

1. FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

Franchisor. The franchisor is Mama Fu's Noodle House, Inc., a Georgia corporation. This Offering Circular will refer to Mama Fu's Noodle House, Inc. as "we", "us", "our" or "Mama Fu's". This Offering Circular will refer to the person or entity that buys the franchise from us as "you" or "your", and the term includes your partners if you are a partnership, your members if you are a limited liability company, or your shareholders if you are a corporation.

Mama Fu's Noodle House, Inc. is a Georgia corporation that was organized on November 20, 2002. Our corporate address is 1935 Peachtree Road, Atlanta, Georgia 30309 and our telephone number is (404) 844-3225. Our agent for service of process is disclosed on Exhibit A to this Offering Circular.

We have been offering franchises for the Mama Fu's Asian House (f/k/a Mama Fu's Noodle House) ("Mama Fu's Restaurant" or "Restaurant") since February 2003. We do not operate any Restaurants, but as of December 31, 2004, there was one affiliate-owned Mama Fu's Restaurant owned and operated by Mama Fu's Peachtree, LLC ("Mama Fu's Peachtree"). We have not operated any other type of business (franchise or otherwise).

Predecessors and Affiliates. We have no predecessors. In addition to Mama Fu's Peachtree, our affiliates through common ownership include the following:

Moe's Southwest Grill, LLC. Moe's Southwest Grill, LLC is a Georgia limited liability company with its principal place of business at 2915 Peachtree Road, Atlanta, Georgia 30305 ("Moe's"). Moe's offers franchises for restaurants serving quick, fresh-mex and southwestern food products. Moe's has been offering these franchises since January 2001. As of December 31, 2004, there was one affiliate-owned Moe's restaurant, which is owned by Moe's Peachtree, LLC ("Moe's Peachtree"), and 187 franchisee-owned Moe's restaurants open and operating. Additionally, as of December 31, 2004, there were approximately 540 Moe's restaurants committed to be established and opened in the future pursuant to market development agreements between Moe's and its franchisees. Moe's has not operated any other type of business (franchise or otherwise).

Doc Green's Gourmet Salads, Inc. Doc Green's Gourmet Salads, Inc. is a Georgia corporation with its principal place of business at 1935 Peachtree Road, Atlanta, Georgia 30309 ("Doc Green's"). Doc Green's offers franchises for restaurants serving fresh gourmet salads and soups and other food products. Doc Green's began offering franchises in April 2004. As of December 31, 2004, there was one Doc Green's franchisee; although its restaurant is not open as of the date of this Offering Circular. As of the date of this Offering Circular, Doc Green's Ponce LLC, an affiliate of the franchisor, operates a Doc Green's restaurant in Atlanta, Georgia. Other than as described above, no other Doc Green's restaurants are open nor are there any Doc Green's restaurants committed to be established and opened in the future pursuant to franchise agreements or market development agreements between Doc Green's and any third party. Doc Green's has not operated any other type of business (franchise or otherwise).

Bonehead's Seafood, Inc. Bonehead's Seafood, Inc. is a Georgia corporation with its principal place of business at 1935 Peachtree Road, Atlanta, Georgia 30309 ("Bonehead's"). Bonehead's will offer franchises for restaurants serving seafood dishes and other food products. Bonehead's will begin offering these franchises in the second quarter of 2005. As of the date of this Offering Circular, there are no Bonehead's franchises or Bonehead's restaurants open nor are there any Bonehead's restaurants committed to be established and opened in the future pursuant to market development agreements between Bonehead's and any third party. Bonehead's has not operated any other type of business (franchise or otherwise).

Innovative Brands, Inc. Innovative Brands, Inc. is a Louisiana corporation with its principal place of business at 1801 Peachtree Street, Suite 200, Atlanta, Georgia 30309 ("Innovative Brands"). Innovative Brands, through majority-owned and wholly-owned subsidiaries, owns: (i) Planet Smoothie Franchises, L.L.C., a Georgia limited liability company ("Planet Smoothie"), (ii) P.J.'s USA, Inc., a Louisiana corporation ("P.J.'s") and (iii) The S&Q Shack, LLC, a Georgia limited liability company ("S&Q Shack"), each with the same principal place of business address as Innovative Brands.

Planet Smoothie Franchises, L.L.C. Planet Smoothie Franchises, L.L.C. is a Georgia limited liability company with its principal place of business at 1801 Peachtree Street, Suite 160, Atlanta, Georgia 30309. Planet Smoothie offers franchises serving fresh, blended-to-order fruit smoothies and other nutritional products for on and off-site consumption. Planet Smoothie has been offering these franchises since April 1998. As of February 2005, there were 112 Planet Smoothie franchises. Planet Smoothie has not operated any other type of business (franchise or otherwise).

P.J.'s USA, Inc. P.J.'s USA, Inc. is a Louisiana corporation with its principal place of business at 1801 Peachtree Street, Suite 160, Atlanta, Georgia 30309. P.J.'s offers franchises for retail cafes that specialize in on-site brewing and retail sales of gourmet coffee and teas. P.J.'s has been offering these franchises since January 1993. As of February 2005, there were 40 P.J.'s franchises. P.J.'s has not operated any other type of business (franchise or otherwise).

The S&Q Shack, LLC. The S&Q Shack offers franchises for restaurants serving barbequed meats and other food products under the brand, "Shane's Rib Shack". S&Q Shack began offering these franchises in November 2004. As of February 2005, there was one S&Q Shack franchise with one Shane's Rib Shack open and operating. S&Q Shack has not operated any other type of business (franchise or otherwise).

Each affiliate will offer franchises using its own franchise offering circular. You may face competition from any one of these restaurant concepts because one or more of these restaurant concepts may be established in close proximity to your Restaurant. Each affiliate has total discretion where to permit its franchisees to operate.

The Franchise. We offer franchises to individuals and entities for restaurants which offer Pan-Asian noodle dishes, other food products and beverages, and related services under the form of Franchise Agreement attached to this Offering Circular as Exhibit C (the "Franchise Agreement"). In connection with our Mama Fu's Restaurant concept, we have developed various specialty food products which we may sell under the Mama Fu's brand and also under other brands we may create and develop.

A typical Mama Fu's Restaurant occupies approximately 2,800 to 5,200 square feet of space that may be either owned by you or leased from a third party. All Restaurants are constructed to our specifications as to size, layout, decor and the like. A Mama Fu's Restaurant may be located in either a freestanding building or in an in-line retail plaza space, but, in any event, ample parking, good visibility and availability of prominent signage is a necessity. A Mama Fu's Restaurant will employ approximately 15 to 20 persons.

We created the Mama Fu's franchise system which includes the common use and promotion of the name "MAMA FU'S ASIAN HOUSE" and other service marks, trademarks, trade names, logos, emblems, signs, slogans, insignia and commercial symbols we may designate from time to time (collectively, the "Marks"); distinctive food products and the formula and quality standards therefore; procedures for inventory and management control; training; advertising and promotional programs; and ongoing assistance. We may from time to time add or delete products and/or services, and you will be expected to follow suit. Mama Fu's Restaurants use the method of operation, products, concept, format,

style and trade secrets developed, adopted and approved by us. You will operate a Mama Fu's Restaurant as an independent business utilizing the Marks, business concepts, support, guidance and materials developed by us. You will offer and provide products and services to the general public under the terms and conditions contained within the Franchise Agreement and our confidential operations manual (the "Operations Manual") that will be loaned to you at the time of training. You may not offer other services or products without our prior written approval.

Competition. Mama Fu's Restaurants compete primarily with casual restaurants, including fast casual, quick service, take-out, delivery and fast food restaurants that offer similar menus, including regional and national chains and franchise systems. The casual restaurant business is very competitive which is often driven by fierce price competition, however, we believe that we have created a niche market with the Mama Fu's franchise system by creating a specialty restaurant with a unique trade dress and appearance which is easily distinguishable from other casual restaurants. Prior business management experience is vital for new franchisees, and prior restaurant management experience is highly desirable. Prior business ownership experience also is highly desirable.

The Agreements. You must enter into a Market Development Agreement, the current form of which is attached to this Offering Circular as Exhibit B (the "Development Agreement"). Under the Development Agreement, you must develop, open and operate an agreed upon number of Restaurants located in an area of responsibility (the "Area of Responsibility") in accordance with an agreed upon development schedule (the "Development Schedule"). You must enter into a Development Agreement even if you will establish only one Restaurant. There is no preset minimum or maximum number of Restaurants that you may agree to establish in connection with a Development Agreement. The number of Restaurants to be developed is negotiated between you and us on a case-by-case basis. The Development Agreement will expire on the day after operations of the final Restaurant to be established under the Development Agreement are required to begin as provided on the Development Schedule. The Development Agreement will not grant any protected territory, exclusivity or other rights in which to establish your Restaurants within the Area of Responsibility. You may establish your Restaurants at any location within the Area of Responsibility provided we consent to the location, which may be withheld or granted in our sole discretion, the location is in a state where we are permitted to sell Mama Fu's franchises, and the location is not located in the franchise territory granted to another Mama Fu's franchisee. Within our sole discretion, we may consider a location proposed by you outside your Area of Responsibility.

You will operate each Restaurant to be developed under the Development Agreement under a separate Franchise Agreement. The Franchise Agreement will grant you a protected territory (the "Franchise Territory") which will be determined on a case-by-case basis by considering the population, traffic flow, presence of businesses, location of competitors (including other Mama Fu's franchisees), demographics and other market conditions surrounding the location of the Restaurant. The Franchise Territory may not be unilaterally altered, and the continuation of the Franchise Territory during the term of the Franchise Agreement does not depend on a certain sales or revenue volume or market penetration. We may not operate, or permit any other person to operate, a Mama Fu's Restaurant in the Franchise Territory during the term of the Franchise Agreement; although, we may distribute products, or permit others to distribute products, which are the same or similar to those offered by Mama Fu's Restaurants, whether under the Marks or under other trademarks, trade names, services marks, logos or other commercial symbols and through any channel of distribution or method other than a Mama Fu's Restaurant within the Franchise Territory, including sales through catalogs, e-commerce, mail order, kiosks, mass merchandise, supermarkets and club stores, even if you sell these products at your Restaurant.

Regulatory Matters. In addition to laws and regulations that apply to businesses generally such as workers' compensation, corporate, tax, you will be subject to various federal, state and local government regulations including those relating to construction, site location, and the preparation and sale of food and liquor that apply to restaurant operations, as well as public health, sanitation and safety codes and ordinances. If you sell liquor, beer or wine at your Restaurant, you must obtain a liquor license under state and local law. You may also have liability under Dram Shop laws for injuries relating to the sale and consumption of these substances. You must acknowledge in the Franchise Agreement that you are responsible for keeping apprised of, and complying with, all applicable laws, including the Americans with Disabilities Act, as amended. Before you buy a franchise, you are encouraged to investigate these regulations and other laws that may be applicable to your business. You should consider their impact on your business and any increased cost of doing business.

2. **BUSINESS EXPERIENCE**

Chief Executive Officer, President and Director - H. Martin Sprock, III

Mr. Sprock has served as our Chief Executive Officer, President and as the sole member of our Board of Directors since our inception. Since its inception to the present, Mr. Sprock has served as the Manager, Chief Executive Officer and President of Moe's. Since its inception to the present, Mr. Sprock has served as the Chief Executive Officer, President and as the sole member of the Board of Directors of Doc Green's. Since its inception to the present, Mr. Sprock has served as the Chief Executive Officer, President and as the sole member of the Board of Directors of Bonehead's. Since its inception to the present, Mr. Sprock has served as the Chief Executive Officer, President and as the sole member of the Board of Directors of S&Q Shack. Since its inception to the present, Mr. Sprock has served as the Manager of Moe's Peachtree. Since its inception to the present, Mr. Sprock has served as the Manager of Doc Green's Ponce LLC. Since its inception to the present, Mr. Sprock has served as the Manager of Mama Fu's Peachtree. Since July 2002 to the present, Mr. Sprock has served as the Chairman of the Board of Innovative Brands, P.J.'s, P.J.'s Wholesale, Inc., and P.J.'s Coffee and Tea Company, Inc. Since August 1995 to the present, Mr. Sprock has served as the Chairman of the Board of Planet Smoothie Holdings, Inc. ("Planet Smoothie Holdings"). From June 2000 until April 2001, Mr. Sprock served as the President and Chief Executive Officer of Planet Smoothie Holdings, in Atlanta, Georgia. Since April 1998 to the present, Mr. Sprock has served as the Chairman of the Board of Planet Smoothie. From April 1998 until April 2001, Mr. Sprock served as the President and Chief Executive Officer of Planet Smoothie, in Atlanta, Georgia. From August 1995 until June 2000, Mr. Sprock served as the Chief Executive Officer, President and Chairman of the Board of Planet Smoothie, LLC, in Atlanta, Georgia. Mr. Sprock serves in his present capacities in Atlanta, Georgia.

