process & State Administrators, (B) Financial Statements, (C) Franchise Agreement, (D) Area Development Agreement, (E) Computer and Software Requirements, (F) Operations Manual Table of Contents, (G) State Addenda, (H) Sample Release, (I) List of Franchisees and Subfranchisees in the System, and (J) Receipts.

Date: _____ Signed: _____
Print Name: _____
Address: _____
City: _____
State: _____
Phone () _____ Zip: _____

Date: _____ Signed: _____
Print Name: _____
Address: _____
City: _____ State: _____
Phone () _____ Zip: _____

Prospective Franchisee's Copy

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If Menchie's Group, Inc. offers you a franchise, it must provide this Disclosure Document to you 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.

Iowa, New York, Oklahoma and Rhode Island require that Menchie's Group, Inc. give you this Disclosure Document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan and Oregon require that Menchie's Group, Inc. give you this Disclosure Document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Menchie's Group, Inc., located at 17555 Ventura Boulevard, Suite 200, Encino, California 91316. Its telephone number is (818) 708-0316.

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☐ Tom Regev	☐ Eric Edwards	☐ Michael Mudd	☐ Angela Shaw-Long
Principal business address and telephone number for each franchise seller identified above is:			

Menchie's Group, Inc. authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Disclosure Document dated April 26, 2017 (please also see the State Effective Dates Page), that included the following Exhibits: (A) Agents for Service of Process & State Administrators, (B) Financial Statements, (C) Franchise Agreement, (D) Area Development Agreement, (E) Computer and Software Requirements, (F) Operations Manual Table of Contents, (G) State Addenda, (H) Sample Release, (I) List of Franchisees and Subfranchisees in the System, and (J) Receipts.

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State: _____

Phone () _____ Zip: _____

Date: _____

Signed: _____

Print Name: _____

Address: _____

City: _____ State: _____

Phone () _____ Zip: _____

Menchie's Copy