Chief Operating Officer – Steven M. LaMastra

Mr. LaMastra has served as our Chief Operating Officer since April 2005. Since April 2005, Mr. LaMastra has also served as the Chief Operating Officer for Moe's, Bonehead's and Doc Green's. From April 2002 until March 2005, Mr. LaMastra served as a Senior Vice President for Ritz Camera Centers, Inc. in Beltsville, Maryland. From January 1994 until March 2002, Mr. LaMastra served as an Executive Vice President of Wolf Camera, Inc. in Atlanta, Georgia. Mr. LaMastra serves in his present capacity in Atlanta, Georgia.

Executive Vice President – Franchise Development and Secretary – Daryl Dollinger

Mr. Dollinger has served as our Executive Vice President – Franchise Development since our inception. Mr. Dollinger has served as our Secretary since March 2004. From our inception until October 2003, Mr. Dollinger served as our Treasurer. Since August 2000 to the present, Mr. Dollinger has

served as the Executive Vice President – Franchise Development and Secretary of Moe's. From August 2000 until October 2003, Mr. Dollinger served as the Treasurer of Moe's. Since its inception to the present, Mr. Dollinger has served as the Executive Vice President – Franchise Development and Secretary of Doc Green's. Since its inception to the present, Mr. Dollinger has served as the Executive Vice President – Franchise Development and Secretary of Bonehead's. From May 1998 until August 2000, Mr. Dollinger served as a Business Consultant for Planet Smoothie, located in Atlanta, Georgia. Mr. Dollinger serves in his present capacities in Atlanta, Georgia.

Vice President of Finance – Matthew R. Andrew

Mr. Andrew has served as our Vice President of Finance since December 2004. From our inception through November 2004, Mr. Andrew served as our Director of Finance. Since December 2004, Mr. Andrew has also served as the Vice President of Finance for Moe's, Doc Green's and Bonehead's. From November 2001 through November 2004, Mr. Andrew served as the Director of Finance for the Moe's brand, and from their inceptions through November 2004, Mr. Andrew served as the Director of Finance for the Doc Green's and Boneheads brands. From March 2000 until October 2001, Mr. Andrew served as the Director of Business Development for TradeUps.com, located in Atlanta, Georgia. From January 1999 until March 2000, Mr. Andrew served as the Manager of Business Development and Sales for Headhunter.net, located in Atlanta, Georgia. Mr. Andrew serves in his present capacities in Atlanta, Georgia.

Vice President of Real Estate – Hunter C. Roquemore

Mr. Roquemore has served as our Vice President of Real Estate since December 2004. From our inception through November 2004, Mr. Roquemore served as our Director of Real Estate. Since December 2004, Mr. Roquemore has served as the Vice President of Real Estate for Moe's, Doc Green's and Boneheads. From July 2002 through November 2004, Mr. Roquemore served as the Director of Real Estate for the Moe's brand, and from their inceptions through November 2004, Mr. Roquemore served as the Director of Real Estate for the Doc Green's and Boneheads brands. From January 1999 until June 2002, Mr. Roquemore served as a Leasing Agent for Aronov Realty Management, Inc., located in Montgomery, Alabama. Mr. Roquemore serves in his present capacities in Atlanta, Georgia.

Vice President of New Development – Darin W. Kraetsch

Mr. Kraetsch has served as our Vice President of New Development since December 2004. From our inception through November 2004, Mr. Kraetsch served as our Director of Sales. Since December 2004, Mr. Kraetsch has also served as the Vice President of New Development for Moe's, Doc Green's and Bonehead's. From October 2002 through November 2004, Mr. Kraetsch served as the Director of Sales for the Moe's brand, and from their inceptions through November 2004, Mr. Kraetsch served as the Director of Sales for the Doc Green's and Boneheads brands. From its inception until March 2004, Mr. Kraetsch has served as the Secretary for Mama Fu's. From July 1995 until October 2002, Mr. Kraetsch served as Vice President for Cold Stone Creamery, located in Scottsdale, Arizona. Mr. Kraetsch serves in his present capacities in Atlanta, Georgia.

Vice President of Construction – Mark (Sonny) Crumpton

Mr. Crumpton has served as our Vice President of Construction since December 2004. From our inception through November 2004, Mr. Crumpton served as our Director of Construction. Since December 2004, Mr. Crumpton has also served as the Vice President of Construction for Moe's, Doc Green's and Bonehead's. From November 2001 through November 2004, Mr. Crumpton served as the Director of Construction for the Moe's brand, and from their inceptions through November 2004, Mr.

Crumpton served as the Director of Construction for the Doc Green's and Boneheads brands. From April 1995 until September 2001, Mr. Crumpton was the owner of S&J Smoothies, located in Roswell, Georgia. Mr. Crumpton serves in his present capacity in Atlanta, Georgia.

Vice President of Marketing – Brian Curin

Mr. Curin has served as our Vice President of Marketing since February 2005. Since February 2005, Mr. Curin has also served as the Vice President of Marketing for Bonehead's, Doc Green's and Mama Fu's. From December 2003 until February 2005, Mr. Curin served as a consultant to Bahama Buck's Original Shaved Ice Company in Lubbock, Texas with primary responsibility for marketing and franchise development. From June 2003 until February 2005, Mr. Curin was an executive producer for Platinum Television Group in Deerfield, Florida. Mr. Curin served as the founder and president of Tropical Creations LLC, an area developer for Cold Stone Creamery, from September 2001 until June 2003. Before taking on that position, Mr. Curin served as Head of Marketing for Cold Stone Creamery in Scottsdale, Arizona from October 1999 until September 2001. Mr. Curin serves in his present capacities in Atlanta, Georgia.

Vice President of Operations – Alan Woods

Mr. Woods has served as our Vice President of Operations since December 2004. From May 2003 through November 2004, Mr. Woods served as our Director of Operations. From January 1999 until April 2003, Mr. Woods served as the Director of Operations for Cold Stone Creamery, located in Scottsdale, Arizona. Mr. Woods serves in his present capacity in Atlanta, Georgia.

Director of Training – Manuel Gálvez

Mr. Gálvez has served as our Director of Training since January 2003. From January 1999 until December 2002, Mr. Gálvez served as Director of Training at Pei Wei Asian Diner, located in Phoenix, Arizona. Mr. Gálvez serves in his present capacity in Atlanta, Georgia.

Franchise Sales Director – Anne Musgrave Wheatley

Ms. Wheatley has served as our Franchise Sales Director since our inception. Since July 2003, Ms. Wheatley has also served as a Franchise Sales Director for the Moe's brand, and from their inceptions, Ms. Wheatley has also served as a Franchise Sales Director for the Doc Green's and Boneheads brands. From 1993 to June 2003, Ms. Wheatley served as the President of Marketing Matters of Cumming, Georgia. Ms. Wheatley serves in her present capacities in Atlanta, Georgia.

Franchise Sales Manager – Kelly Wilson

Ms. Wilson has served as our Franchise Sales Manager since January 2005. From January 2005, Ms. Wilson has also served as a Franchise Sales Manager for the Moe's, Doc Green's and Boneheads brands. From July 2004 through November 2004, Ms. Wilson served as a leasing representative in Atlanta, Georgia for Paradise Development. Prior to that job, Ms. Wilson served from January 2001 to July 2004 as Franchise Sales Director for Statewide Development Inc. in Atlanta, Georgia and from December 1998 through December 2000, she was the office manager and sales agent for Depco, also in Atlanta, Georgia. Ms. Wilson serves in her present capacities in Atlanta, Georgia.

3. LITIGATION

Pending Actions:

Larry Klinghoffer and James Hammond v. Mama Fu's Noodle House, Inc., (1) Claim No. 30-Y-114-00638-04, pending before the American Arbitration Association ("AAA"), Atlanta Division, filed on June 16, 2004 (the "Demand"); (2) Civil Action No. 3-04CV-1695L, previously pending before the United States District for the Northern District of Texas, Dallas Division, filed on August 4, 2004 (the "Texas Lawsuit"); and (3) Civil Action No. 1:05-CV-0313 pending before the United States District Court for the Northern District of Georgia, Atlanta Division, filed on February 2, 2005 ("Georgia Lawsuit"). Claimants, two of our franchisees, served us with the Demand which alleges that in connection with the sale of Mama Fu's franchises to the claimant, we (i) violated the Texas Business Opportunity Act, the Texas Deceptive Trade Practices Act and the Georgia Fair Business Practices Act, (ii) committed fraud, (iii) made negligent misrepresentations, (iv) breached certain obligations under the applicable Franchise Offering Circular and claimants' Market Development Agreement and Franchise Agreement, and (v) breached a duty of good faith and fair dealing. In addition, the Demand alleges claims under the theories of promissory and equitable estoppel, unjust enrichment and recoupment. The Demand seeks, among other things, rescission of the Market Development Agreement, the Franchise Agreement, reimbursement of certain expenses and fees in an unspecified amount and monetary damages in excess of \$700,000 plus attorneys' fees, costs and pre-and post-judgment interest. The claimants' claim resulted, in part, from their belief that we incorrectly estimated the initial investment likely to be incurred by a prospective franchisee to develop and open a Mama Fu's franchise. We moved to stay the Demand because the parties' agreements required litigation in the Northern District of Georgia, and the Arbitration Panel stayed the Demand pending a ruling from an appropriate court as to whether the parties' disputes were subject to litigation or arbitration. While the Demand was pending, claimants filed the Texas Lawsuit asserting almost identical claims as those in the Demand. We moved to dismiss the Texas Lawsuit because it was filed in the improper venue, and on November 29, 2004, the Texas Court dismissed the Texas Lawsuit without prejudice. Over two months after the dismissal of the Texas Lawsuit, claimants filed the Georgia Lawsuit which asserted very similar claims to the Demand. We deny all wrongdoing and intend to defend ourselves vigorously.

Jerry Garcia Estate LLC v. Moe's Southwest Grill, LLC, Raving Brands, LLC, a/k/a WOW Brands, LLC, H. Martin Sprock, III, and Leann Sprock, et al., United States District Court for the Northern District of Georgia, Atlanta Division, Civil Action No. 1:04-CV-3591, filed on December 8, 2004 and amended on or about March 31, 2005 (the "Lawsuit"). Plaintiff filed the Lawsuit asserting both federal and state law claims in connection with our use of Jerry Garcia's name, image, likeness, song lyrics, trademarks and celebrity identity in MOE'S Restaurants. Plaintiff asserts that such use creates confusion among consumers and gives the impression that Jerry Garcia or his estate licensed or endorsed the use of his name, voice, likeness, song lyrics and trademarks by MOE'S Restaurants. Plaintiff has asserted (i) trademark infringement, unfair competition, false endorsement and dilution of trademark under §§ 43(a) and (c) of the Lanham Act; (ii) copyright infringement under 17 U.S.C. § 101, et seq.; (iii) misappropriation of plaintiff's rights of publicity under Georgia law; (iv) violations of the Uniform Deceptive Practices Act under O.C.G.A. § 10-1-370, et seq.; (v) Georgia trademark and unfair competition violations under O.C.G.A. § 23-2-55; and (vi) conversion under O.C.G.A. § 51-10-1, et seq. The Lawsuit seeks an unspecified amount of compensatory damages and punitive damages; as well as injunctive relief and restitution. On January 17, 2005, we filed our answer, affirmative defenses and counterclaims in response to the Lawsuit ("Answer"). In our Answer, we denied all wrongdoing, and asserted, among other things, that our use of Jerry Garcia's name, voice or likeness is protected under the First Amendment. In addition, we have counterclaimed based on plaintiff's interference with our business, and we have requested that the Court declare that plaintiff has no protectable interest in the name, image or likeness of Jerry Garcia. This case is listed in this Item III because Mr. Sprock, our Chief

Executive Officer and President, is a named defendant. This lawsuit does not relate to Mama Fu's restaurants or the Mama Fu's brands. The amended complaint filed by the plaintiff added a number of franchisees as defendants in the Lawsuit.

Concluded Actions:

Komodo Holdings, Inc. v. Planet Smoothie, LLC, et al., Superior Court of Fulton County, Georgia, Civil No. E-59107. On July 2, 1997, Komodo Holdings, Inc. ("Komodo"), a co-owner with Mr. Sprock and others of several entities unrelated to our business operations, instituted a civil action involving claims relating to the operations of the co-owned entities. This action was settled and dismissed with prejudice in October 1997. The settlement agreement required that Komodo's interest in the co-owned entities be purchased by other co-owners for approximately \$80,000.

Edward Bucaj v. H. Martin Sprock, III, et al., State Court of Fulton County, Georgia, Civil Action No. 02VS034776C. Bucaj Enterprizes, Inc. ("Bucaj"), a franchisee of Planet Smoothie, instituted an arbitration proceeding with the American Arbitration Association. The arbitration proceeding was amended alleging violations of New York franchise laws, fraud, misrepresentation, breach of contract, and breach of the duty of good faith and fair dealing. Bucaj sought to amend the arbitration proceeding to add H. Martin Sprock, III and another Planet Smoothie officer to the arbitration proceeding. This request was denied. Under the arbitration proceeding, Planet Smoothie was found to have violated New York's franchise laws and a monetary award was granted to Bucaj. Subsequent to the arbitration award, Planet Smoothie instituted a civil action in the Federal District Court of the Northern District of Georgia to have the arbitration award modified or vacated. While this Federal Court civil action was pending, Edward Bucaj ("E. Bucaj"), in his individual capacity, filed the above-referenced civil action naming Mr. Sprock and certain other officers of Planet Smoothie as defendants. The allegations of E. Bucaj in the civil action were virtually the same allegations claimed in the arbitration proceedings, with an additional claim of conspiracy being alleged. The Federal District Court upheld the arbitration award. Planet Smoothie, Bucaj, and E. Bucaj entered into a settlement agreement for the payment of the award by Planet Smoothie to Bucaj and E. Bucaj in an amount equal to \$230,000. The State Court action was dismissed with prejudice in January 2004.

Other than these four actions, no litigation must be disclosed in this Offering Circular.

4. BANKRUPTCY

Our current Chief Operating Officer, Steven M. LaMastra, was an Executive Vice President of Wolf Camera, Inc., an Atlanta, Georgia based photography retailer, from January 1, 1994 through March 31, 2002 ("Wolf Camera"). On June 21, 2001, Wolf Camera filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Georgia, Atlanta Division (Case Nos. 01-83470, 01-83472, 01-83474 and 01-83475). On September 21, 2001, the court entered an order approving the sale of Wolf Camera's assets to Ritz Camera Centers, Inc. Other than this one action, no person previously identified in Items 1 or 2 of this Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code that must be disclosed in this Item.

5. INITIAL FRANCHISE FEE

Market Development Fee. Under the Development Agreement, you will develop an agreed upon number of Mama Fu's Restaurants consistent with the Development Schedule. In negotiating the number of Restaurants we will permit you to develop under the Development Agreement, we will take into account market conditions, demographics for the potential development area and other factors we

deem relevant. You must pay us a development fee of \$20,000 for each Restaurant to be developed by you (the "Development Fee"). The Development Fee is uniform for all franchisees purchasing a franchise through this Offering Circular. We have no intention, now or in the future, of reducing the Development Fee for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case-by-case basis. If you are developing one Restaurant, the Development Fee is due upon your signing of the Development Agreement. If you are developing two or more Restaurants, one-half of the Development Fee is due upon your signing of the Development Agreement and the balance is due no later than 120 days after the effective date of the Development Agreement. If a Restaurant is developed in accordance with the Development Schedule, the Development Fee applicable for that Restaurant will be credited towards the payment of the initial franchise fee due under the Franchise Agreement for that Restaurant. If a restaurant is not established in accordance with the Development Schedule, the Development Fee that would have otherwise been credited towards payment of the initial franchise fee for that Restaurant will be forfeited and retained by us. If you and we are unable to agree upon a site for a Restaurant and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement. If, for any reason, the Development Agreement terminates before all or a portion of the Development Fee has been applied to the initial franchise fees, we will retain the unapplied portion of the Development Fee to compensate us for our time, effort and foregone opportunities. We reserve the right to waive the Development Fee for our affiliates or employees. The Development Fee is not refundable under any circumstances.

Franchise Fee. Under the Franchise Agreement, you will pay us an initial franchise fee equal to \$20,000 for each Mama Fu's Restaurant franchised by you. The initial franchise fee is payable in one lump sum when you sign the Franchise Agreement, subject to any credits earned under the Development Agreement. The initial franchise fee is uniform for all franchisees purchasing a franchise through this Offering Circular. We have no intention, now or in the future, of reducing the initial franchise fee for any prospective franchisee, although we reserve the right to do so in our sole discretion on a case by case basis. We reserve the right to waive or reduce the initial franchise fee for our affiliates, employees, existing Franchisees or if we run a franchise marketing promotion. The initial franchise fee is not refundable under any circumstances. Our initial franchise fee during the last fiscal year ranged from \$10,000 to \$20,000.

Other Initial Fees. Generally, there are no additional initial fees. Under the Franchise Agreement, we provide you with assistance in opening the Restaurant and training your employees. Although we do not intend to charge you for this assistance, we reserve the right to charge you for extraordinary travel and living expenses incurred by our employees in providing this assistance. In the event you request additional opening assistance, which we envision will only occur in unique circumstances, and we agree to provide you with the extra assistance, you must reimburse us for all costs and expenses we incur in connection with providing you this additional assistance, including wages, overhead and travel and living expenses of our employees providing the assistance and we have the right to charge our daily fee for additional assistance (see Item 6). It is not possible to estimate a range for these additional costs and expenses because they will vary depending upon a number of factors like the franchisee, the amount of extra assistance requested and the location of the franchise. Any charges you incur in these circumstances will be in addition to the initial franchisee fee and Development Fee. There may be occasions when you must purchase goods and services from us or our affiliates. These circumstances are described in more detail in Items 6, 7 and 8. The cost of these goods and services, if any, will be in addition to the Development Fee and initial franchise fee.

6. **OTHER FEES**

The table below describes fees and payments that are payable to us, or imposed by us on behalf of a third party, relating to the operation of your Restaurant.

Name of Fee (See Note 1)	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales	Every Tuesday for the preceding week's Gross Sales	We will debit your bank account for the Royalty Fee due. See Notes 2 and 8.
Advertising Fund Fee	A maximum of 2% of Gross Sales	Same as Royalty Fee	Payable to a separate advertising account which may be held in our name or the name of a separate entity. We presently do not charge an Advertising Fund Fee, although that could change at any time. See Note 8.
Advertising Cooperatives	If we establish cooperatives, you will be required to contribute a percentage of Gross Sales to your cooperative.	Not applicable	Currently, we have no cooperatives. Contributions to advertising cooperatives may not exceed 2% of Gross Sales. See Notes 3 and 8.
Local Advertising	A minimum of 2% of Gross Sales	As incurred	You must make local advertising expenditures as required by Section 11.3 of the Franchise Agreement. You may determine the form and media, subject to our prior approval.
Advertising Deficiency	Amount of Local Advertising Deficiency	Immediately upon demand	If you fail to make local advertising expenditures, we may do so on your behalf and you will reimburse us for those expenditures.
Renewal Fee	The amount of the then-current initial franchise fee	Prior to renewal	Payable when, and if, you renew your Franchise Agreement. There are other conditions to renew (see Item 17 of this Offering Circular).
Transfer/Assignment Fee under Franchise Agreement	One-half the amount of the then-current initial franchise fee	Prior to the consummation of the transfer or sale	Payable when, and if, you transfer or sell your franchise. There are other conditions to transfer (see Item 17 of this Offering Circular).
Interest and Late Payment Fees	Up to the highest rate permitted by law but no more than 18% per annum plus \$100 per occurrence	Immediately on demand	Payable on all overdue amounts. Interest begins from the date of non-payment or underpayment.

Name of Fee (See Note 1)	Amount	Due Date	Remarks
Insufficient Funds Fee	\$100 per occurrence	Immediately on demand	Payable if any of your payments to us are not honored by your financial institution.
Late Report Fee	\$100 per occurrence	Immediately on demand	We may require you to pay us \$100 each time you fail to submit to us any required reports or information.
Audit Expenses	Fee equal to the cost of audit, including the charges of any independent accountants, travel expenses and per diem personnel charges. See Note 4	Immediately on demand	If you understate any payment owed to us by 5% or more, you must reimburse us for our actual costs incurred in conducting the audit, including attorneys' fees, accountants' fees, travel expenses and compensation of our employees.
Additional Training due to Failure to Maintain Standards	See Note 5	As incurred	See Note 5
Counseling and Advisory Services	Will vary under the circumstances	As incurred	See Note 6
Additional On-Site Training and Assistance	Will vary under the circumstances	As incurred	You will pay a reasonable fee (e.g. \$300 per day) for additional training you request plus the reimbursement of our trainers' travel and living expenses and other related expenses.
Indemnification	Will vary under the circumstances	As incurred	You must reimburse us if we are held liable for damages or other relief related to the operation of your franchise.
Insurance Premiums	Will vary under the circumstances	Immediately on demand	You must reimburse us if we purchase insurance for you because you failed to do so.
Conferences	Reasonable fee under the circumstances, if any	Upon demand	If we require you to attend a conference or other meeting, you may have to pay a reasonable fee, which we expect will not be more than \$500 per person. As of the date of this Offering Circular, we do not charge a fee.
Costs and Attorneys' Fees	Will vary under the circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement.

Name of Fee (See Note 1)	Amount	Due Date	Remarks
Product Purchases	See Item 8	See Item 8	You must buy products that meet our standards and specifications and, in some cases, from designated or approved suppliers.
Testing	Cost of testing not to exceed \$500	As incurred	This covers the cost of testing new products or inspecting new suppliers you recommend.
Management Fee	10% of Gross Sales plus our reasonable costs and expenses	Upon demand	If you are in default of the Franchise Agreement or fail to maintain the Restaurant in accordance with our standards, we may send in our personnel to manage the Restaurant until the default is cured or you are able to meet our standards. During our management of your Restaurant, you must pay us 10% of the your Restaurant's Gross Sales plus all costs and expenses incurred by us in providing the management.
Reimbursement of Costs and Expenses regarding Modification of Franchise Agreement	Costs and attorneys' fees	Upon demand	
Liquidated Damages	Will vary under the circumstances	Immediately upon demand	See Note 7

Explanatory Notes:

Note 1: Unless this Offering Circular specifically provides otherwise, all fees are imposed by and payable to us and are non-refundable. See Item 8 of this Offering Circular for information concerning your obligation to purchase products from us or our affiliates, or under our specifications or standards. See Item 9 of this Offering Circular for information concerning your principal obligations under the Development Agreement and the Franchise Agreement.

Note 2: "Gross Sales" means the amount of sales of all products and services sold in, on, about or from the Restaurant, together with any other revenues derived from the operation of the Restaurant, whether by you or by any other person, whether or not in accordance with the terms of the Franchise Agreement, and whether for cash or on a charge, credit, barter or time basis, including all sales and services (i) where orders originate and/or are accepted by you in the Restaurant but delivery or performance thereof is made from or at any place other than the Restaurant or (ii) pursuant to telephone or other similar orders received or filled at or in the Restaurant. For purposes of determining the Royalty Fee and Advertising Fee, there shall be deducted from Gross Sales: (a) the amount of refunds, allowances or discounts to customers (including coupon sales) up to 5% of the Gross Sales, provided the related sales have previously been included in Gross Sales; and (b) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority.

Note 3: Amounts paid to an advertising cooperative will be credited against your required expenditures for local advertising under Section 11.3 of the Franchise Agreement. All members of an advertising cooperative (whether a franchisee-owned, company-owned or affiliate-owned Restaurant) have equal voting rights on all matters brought before the advertising cooperative for a vote, including matters relating to the amount of required contributions.

Note 4: The fees you will pay will be reasonable audit fees for your business and you should check with your accountant or auditor to determine what is reasonable.

Note 5: If we notify you in writing that you have failed to maintain standards at the Restaurant, and you fail to cure the failure within 10 days, we have the right to assign trainers to your Restaurant and you must reimburse us for the trainers' salaries, travel and living expenses and other related expenses and pay a training fee of \$300 per day.

Note 6: Normally there is no fee for these services, which are provided by telephone or at our offices, unless you require unusual, extensive or extraordinary assistance. If so, we have the right to charge you a reasonable fee of approximately \$300 per day.

Note 7: Upon termination of the Franchise Agreement due to your breach, you must pay us, in addition to other amounts owed, liquidated damages in an amount equal to (i) the greater of (a) the average annual amount of Royalty Fees payable by you to us for the two years immediately preceding the date of termination or (b) the Royalty Fees payable by you to us for the 12 month period immediately preceding the date of termination, however, if the Restaurant has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by you to us for the months in which the Restaurant has been open multiplied by 12; then (ii) multiplied by two; then (iii) multiplied by (a) five or (b) the number of years remaining in the then-current term of the Franchise Agreement, whichever is less.

Note 8: Under the Franchise Agreement, we may require that all royalty and advertising fees, and advertising cooperative contributions must be paid by automated bank draft. Accordingly, we have the right to require you to sign an electronic transfer of funds authorization for your bank account.

7. INITIAL INVESTMENT

Below are estimates of your total initial investment for a Mama Fu's Restaurant. Your actual investment and expenditures may vary from the estimates below depending on many factors including where your Restaurant is situated, the size of your Restaurant, your ability to negotiate to your benefit with your landlord, your management capabilities, and the amount contributed by your landlord.

Item Description	Estimated Cost	Method of Payment	When Due	Refundable	To Whom Payment Is To Be Made
Development Fee (See Note 1)	\$20,000 for each Restaurant to be developed	Lump Sum	One-half when you sign the Development Agreement with balance due 120 days later	No	Us
Initial Franchise Fee (See Notes 2 and 16)	\$20,000 for each Restaurant	Lump Sum	Upon signing of the Franchise Agreement	No	Us

Item Description	Estimated Cost	Method of Payment	When Due	Refundable	To Whom Payment Is To Be Made
Rent (See Note 3)	\$6,000 to \$12,000	As Arranged	As Arranged	No	Landlord
Security Deposit (See Note 4)	\$9,000 to \$12,000	As Arranged	As Arranged	No	Landlord
Real Estate and Improvements (See Note 5)	\$115,000 to \$350,000	As Arranged	Prior to Opening	No	Landlord, Contractors
Travel and Living Expenses while Training (See Note 6)	\$5,000 to \$10,000	As Incurred	During Training	No	Hotels, Restaurants
Furnishings, Fixtures, Equipment and Decorating (See Note 7)	\$126,000 to \$144,000	As Arranged	Prior to Opening	No	Suppliers, Contractors
Signage (See Note 8)	\$12,000 to \$15,000	As Arranged	Prior to Opening	No	Suppliers
Opening Inventory	\$7,000 to \$10,000	As Arranged	Prior to Opening	No	Suppliers
Computer Hardware/ Software	\$17,000 to \$22,000	As Arranged	Prior to Opening	No	Suppliers
Grand Opening (See Note 9)	\$10,000 to \$14,000	As Arranged	As Arranged	No	Suppliers
Professional Fees	\$2,000 to \$5,000	As Arranged	Prior to Opening and Ongoing	No	Your Accountants, Lawyers, Real Estate Broker, Architect
Insurance (See Note 10)	\$6,000 to \$12,000	As Arranged	As Incurred	No	Insurance Providers
Miscellaneous Opening Costs (See Note 11)	\$36,000 to \$50,000	As Arranged	As Arranged	No	Suppliers, Utilities, Tradesmen, Us
Additional Funds -- 3 months (See Note 12)	\$20,000 to \$50,000	As Arranged	As Arranged	No	Suppliers, Employees
Total Estimated Initial Investment (See Notes 13, 14, 15 and 16)	\$391,000 to \$726,000				

Explanatory Notes:

Note 1: You must enter into a Development Agreement regardless of the number of Restaurants you agree to develop. The amount of the Development Fee depends upon the number of Restaurants you

agree to develop and is credited against the initial franchise fees you must pay under each Franchise Agreement, as long as you develop and open your Restaurants according to your Development Schedule. See Item 5 of this Offering Circular for a summary of the payment schedule and credits given against the initial franchise fees. Your Development Fee is calculated by multiplying the number of Restaurants to be developed as specified in your Development Agreement by \$20,000. If you agree to develop only one Restaurant, the entire Development Fee is due upon your signing of the Development Agreement. If you are developing more than one Restaurant under the Development Agreement, then you will pay one-half of the total of the Development Fee when you sign the Development Agreement. The balance of the Development Fee is due and payable 120 days after the effective date of the Development Agreement. If a Restaurant is developed in accordance with the Development Schedule, then the portion of the Development Fee paid as required by the Development Agreement will be credited towards the payment of the initial franchise fee due under the Franchise Agreement. If a Restaurant is not established in accordance with the Development Schedule, the Development Fee that would have otherwise been credited towards payment of the initial franchise fee for that Restaurant will be forfeited and retained by us. The Development Fee is not refundable under any circumstances.

Note 2: The initial franchise fee includes the loan of our Operations Manual and initial training for up to two individuals having responsibility for the day-to-day operations of your Restaurant. See Item 11 of this Offering Circular for additional information about the initial training program. In most circumstances, the Development Fee for a Restaurant will be credited against the payment of the initial franchise fee. The initial franchise fee is not refundable under any circumstances.

Note 3: These figures presume that you will be leasing the Restaurant premises and only represent rent for one month. We are unable to estimate the total cost of purchasing suitable premises for your Restaurant or the amount of any down payment that would be required. Rent will vary depending upon the size of the premises, the site's condition, its location, demand for the site, the build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords. These figures are based upon our experience in Atlanta, Georgia. These figures may vary considerably in other parts of the United States. Regardless of whether you lease or purchase the Restaurant premises, a typical Mama Fu's Restaurant occupies approximately 2,800 to 5,200 square feet of space. A Mama Fu's Restaurant may be located in either a freestanding building or in in-line retail plaza space, but, in any event, the Restaurant requires ample parking, good visibility and availability of prominent signage. Because of the wide variation in lease rates for retail space, you should thoroughly investigate the costs of obtaining a location.

Note 4: Your lessor may require a security deposit before you take possession of the premises. This deposit may or may not be refundable.

Note 5: The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements in the premises, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, and the like. Improvements include electrical, carpentry, floor covering, painting and contractor's fee.

Note 6: We provide initial training at no charge for up to two individuals, but you must arrange and pay for all food and lodging expenses for the people who attend the initial training program. Costs vary depending on the distance traveled and the type of lodging. The amount shown does not include the cost of transportation. See Item 11 of this Offering Circular for a description of the initial training program.

Note 7: You must purchase or lease certain equipment (such as kitchen equipment), furniture, and decorations which comply with our specifications and standards. Costs will vary depending on a number

of factors including, without limitation, building codes and health requirements of the state where your Restaurant is located.

Note 8: The cost of your exterior sign will vary depending upon the size, color and back-lite channel letters of the sign and other specifications as may be required by us or the Operations Manual.

Note 9: You must conduct a grand opening advertising campaign with the opening of your Restaurant. You must pay all costs of the grand opening, including publicity costs, promotional costs, plus the full cost of any price reductions or other customer inducements. Costs may vary depending on your market and the type of advertising used, however, you must spend a minimum of \$10,000 during the period 30 days prior and 60 days after the opening of your Restaurant or, if you purchased an existing Restaurant, 60 days after the purchase of your Restaurant.

Note 10: This figure is an estimate of the annual cost of maintaining the insurance required by the Franchise Agreement.

Note 11: This figure includes amounts for utility costs, business licenses, permits, opening assistance, and the cost of training your employees.

Note 12: This estimates the funds needed to cover your expenses during the first three months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses and working capital. Your costs will vary depending on how rapidly your business grows. These figures are estimates based on our past business experience. 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 methods and procedures; your management skill, experience and business knowledge; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period. All of these expenses are paid to third parties.

Note 13: Restaurants located in non-traditional venues like airports, office buildings, hospitals, stadiums or university food service facilities will likely experience lower initial investment expenditures than Restaurants in traditional locations like malls or strip centers.

Note 14: We relied on our management's business acumen to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The amount shown is based upon our experience in Atlanta, Georgia. These figures may vary considerably in other parts of the United States. In addition, your costs will depend on factors such as: your compliance with our methods and procedures; your management skill; your business experience and business acumen; local economic conditions; the prevailing wage rate; and the growth of your franchise during the initial period.

Note 15: We do not offer direct or indirect financing to franchisees for any of these items. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, collateral you pledge, policies of your lending institution, and economic conditions in your area.

Note 16: Since the Development Fee is credited against the payment of the initial franchise fee, in calculating the total estimated initial investment for a Restaurant, we only included the cost of the Development Fee. We did not include the amount of the initial franchise fee.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you are not obligated to purchase or lease from us, our designees or suppliers approved by us, or under our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate relating to operating your Restaurant.

To ensure a uniform image and uniform quality of products and services throughout the Mama Fu's system, you must purchase all food products, supplies, ingredients, equipment, furnishings, merchandise, employee uniforms, goods, fixtures, inventory, paper products, packaging, and other items used, sold, displayed or distributed in your Restaurant in compliance with our standards and specifications contained in the Operations Manual or otherwise communicated to you by us in writing. You must also adhere to our standards and specifications for the construction and design of the Restaurant. We may, at any time, change, delete, add to or modify any of our standards and specifications. These changes, deletions, additions or modifications, which will be uniform for all franchisees, may require additional expenditures by you. You may purchase these items from any supplier that meets our standards and specifications unless we designate an approved supplier for an item. In which case, you must purchase the item from the approved supplier. You must prepare all required construction plans and specifications and ensure they comply with building codes and ordinances. If your construction plans and specifications deviate from our plans and specifications, you must obtain our approval of the changes. It is your responsibility to obtain all required licenses, permits and approvals associated with constructing and operating your Restaurant.

Currently, we do not intend to be, or to appoint any of our affiliates as, an authorized supplier of any products, supplies, equipment or other items used in the operation of the Restaurant. However, we reserve the right to designate ourselves and/or any of our affiliates as an approved supplier in the future, and we may even designate ourselves or an affiliate as the sole supplier of one or more items, in which case, you would have to buy the item from us or our affiliate at our or their then-current price. Our Operations Manual and other communications will identify our standards and specifications and the names of approved or designated suppliers. If we become a designated supplier, we may charge you a reasonable mark-up, surcharge and handling fee on any items you purchase from us. Monies you pay to us will include a profit for us. One of our approved suppliers, Systems Opportunities Savings ("SOS"), is indirectly related to us through Martin Sprock, Chief Executive Officer and President, who is a 50% equity holder in SOS. SOS provides food brokerage services to Mama Fu's franchisees who are able to use SOS on a voluntary basis. Individually, Mr. Sprock also holds a small minority interest in two other suppliers to our system: Atlanta Lighting and Kudzu International. We do not derive revenue, directly or indirectly from any of those suppliers in connection with the services or products they provide to our franchisees.

You may sell from your Restaurant only those products that we approve. Approved products typically meet specifications and/or standards that we develop and are prepared by manufacturers that are approved by us. We will typically publish for the benefit of franchisees a list identifying approved products for use in the Restaurant. We have the right to periodically add to or delete from the list of products approved for sale from your Restaurant and to update and alter the specifications and standards for approved products. There may be some approved products for which we do not have detailed written specifications and/or standards. We will, however, establish for these products either general parameters or certain products as the standard of comparison for these items for the purposes of obtaining approval of alternative manufacturers. The equipment that you use in your Restaurant must also meet our specifications and/or standards. We will periodically publish for our franchisees a list identifying required and recommended equipment for use in your Restaurant. You may purchase the required equipment from any available source of supply, although only the specific equipment manufactured by a specific manufacturer is approved for use in your Restaurant.

We must approve the site for your Restaurant and the site must meet our then-current site criteria. If you lease the site for your Restaurant, you are required to have the landlord sign the Lease Addendum attached as an exhibit to the Development Agreement. You must also collaterally assign your lease to us by signing the form of Collateral Lease Assignment Agreement attached as an exhibit to the Lease Addendum. Under the Collateral Lease Assignment Agreement, we will be granted the right, but not the obligation, to take possession of your Restaurant premises if your franchise agreement is terminated.

We and our affiliates have the right to receive payments from authorized suppliers based upon their dealings with you and other franchisees and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary. Suppliers may pay us based upon the quantities of products the Mama Fu's system purchases from them. These fees will usually be based upon an amount per case or an amount per pound. We may receive fees from a supplier as a condition of our approval of that supplier. We do not provide material benefits to franchisees (for example, renewal of existing or granting additional franchises) based on their use of designated or approved suppliers. We do not currently receive payments from authorized suppliers related to their dealings with our franchisees and the Mama Fu's franchise system. During fiscal year 2004, we had no revenues from franchisees for products or supplies.

We may negotiate supply agreements with suppliers for the benefit of franchisees. Commencing in 2005, we have a beverage arrangement with The Coca-Cola Company ("Coca-Cola") for the supply to the Mama Fu's system of fountain beverages and other drinks. Under the arrangement, all Mama Fu's franchisees are required to pour Coca-Cola products. Our franchise system receives monies under the Coca-Cola relationship based upon a dollar amount per gallon consumed system-wide. The dollar amount is specified in the Coca-Cola contract and is the confidential information of Coca-Cola. As part of our brand's commitment to Coca-Cola products, you must sign a participation agreement with Coca-Cola. A copy of the form of participation agreement is attached to this Offering Circular as Exhibit K.

We estimate that purchases and leases made by you from designated or approved suppliers, or according to our standards and specifications, represents 80% or more of your total cost of establishing, and approximately 90% of the total cost of operating, your Restaurant. There are currently no purchasing or distribution cooperatives within our franchise system.

Point of Sale. You must purchase one of the two point of sale ("POS") systems defined in Item 11. We have the right to designate a single supplier for a particular POS system. Currently, Southern Retail Systems of London, Kentucky, is the sole designated supplier for the Toshiba TEC FS-3600 POS System, and ERC of Kennesaw, Georgia is the sole designated supplier for the Panasonic 7750 workstation. We have the right to appoint additional suppliers for these POS systems or others POS systems we designate. Neither our affiliates nor we derive revenue from your purchase of a POS system.

Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and you must meet the other insurance-related obligations in the Franchise Agreement. The types of insurance includes comprehensive general liability insurance with coverages for products liability, contractual liability, personal and advertising injury, fire damage, medical expenses and liquor liability, workers' compensation insurance, comprehensive crime and employee dishonesty insurance, business interruption and extra expense insurance, and personal property insurance. We specify the minimum amount of insurance coverage in the Franchise Agreement; however, you may desire to obtain greater coverages. The cost of your insurance will vary depending on the insurance carriers' charges, the terms of payment, and your insurance history.

Request for Supplier Approval. If you wish to purchase any item from a supplier (manufacturer or distributor) we have not previously approved or an item that does not comply with our

standards and specifications, you must first submit to us a written request for approval. We will establish a procedure for submitting these requests. We will require the proposed supplier to provide us with certain financial and operational information and other information regarding the supplier and the items to be approved. In addition, the proposed supplier must permit our representatives to inspect its facilities (e.g. business offices and/or manufacturing facilities, as applicable). Before we approve a supplier, we will evaluate the economic terms of a possible relationship and ensure that the proposed supplier meets our requirements. We reserve the right, at our option, and at the proposed supplier's expense, to inspect or re-inspect the facilities, equipment, and raw materials of any supplier, at any time.

The proposed supplier or you must pay, in advance, a fee not to exceed the reasonable cost of any evaluation, testing, and inspections we undertake. Within a reasonable time frame after we receive the completed request and after we complete any evaluation and inspection or testing (approximately 45 days), we will notify you in writing of our approval or disapproval of the proposed supplier or item. Generally, we will respond to your requests for supplier approval within a reasonable time period not to exceed 90 days. We are not required to approve any supplier or item not meeting our standards and specifications. You must not offer for sale or sell any of the proposed supplier's products or any other product that does not meet our standards or specifications until you receive our written approval of the proposed supplier or item.

We may revoke our approval of particular goods or services, or of the supplier that supplies them, if we determine, in our sole discretion, that they no longer meet our standards or specifications. If you receive a written notice of revocation from us, you must stop selling disapproved products and/or stop purchasing from the disapproved supplier.

9. FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE DEVELOPMENT AGREEMENT AND THE FRANCHISE AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND OTHER ITEMS IN THIS OFFERING CIRCULAR.

Obligation	Section or Exhibit in Development Agreement	Section or Exhibit in Franchise Agreement	Item in Offering Circular
a. Site selection and acquisition/lease	Sections 7 and 8 and Exhibit B	Section 3.1	Items 7, 11 and 12
b. Pre-opening purchases/leases	Sections 7 and 8	Sections 3.1, 9 and 10	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 2.1, 6, 7 and 8	Sections 1, 3.1, 3.2, 10 and 11.1	Items 6, 7, 8 and 11
d. Initial and ongoing training	None	Sections 1, 2, 9, 13 and 14	Items 7, 11 and 15
e. Opening	Sections 6 and 8 and Exhibit A	Sections 1, 3.1, 11.1 and 13	Items 6, 7 and 11
f. Fees	Sections 4 and 5	Sections 2.2, 4, 5, 6.2, 6.3, 11, 14 and 22.1	Items 5, 6, 7 and 11

Obligation	Section or Exhibit in Development Agreement	Section or Exhibit in Franchise Agreement	Item in Offering Circular
g. Compliance with standards and policies/Operating Manuals	Section 8	Sections 7, 8.1 and 9	Items 8, 11, 13, 14 and 16
h. Trademarks and proprietary information	Section 11	Sections 8, 9 and 15	Items 11, 13 and 14
i. Restrictions on products/services offered	None	Sections 9 and 25	Items 8 and 16
j. Warranty and customer service requirements	None	None	Not Applicable
k. Territorial development and sales quotas	Sections 1, 2 and 6 and Exhibit A	None	Items 1, 5, 6 and 12
l. Ongoing product/service purchases	None	Section 9	Item 8
m. Maintenance, appearance and remodeling requirements	Section 8	Sections 2.2, 9 and 19.4	Items 7, 11 and 17
n. Insurance	None	Section 18.2	Items 6, 7 and 8
o. Advertising	None	Sections 9 and 11	Items 6, 7, 11 and 12
p. Indemnification	None	Section 18.1	Item 6
q. Owner's participation/management/staffing	None	Sections 9 and 14.1	Item 15
r. Records/reports	None	Sections 6.1 and 6.2	Item 6
s. Inspections/audits	Section 8	Sections 6.3 and 9	Item 6
t. Transfer	Section 13	Section 19	Items 6 and 17
u. Renewal	None	Section 2.2	Items 6 and 17
v. Post-termination obligations	Sections 12.4 and 14	Sections 20 and 22	Items 14, 15 and 17
w. Non-competition covenants	Sections 14.1, 14.2, 14.4 and 14.5 and Exhibit C	Sections 20.1, 20.2, 20.4 and 20.5 and Exhibit B	Items 14, 15 and 17
x. Dispute resolution	Section 21	Section 31	Item 17
y. Personal Guaranty	Section 16 and Exhibit E	Section 26 and Exhibit F	Item 15
z. Confidential Information	Sections 14.3, 14.4 and 14.5 and Exhibit C	Sections 7, 20.3, 20.4 and 20.5 and Exhibit B	Items 11, 14 and 15

10. FINANCING

Neither we nor any affiliate offers, directly or indirectly, any financing to you. We do not guarantee any of your notes, leases or obligations. We are unable to estimate whether you will be able to obtain financing for any or all of your investment or the terms of any financing.

11. FRANCHISOR'S OBLIGATIONS

Except as disclosed below, we need not provide any assistance to you under the Development Agreement, the Franchise Agreement or any other agreement. All citations of section numbers throughout this Item 11 are references to the Franchise Agreement unless otherwise noted.

Services Prior to Opening. Before you open your Restaurant, we will:

(a) Assist you in selecting, and then approve (if appropriate) a lease, sublease or purchase agreement for your Restaurant site. We do not choose the site, but may give you support and guidance. (See Development Agreement, Section 7.)

(b) Provide you with a set of standard architectural plans and specifications for a prototype Mama Fu's Restaurant. We must approve any and all changes or revisions to the site and construction plans and specifications. (See Development Agreement, Section 8.)

(c) License you the Marks necessary to commence the franchised business. (See Franchise Agreement, Section 1.)

(d) Loan you one copy of the Operations Manual which contain mandatory and suggested specifications, standards, and procedures. The Operations Manual may be provided to you in text and/or electronic format. The Operations Manual is confidential and proprietary and remains our property. We have the right to modify the Operations Manual as we deem appropriate, although the modifications will not alter your status and rights under the Franchise Agreement. Attached to this Offering Circular as Exhibit D is a copy of the Table of Contents of the Operations Manual. (See Franchise Agreement, Section 7.)

(e) Provide you with grand opening assistance from our personnel, including planning and developing a grand opening promotional program. (See Franchise Agreement, Sections 11.1 and 13.)

(f) Give you periodic guidance (as we deem necessary) about the development, opening and operation of the Restaurant, including advice regarding equipment selection and layout and employee selection and training. (See Development Agreement, Section 9 and Franchise Agreement, Section 12.)

(g) Before you commence operating the Restaurant, train up to two individuals having responsibility for the day to day operations of your Restaurant in accordance with our initial training program. (See Franchise Agreement, Section 14.1.)

Services During Operation. During the operation of your Restaurant, we will:

(a) Give you periodic guidance (as we deem necessary) about (i) the methods and procedures to be utilized at the Restaurant; (ii) advertising and promotion; (iii) recipes, food formulas and specifications; (iv) bookkeeping and accounting; (v) purchasing and inventory control; (vi) inspections; and (vii) new developments and improvements to the Mama Fu's franchise system. (See Development Agreement, Section 9 and Franchise Agreement, Section 12.)

(b) Notify you of changes to, or the creation of, Restaurant standards and specifications and approved or designated suppliers, or the termination of existing approved or designated suppliers. (See Franchise Agreement, Sections 7 and 8.)

(c) Refrain from operating or granting a third party the right to operate a Mama Fu's Restaurant in the Franchise Territory. (See Item 12 of this Offering Circular and Franchise Agreement, Section 3.)

(d) Give you access to advertising and promotional materials we develop. (See Franchise Agreement, Section 11.2.)

(e) Provide additional training for your managers. (See Franchise Agreement, Section 14.3.)

Advertising.

We provide advertising materials and services to you through a national advertising fund we have established and control (the "Advertising Fund"). You must participate in the Advertising Fund by contributing a percent of your monthly Gross Sales in an amount designated by us, but not to exceed 2% of Gross Sales. The Advertising Fund will be established as a separate banking account and monies received from you will be accounted for separately from our other funds. There is no fiduciary or trust relationship created by our administering the Advertising Fund. We may cause the Advertising Fund to be incorporated or operated through a separate entity if we deem appropriate. (See Franchise Agreement, Section 11.2.) We anticipate all of our franchisees will contribute to the Advertising Fund, although there is no prohibition against us charging higher or lower rates for future franchisees. (See Franchise Agreement, Section 11.2.) We also may forgive, waive, settle or compromise claims by or against the Advertising Fund. We may defer or reduce a franchisee's contribution. If we terminate the Advertising Fund, we will distribute all unused monies to the contributors in proportion to their respective contributions during a pre-determined period. To date we have not collected any Advertising Fund contributions, although that could change at any time.

We use the Advertising Fund to create, among other things, promotional advertising, marketing programs, market research and marketing and advertising activities. We direct all advertising programs developed with funds from the Advertising Fund and have sole discretion over the creative concepts, materials, media used, media placement, and allocation of these programs. Any advertising program or campaign we develop may include dissemination of advertising through print, radio, television, point-of-purchase materials, or other media. This coverage may be local, regional or national in scope. We may employ an advertising agency or other agency to assist in the development, production and dissemination of advertising materials, or we may hire personnel to perform these functions. We have no obligation to spend any amount on advertising in the area where your Restaurant is located. (See Franchise Agreement, Section 11.2.) In fact, we have no obligation to spend the Advertising Funds to benefit all franchisees or to ensure the monies are used proportionately or equivalent to a franchisee's contributions to the Advertising Fund.

We may charge all costs of the formulation, development and placement of advertising and promotional materials to the Advertising Fund. These costs will include the proportionate share of our employees who devote time and render services for advertising and promotion or the administration of the Advertising Fund, including administrative costs, salaries, overhead expenses related to administering the Advertising Fund and its programs. In any fiscal year, we may spend more or less than the aggregate of contributions to the Advertising Fund in that year. The Advertising Fund may borrow from third party lenders to cover deficits, and any lenders will receive interest on the borrowed funds. Any amounts that remain in the Advertising Fund at the end of each fiscal year will be applied toward the next year's

expenses. We assume no liability or obligations to you or any franchisee for collecting amounts due to the Advertising Fund or to administering or maintaining the Advertising Fund. If we prepare financial statements for the Advertising Fund, we will make them available to you; however, on request, we will provide you with information on how the Advertising Fund's monies were spent. We will not use funds from the Advertising Fund for advertising that is principally a solicitation for the sale of franchises. (See Franchise Agreement, Section 11.2.)

Although we can establish a cooperative in a marketing area and require you to participate, as of the date of this Offering Circular, we have not done so. If we establish an advertising cooperative in a designated marketing area where you are located, you must participate and abide by any rules and procedures adopted by the cooperative and approved by us. (See Franchise Agreement, Section 11.4.) Each of our marketing areas will encompass a group of franchisees located in a geographically-defined local, regional or national marketing area. You will contribute to your respective cooperative, but not more than 2% of your Gross Sales, the exact amount to be set by us. Amounts contributed by you to a cooperative will be credited against monies you are otherwise required to spend on local advertising (See Item 6 of this Offering Circular). We have the right to draft your bank account for your advertising cooperative contribution and to pass those funds on to our cooperative.

The franchisee members will be responsible for administration of their respective advertising cooperative, as set forth in the by-laws and any payment agreements that may govern the cooperative. The by-laws and governing agreements will be made available for review by the cooperative's franchisee members. We do not require a cooperative to prepare annual or periodic financial statements for review. Each cooperative will maintain its own funds; however, we have the right to review the cooperative's finances, if we so choose. We maintain the right to approve all of a cooperative's marketing programs and advertising materials. Upon 30 days written notice to affected franchisees, we may terminate or suspend a cooperative's program or operations. We may form, change, dissolve or merge any advertising cooperative.

Any advertising or marketing materials not prepared or previously approved by us must be submitted to us at least two weeks prior to any publication or run date for approval. All advertising and promotion must be factually accurate and must not detrimentally affect the Marks or the Mama Fu's franchise system. We may grant or withhold our approval of any advertising or marketing materials, in our sole discretion. We will provide you with written notification of our approval or disapproval within a reasonable time. If we do not notify you of our approval or disapproval within 10 days of our receipt of the materials, the materials will be deemed approved. You must discontinue your use of any approved advertising within five days of your receipt of our request if we subsequently request you to do so. (See Franchise Agreement, Section 11.5.)

We do not restrict where you can conduct your advertising and other franchisees will not be precluded from advertising in your Franchise Territory just like you will not be restricted from advertising in someone else's exclusive territory. We or our affiliates may advertise within your Franchise Territory for the sale of products and supplies.

You must participate in any promotional and advertising programs that we establish.

No advertising or promotion may be conducted by you over the Internet/worldwide web or through other forms of electronic media, whether within or outside your Franchise Territory, without our express prior written consent, which we can withhold for any or no reason. (See Franchise Agreement, Section 11.5.)

We may use collection agents and bring legal proceedings to collect amounts owed to the Fund. We have no liability or obligation to you for maintaining any cooperative and each cooperative will be organized and governed in the form and manner that we determine in advance. We may change, dissolve or merge any cooperative.

Local Advertising. You must spend at least 2% of your Gross Sales each calendar quarter on local advertising. We have the right to require that you provide us with proof that these funds were spent. If we require you to participate in an advertising cooperative, you will be able to designate a portion of the monies otherwise spent on local advertising towards the funds required by the cooperative. All affiliate-owned Restaurants must spend money for local advertising on an equal percentage basis with all franchised Restaurants.

Grand Opening. You must develop and implement a grand opening promotion approved by us for your Restaurant. You must spend a minimum of \$10,000 for the grand opening promotion.

Operations Manual. Exhibit D to this Offering Circular is a table of contents of our Operations Manual. The total number of pages in our Operations Manual is 433 pages.

Computer Hardware and Software. You must purchase an electronic POS cash register system from one of our two designated sources (see Item 8) or from some other source designated by us. The main functions of the POS system are to collect and manage information about the various sales transactions at your restaurant. For example, you will likely use the POS system to post all product and service sales, keep inventory control, post sales tax, refunds and credits, and maintain customer information. We have the right to electronically and manually access the information that the POS system generates. You must cooperate with us in helping us access this information. You must supply the appropriate communications devices in order to permit the POS system to operate. You may be required to establish Internet access through a reputable Internet service provider. The currently approved POS systems are the Toshiba TEC FS-3600 POS System and the Panasonic 7750. We are not contractually obligated to provide any maintenance, repairs, upgrades or updates. Our designated vendors may do so from time to time, but you will need to contact them to determine what services (e.g. maintenance services) they provide and the cost of those services. You are contractually required at your expense to upgrade and update the POS system to remain in compliance with our standards and specifications. There are no contractual limitations on the frequency and cost of this requirement. If we require the system to be accessible by us via modem or otherwise, we will have the right at any time to poll your system to retrieve and compile information concerning your Restaurant. In other words, we will have independent access to your sales information and data produced by your system. There are no contractual limitations on our right to access this information and data. (See Franchise Agreement, Section 10.) In addition to the POS system, we may require that you install computer systems meeting our standards and specifications. The computer systems would be used to assist you in the operation of your Restaurant. You would be responsible for all costs associated with any computer systems including accessing the Internet. We would have the right to access the information generated by the computer system, without limitation.

Site Selection. Each proposed site for a Restaurant established under your Development Agreement must be located in your Area of Responsibility. Within our discretion, we may consider sites proposed by you outside your Area of Responsibility. The proposed site for your Restaurant must be accepted by us along with any applicable lease, sublease or purchase agreement. We may help you select the site for your Restaurant, although we are not obligated to do so. For example, on occasion we solicit the assistance of a real estate broker with expertise within the Area of Responsibility. You will interface directly with the broker. The site for your Restaurant may be leased or owned by you. Our approval of a site will be based on the information you give us to review, including a site plan. The information we

need should include: (i) square footage; (ii) traffic patterns, flow, and total count; (iii) density and income level of the surrounding population; (iv) land and building costs; (v) zoning patterns; (vi) surrounding educational and recreational facilities; (vii) terms of the lease, if any; (viii) the distance from competing businesses, including other Mama Fu's Restaurants; and (ix) other factors having a substantial bearing on the proposed site. (See Development Agreement, Section 7.) In addition, you must submit for acceptance by us proposed site and construction plans and any modification to our specifications you propose. The construction of the premises must be completed according to our specifications. If you lease the premises, you and the landlord must enter into a lease addendum and collateral assignment of the lease in the form attached as Exhibit B to the Development Agreement, which includes, among other things, a provision that permits you to assign your interest in the premises to us when your Franchise Agreement expires or terminates. If we do not approve a site, you must propose a new site. If we and you are unable to agree upon a site for a Restaurant and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement. Approval of a location does not imply or guarantee the success or profitability of the site. While there is no contractual limit on the time it takes us to approve or disapprove your proposed site and lease, once we have all the necessary documentation for review, we typically take 30-60 days to approve or disapprove the proposed site and lease.

Start-up Time. We expect that you will open your Restaurant within three to four months after you sign the Franchise Agreement. The factors that affect this timing are financing, building permits, zoning, local ordinance issues, and delayed installation of equipment, fixtures, and signs. If you do not commence operation of the Restaurant within four months after the effective date of the Franchise Agreement, we may terminate the Franchise Agreement.

Conferences and Meetings. Although we are not obligated under the Franchise Agreement, we may hold periodic conferences, management meetings or refresher courses to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, and the like. These conferences may be held at our Atlanta, Georgia location or such other place that we may designate and may last 1 or 2 days. We may charge you a reasonable fee to attend these meetings or conferences, which we expect will not be more than \$500 per person (see Item 6). You must pay your own travel and accommodation expenses. (See Franchise Agreement, Sections 14.3 and 14.4.)

Electronic Funds Transfer. We may require you to pay all fees or contributions due under the Franchise Agreement by automated bank draft or other reasonable means necessary to ensure we receive payment of all fees and contributions. You must comply with any of our payment instructions, including executing any forms which grant us the right to debit your account on a weekly basis for payment of royalty and advertising fees or contributions and other fees or contributions to be paid to us or required by us under the Franchise Agreement. (See Franchise Agreement, Section 5.3.)

Training. Below is a description of our initial training program as of the date of this Offering Circular. Training programs are subject to change as procedures and processes change. We will train up to two individuals designated by you as having primary responsibility for managing your Restaurant. We may permit additional managers of your Restaurant to attend the initial training program, and, if we do, you will be responsible for all costs and expenses incurred by us in providing the training to these additional managers. Unless you will be primarily responsible for managing the Restaurant, you are not required to attend initial training. Each person required to complete the initial training program must attend and successfully complete it, as determined by us, before the Restaurant opens for business. In addition, we may require you and your managers and employees to attend additional training programs and you may be charged a reasonable fee for the additional training.

The initial training program will last approximately four weeks and will be comprised of classroom training and training in a Mama Fu's approved facility. Training will occur at our facility in

Atlanta, Georgia, or at another facility that we will designate. Training will be conducted as often as we deem necessary, but at least monthly. See Item 7 of this Offering Circular for a discussion of costs and expenses associated with the initial training program. (See Franchise Agreement, Section 14.1.)

INITIAL TRAINING PROGRAM

Subject	Instructional Materials	On-the-Job Hours	Classroom Hours	Instructor
Products (overall)	Training Manual Operations Manual	90	1	Manuel Gálvez
Shift Management	Operations Manual	10	4	Manuel Gálvez
Administrative	Operations Manual	5	2	Manuel Gálvez
Sanitation/Health	Operations Manual	2	1	Manuel Gálvez
POS	Operations Manual Vendor Manuals	3	2	Manuel Gálvez, Vendors

Manuel Gálvez has approximately 5 years of restaurant training experience.

The Raving Brands University ("RBU") is a 3-day management training program consisting of training modules to prepare you and your management team to operate your Restaurant. These training modules will be taught in a classroom setting at a conference facility that we designate. You must attend RBU at the same time you attend the initial training program. RBU training will include operations and administration, marketing, catering, cost awareness and control, human resources, employee retention and morale, guest services and food safety.

RAVING BRANDS UNIVERSITY MANAGEMENT TRAINING

Day 1		
Time	Lesson	Instructor
8:30- 9:00	Welcome and Introductions <ul style="list-style-type: none"> ✓ What to Expect this week ✓ Overview of Agenda 	Mike Epperly Colleen Wilbert
9:00 – 9:30	Raving Brands Overview <ul style="list-style-type: none"> ✓ Who is Martin Sprock? - Video ✓ Concept history ✓ The 5 P's ✓ Raving Fans 	Mike Epperly Colleen Wilbert
9:30-11:00	Franchise Support Tools <ul style="list-style-type: none"> ✓ Corporate Support Roles ✓ What to expect when you leave training ✓ Intranet Tutorial ✓ RAVE & ROSE Reports ✓ FA Q's 	Mike Epperly Colleen Wilbert
11:00-12:15	Time Management /Daily Administration	Mike Epperly

	<ul style="list-style-type: none"> ✓ Planning Your Day ✓ Admin Responsibilities ✓ One Minute Manager 	Colleen Wilbert
12:15 – 12:50	Catered Lunch	
12:50 – 1:45 Break	Raving Brands Marketing <ul style="list-style-type: none"> ✓ Financial Requirements ✓ National Marketing ✓ Co-ops ✓ Grass Roots Philosophy 	Mike Epperly Colleen Wilbert
1:55-4:00	90 Day Marketing Calendar <ul style="list-style-type: none"> ✓ 30 Days Pre-Opening ✓ Trade Area Survey (Opportunity Analysis): review project ✓ Weeks 1-4 of Operations ✓ Weeks 5-8 of Operations Building your Grand Opening Plan- Project Review of Trade Area Survey Project	
4:00 – 5:30	Food Sanitation & Safety	Mike Epperly Colleen Wilbert

Day 2		
Time	Lesson	Instructor
8:30-8:45	Cost & Sales Awareness <ul style="list-style-type: none"> ✓ Sales Forecasting ✓ Building sales through Brand Awareness 	Mike Epperly Colleen Wilbert
8:45-11:00 11:00 Break	Controlling Costs <ul style="list-style-type: none"> ✓ Food Cost & Inventories ✓ Labor Cost & Scheduling 	Mike Epperly Colleen Wilbert
11:10-12:00	Understanding the P & L <ul style="list-style-type: none"> ✓ Budgeting ✓ Line Items ✓ TCI 	Mike Epperly Colleen Wilbert
12:00-12:35	Catered Lunch	
12:35-1:45	Catering for Success <ul style="list-style-type: none"> ✓ Catering Initiatives ✓ Sales & Profitability ✓ General Duties ✓ Tools & Execution 	Mike Epperly Colleen Wilbert
1:45-3:15 Break Included	Shift Awareness <ul style="list-style-type: none"> ✓ Tools to Manage Your Day ✓ 360° Management ✓ Where are you When? 	Mike Epperly Colleen Wilbert
3:15-5:00	Creating Raving Fans <ul style="list-style-type: none"> ✓ "You Don't Know Me" ✓ Raving Fans = Raving Brands ✓ Give 'Em the Pickle: Situational Hospitality ✓ Moments of Truth: Impacting Experiences of the Internal and External Guest to motivate them to "do the right thing for the guest". ✓ Moe Gotta Know; Doc & Mama Too: Guests tell us how we're doing: Sales, email, comment cards ✓ Role Plays 	Mike Epperly Colleen Wilbert
5:00-5:30	Shoppers Reports	Mike Epperly

	✓ Secret Shopper Program	Colleen Wilbert
Homework	Shoppers Report on Local Unit	

Day 3		
Time	Lesson	Instructor
8:30 – 9:30	Shoppers Report Review	Mike Epperly Colleen Wilbert
9:30 – 10:15 Break: 10:15-10:25	Equal Employment Opportunity ✓ Title VII ✓ ADA ✓ FMLA ✓ Non Harassment	Mike Epperly Colleen Wilbert
10:25 – 11:15	Employee Selection: Recruiting, Interviewing & Hiring ✓ Methods of Recruiting ✓ Screening vs. Interviewing ✓ The Application ✓ Selecting vs. Hiring ✓ Types of Questions/Legal vs. Illegal questions ✓ Reference Checking	Mike Epperly Colleen Wilbert
11:15 – 11:45	The Orientation Process: Your Employee's 1st Impression ✓ Employee Handbook ✓ New Hire Forms	Mike Epperly Colleen Wilbert
12:20-1:20	The Training Process ✓ Qualities of Effective Trainers ✓ Training Tools ✓ FISH ✓ Cost of Training/Turnover	Mike Epperly Colleen Wilbert
1:20 – 2:30	Coaching, Counseling, and Discipline ✓ Coaching vs. counseling vs. Discipline ✓ The Employee Counseling Report ✓ HOT MANAGEMENT AND FAST FEEDBACK ✓ Gen X & Y Employee Retention & Moral ✓ Role Plays	Mike Epperly Colleen Wilbert
2:30-3:00	Final Exam	Mike Epperly Colleen Wilbert
3:00-5:00	POS Training ✓ POS Training	Mike Epperly Colleen Wilbert

Our training instructors have the following restaurant training experience: (i) Mike Epperly – 13 years; (ii) Manuel Gálvez – 5 years; and (iii) Colleen Wilbert – 17 years.

12. TERRITORY

Development Agreement. The Development Agreement will specify an Area of Responsibility within which you will focus your development efforts. Under the Development Agreement, you are not granted a territory, exclusive or otherwise, within which to develop your Restaurant(s). You may establish a Restaurant at any location within your Area of Responsibility provided that we consent to the location, which may be granted or withheld in our sole discretion, the location is in a state where we are permitted to sell Mama Fu's franchises, and the location is not located in another franchisee's franchise territory or area of responsibility. We will notify you of those areas which have been assigned to franchisees, either as exclusive territories or areas of responsibility. We do not intend to grant a large number of franchise territories, although we intend on occasion to grant other franchisees areas of

responsibility within which they will concentrate their development efforts. An area of responsibility is a geographic territory within which we expect the franchisee to concentrate his/her development efforts. You will have no exclusive territorial rights, protected territory or other rights to exclude, control or impose conditions on the location or development of other or future franchises under the Marks or on our activities, except as may be provided in an applicable Franchise Agreement. If you fail to meet your Development Schedule, we may terminate your Development Agreement.

Franchise Agreement. You will receive the right to operate a Mama Fu's Restaurant only at a site we approve, in our sole discretion. The site will be designated in the Franchise Agreement. Your Franchise Territory will be negotiated by you and us prior to your execution of the Franchise Agreement and specifically described in the Franchise Agreement. In negotiating the Franchise Territory, we may examine population, traffic flow, presence of businesses, location of competitors (including other Mama Fu's franchisees), demographic and other market conditions. A typical Franchise Territory generally extends for 1.5 miles around the Restaurant. As long as you are in compliance with the Franchise Agreement, we will not operate a Mama Fu's Restaurant within your Franchise Territory, and we will not authorize anyone else to do so. You will operate your Restaurant only from the approved site, and you must receive our permission before you relocate your Restaurant. We have not established a set of conditions or criteria under which we evaluate or approve relocation requests.

You may solicit customers and advertise your Restaurant anywhere you choose. There are no restrictions on you, any of our other franchisees, or us to prevent any soliciting or advertising in someone else's franchise territory. No party is obligated to pay compensation to any other party for soliciting customers from the other franchisee's franchise territory. In addition, you may deliver products from the Restaurant within or without your Franchise Territory in connection with providing catering services within a reasonable distance from your Restaurant, but not more than 25 miles, provided the deliveries are made by ground transportation. Subject to this maximum mileage requirement, you may provide catering and delivery services in another franchisee's franchise territory, and other Mama Fu's franchisees may provide the same services in your Franchise Territory. You may not ship products within or without your Franchise Territory.

Under the Franchise Agreement, we and our affiliates have reserved the right to establish anywhere franchises and/or company-owned or affiliate-owned restaurants or outlets selling similar products and providing similar services (including within your Franchise Territory) under names and symbols other than the Marks, even if these restaurants or outlets are near your Restaurant. Nevertheless, as of the date of this Offering Circular, we have no present plans to exercise any of these rights. We also reserve the right to operate, for ourselves or others, businesses using the Marks to distribute products or offer services that may be similar to or different from those found in Mama Fu's Restaurants, both within and outside your Franchise Territory, so long as we do not do so through the operation of a Mama Fu's Restaurant. We also reserve the exclusive right to sell products identified with the Marks both within and outside your Franchise Territory through any distribution channel or method (whether at retail or wholesale), including sales through catalogs, e-commerce, mail order, kiosks, mass merchandise, supermarkets and club stores, except through the operation of a Mama Fu's Restaurant, even if you sell these products at your Restaurant. As one example, we have the right to sell Mama Fu's food products through a nationwide retail chain even if the chain has facilities located within your Franchise Territory. On the other hand, you have no right to sell any products from any location other than your Restaurant and you have no right to sell products through the Internet or worldwide web, through mail order or catalogs or through any other form of distribution channel or method. We have affiliates that operate and/or franchise competitive restaurant concepts and these concepts may be operated in close proximity to your Restaurant. You have no right to use the Marks in connection with any business other than a Mama Fu's Restaurant. We have the right to engage in any other activities not expressly prohibited in the Franchise Agreement.

You have no right of first refusal or similar rights to acquire additional franchises or establish additional Mama Fu's Restaurants.

We have not established any minimum sales quota and do not require any certain level of market penetration in order for you to maintain your Franchise Territory. We will not reduce the size of your Franchise Territory even if the population in it increases. Likewise, we will not expand the size of your Franchise Territory if the population in it decreases. We cannot alter your Franchise Territory unless you give us your written consent. Any rights that are not specifically granted to you under the Franchise Agreement are retained by us.

Other restaurant concepts owned now or in the future by us or our affiliates may be established in close proximity to your Restaurant.

13. TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to operate your Restaurant under the name "MAMA FU'S ASIAN HOUSE" and to use the other Marks we authorize you to use. The following charts list the principal Marks that you may use with your franchise, subject to your use conforming with the Franchise Agreement, the Operations Manual, and other written directives we may issue.

The following Marks are registered with the Principal Register of the United States Patent and Trademark Office (the "USPTO").

Mark	Registration No.	Registration Date	Owner
MAMA FU'S	2,885,139	9/14/04	Us

An application for the registration of the following Marks has been filed with the Principal Register of the USPTO. By not having a Principal Register federal registration for the following Marks, we do not have certain presumptive legal rights granted by registration.

Mark	Serial No.	Filing Date	Owner
MAMA FU'S ASIAN HOUSE (plus design)	76603466	07/22/04	Us

There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving the Marks. No agreements limit our right to use or license the Marks.

You must follow the Franchise Agreement, the Operations Manual and our specifications when you use the Marks. The Marks are the only Marks you may use to identify the Restaurant. You may not use any Mark as part of any corporate or trade name or as part of any domain name or electronic address you maintain on the Internet, the worldwide web, or any other similar proprietary or common carrier electronic delivery system unless we expressly authorize you to do so in writing. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in

writing by us. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks other than a license to use the Marks during the terms of the Franchise Agreement. You are not permitted to make any changes of any kind in or to the use of the Marks unless we permit.

There may be situations in which we will permit you to use a Mark as a domain name in association with your approved website for your Restaurant. If we do, you must sign our standard form of Domain Name License Agreement which is incorporated into this Offering Circular as Exhibit E. The Domain Name License Agreement governs your right to use the Marks as a domain name during the term of your Franchise Agreement, and specifies the circumstances under which you will lose that right. The Operations Manual may also contain standards and specifications for the use of any domain name.

You must notify us immediately when you learn about an infringement of or challenge to your use of a Mark. We will take the action we think appropriate. We have the right to exclusively control any litigation, USPTO proceeding, or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark.

You must not directly or indirectly contest our right to the Marks, trade secrets or business techniques that are part of our business. We have no contractual obligation to protect you against claims of infringement regarding your use of the Marks, but we might do so when your rights require protection. In that case, if you cooperate with us, we would pay all cost, including attorneys' fees and court costs, associated with any litigation required to defend or protect your authorized use of the Marks. We will not pay any of your attorneys' fees if you hire your own attorney.

You must modify or discontinue the use of a Mark if we instruct you to do so. If this happens, you are responsible for your tangible costs of compliance (i.e. changing signs) and we do not have to reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark. We may develop or acquire additional Marks and make them available for your use.

We do not know of any superior rights or infringing uses that could materially affect your use of the Marks.

14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights that are material to your Mama Fu's franchise.

We claim common law rights and copyright protection in a number of items you will use in the operation of your Mama Fu's Restaurant, including our Operations Manual, and in certain other materials and information related to the Mama Fu's system, like our marketing materials, specifications, architectural drawings, Restaurant designs, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use. We have not registered any of these copyrighted materials with the United States Registrar of Copyrights, although we may do so.

All materials or information of any kind that are designated "confidential" orally or in writing or which, under the circumstances surrounding disclosure, ought to be treated as confidential, are deemed confidential and are loaned to you only under and during the term of the Franchise Agreement and Development Agreement. All confidential materials and the information contained in them must be treated by you as confidential and you must use your best efforts to keep them confidential during and after the terms of the Franchise Agreement and Development Agreement as provided in each agreement. This means that you cannot make copies in any medium of any confidential information or use any

confidential information outside of the scope of the Franchise Agreement or Development Agreement or disclose any confidential information to any third party or other persons identified by us as not having authorization to receive disclosure of confidential information. You may disclose confidential information contained in the Operations Manual only to your employees who have a business need to have access to the confidential information, but only if you first secure from them an agreement to maintain the confidentiality of the confidential information disclosed.

All copyrighted materials and confidential information are owned exclusively by us. Your right to use copyrighted materials and confidential information is derived solely from the Franchise Agreement and Development Agreement and is limited to the conduct of the business under and in compliance with the Franchise Agreement and Development Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of the Franchise Agreement and Development Agreement. Any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information will constitute an infringement of our rights in and to the copyrighted materials and confidential information.

We may claim copyright protection in certain techniques we create, and may patent certain processes and equipment we develop. If we do, we will notify you and, if the copyrights and patents are material to your obligations under the Franchise Agreement, we will authorize you to use them at no additional charge. Any modifications or improvements that you make to the Mama Fu's franchise system will be deemed a works made for hire which shall be owned exclusively by us. We do not have to compensate you for your modification or improvement.

You must promptly notify us of any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information, including by your employees. You must notify us of any challenge to your right to use or the ownership of any copyrighted materials or confidential information. We are not required to protect or defend our copyrights, although we intend to do so when it is in the best interests of the Mama Fu's franchise system. We have the exclusive right to control any copyright litigation. We have the right to keep all sums obtained in settlement or as a damages award in any proceeding or litigation without any obligation to share any portion of the settlement sums or damages award with you. While we are not required to participate in your defense or to indemnify you for damages or expenses you incur if you are a party to any administrative or judicial proceeding involving our confidential information or other information in which we claim common law rights and copyright protection, we may reimburse you for your liability and reasonable costs in connection with defending our confidential information and other information in which we claim common law rights and copyright protection.

We will have the right at any time, on notice to you, to make additions to, deletions from, and changes in any item in which we claim common law copyright or registered copyright protection including the Operations Manual. You must adopt and use all additions, deletions, and changes as we direct, at your expense.

Your spouse, and if you are not an individual, your shareholders, members, partners and managers, as applicable, and their spouses, must execute the Personal Covenants attached to the Franchise Agreement as Exhibit B and the Development Agreement as Exhibit C requiring them to comply with the confidentiality provisions of the Franchise Agreement and the Development Agreement, refrain from engaging in competing businesses, and refrain from soliciting our employees and the employees of other Mama Fu's franchisees. We have the right to require your other employees who have access to our confidential information to execute a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by us from time to time. We have the right to take legal action against you if there

has been an unauthorized use of our confidential information or trade secrets through you or your employees.

There is currently no litigation pending involving the copyrighted materials or confidential information. We do not know of any effective material determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials or confidential information. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials or confidential information.

We do not know of any superior rights or infringing uses that could materially affect your use of our confidential information of copyright materials.

15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must maintain direct responsibility over the Restaurant; however, we do not require that you personally supervise the day-to-day operations of the Restaurant. Your Mama Fu's Restaurant must always be under the direct, on premises supervision of an individual who has completed the initial training program described in Section 14.1 of the Franchise Agreement (each, an "Operating Manager"). The Operating Manager must directly supervise and be responsible for the day-to-day management and proper operation of your Restaurant, and the Operating Manager may not assist in any business which competes with your Restaurant. The Operating Manager must invest his/her full time and attention and devote his/her best efforts to the on-premises management of the Restaurant. The Operating Manager cannot have an interest or business relationship with any of our business competitors. The Operating Manager need not have an ownership interest in a corporate, limited liability company, or partnership franchisee.

If the Operating Manager is not already bound by the Franchise Agreement, we may require him/her to sign a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by us. This noncompetition, nonsolicitation and/or nondisclosure agreement will prohibit him/her from directly or indirectly engaging in activities that compete with the operations of your Restaurant or any other Mama Fu's Restaurant, disclosing our confidential and proprietary information and trade secrets, and soliciting our employees and employees of other Mama Fu's franchisees. We also may require those employees who have received our confidential and proprietary information to enter into the same noncompetition, nonsolicitation and/or nondisclosure agreement. We may require each of your owners holding at least a 10% equity interest in you, to personally guarantee your obligations to us under the Development Agreement and the Franchise Agreement. The guarantees will be in the form of the Guaranty Agreement attached as Exhibit E to the Development Agreement and Exhibit F to the Franchise Agreement, respectively.

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct the business operated at your Restaurant as required by the Operations Manual and the Franchise Agreement. You must offer and sell only those products and services approved by us. Further, you must offer all goods and services that we designate as required for all franchisees. These required goods and services include Pan-Asian food products. We have the right to add additional authorized goods and services that you must offer. This means that we have the right to require you to carry the required menu items that we dictate and that we determine are appropriate for Mama Fu's Restaurants. There are no limits on our right to make modifications to our approved menu, whether by a change in the Operations Manual or through an amendment to the Franchise Agreement or by another form of written directive.

We will not restrict you from soliciting any customers, no matter who they are or where they are located. However, you may only sell products to consumers for consumer purposes (and not for resale). You may not sell products at wholesale. In addition, you may provide delivery and catering services from the Restaurant within or without your Franchise Territory in connection with providing these delivery and catering services within a reasonable distance from the site of the Restaurant not to exceed 25 miles, provided the deliveries are made by ground transportation. Subject to this maximum mileage requirement, you may provide catering and delivery services in the Franchise Territories of other Mama Fu's franchisees, and other Mama Fu's franchisees may provide the same services in your Franchise Territory. You may not ship products within or without your Franchise Territory.

You may not have or use, or permit the presence or use of, video game machines or vending machines or any similar device or machine at the Restaurant unless we consent in writing.

17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

Development Agreement. This table lists certain important provisions of the Development Agreement. You should read these provisions in the form of the Development Agreement attached to this Offering Circular as Exhibit B.

Provision	Section in Development Agreement	Summary
a. Term of the franchise	Section 3	Expires the date after operations of the final Restaurant to be established are required to begin as provided on the Development Schedule.
b. Renewal or extension of the term	None	None
c. Requirements for you to renew or extend	None	None
d. Termination by you	Section 12.1	You can terminate only if we fail to cure a default under the Development Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination.
e. Pre-Operational termination by us	Section 12.2	We may terminate the Development Agreement if you fail to establish and open Restaurants in accordance with the Development Schedule.
f. Termination by us without cause	None	None
g. Termination by us with "cause"	Sections 12.2 and 12.3	We can terminate only if you default or if certain events (described in (h) and (i) below) occur. In some instances, you will have an opportunity to cure the default.
h. "Cause" defined – defaults which can be cured	Section 12.3	Failure to comply with any provisions of the Development Agreement not covered in "i" below. You have 30 days (or 60 days in some instances) after we give you written notice to cure the default.

Provision	Section in Development Agreement	Summary
i. "Cause" defined – defaults which cannot be cured	Section 12.2	Insolvency; bankruptcy; liquidation; reorganization; general assignment for benefit of creditors; failure to pay us or any creditor, supplier or lessor of the Restaurant any sums due after written notification; failure to comply with Development Schedule; conviction of a felony or crime involving moral turpitude; making of material misrepresentations; unauthorized transfer; unauthorized use or disclosure of confidential information; failure to comply with non-competition and non-solicitation provisions; failure to comply with any applicable law; dissolution; default under the Franchise Agreement or any other agreement between you and us; or receipt of three default notices within a 12 month period.
j. Your obligations on termination/non-renewal	Sections 12.4 and 14	No investment in competing business; no solicitation of employees; no disclosure of confidential information; and strictly comply with non-compete prohibition.
k. Assignment of contract by us	Section 13.1	No restriction on our right to assign.
l. "Transfer" by you – defined	Section 13.2	Includes transfer of Development Agreement, any interest in Development Agreement, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity.
m. Our approval of transfer by you	Sections 13.2 and 13.3	We have the right to approve all transfers.
n. Conditions for our approval of transfer	Section 13.4	Transferee qualifies; transferee assuming obligations under Development Agreement and/or entering into new Development Agreement and any other agreements we require; terms and conditions of transfer are satisfactory to us; you are not in default under the Development Agreement, any Franchise Agreement or any other agreement between you and us; execution of a general release; transfer fee paid; we decline to exercise our right of first refusal; and the Marks not being used in any advertisement for any prohibited transfer.
o. Our right of first refusal to acquire your business	Section 15	We can match any offer for the transfer of your business or any ownership interest.
p. Our option to purchase your business	N/A	None

Provision	Section in Development Agreement	Summary
q. Your death or disability	Sections 13.3 and 13.4	Franchise must be assigned by estate to an approved buyer.
r. Non-competition covenants during the term of the franchise	Sections 14.1, 14.2, 14.4 and 14.5	No involvement in competing business and no solicitation of any employee of Mama Fu's or employee of any other Mama Fu's franchisee.
s. Non-competition covenants after the franchise is terminated or expires	Sections 14.1, 14.2, 14.4 and 14.5	For one year, no involvement in competing business located within a three mile radius of any Mama Fu's Restaurant and no solicitation of any employee of Mama Fu's or employee of any other Mama Fu's franchisee. Competitive business includes any business operating or franchising a restaurant or food establishment offering Pan-Asian type food products, menu items or other main courses we authorize for sale at a Mama Fu's Restaurant.
t. Modification of the agreement	Section 30	Generally, no modifications unless agreed in writing.
u. Integration/merger clause	Section 30	Only the terms of the Development Agreement are binding.
v. Dispute resolution by arbitration or mediation	Section 21.2	Except for certain claims, disputes must be settled by arbitration. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office.
w. Choice of forum	Sections 21.1 and 21.2	Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law). Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office.
x. Choice of law	Section 21.1	Georgia law applies, except for federal law and with respect to covenants restricting competition which may be governed by the laws of the state in which the Developer is located (subject to state law).

Franchise Agreement. This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the form of Franchise Agreement attached to this Offering Circular as Exhibit C.

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 2.1	10 years

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term	Section 2.2	If you meet the requirements, you can renew for one additional consecutive 10-year term; after that you will have no right to renew the Franchise Agreement.
c. Requirements for you to renew or extend	Section 2.2	You must: provide written notice of election to renew; not be in default of the Franchise Agreement or any other agreement relating to the Restaurant; sign the then-current form of Franchise Agreement; pay a renewal fee; refurbish the Restaurant, if required; complete any required retraining program; execute a general release; and maintain ownership or leasehold interest in the Restaurant location or secure a suitable alternative.
d. Termination by you	Section 21.1	You can terminate only if we fail to cure a default under the Franchise Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination.
e. Pre-Operational termination by us	Section 21.2	We may terminate the Franchise Agreement prior to opening if you fail to commence operation of your Restaurant within four months after execution of the Franchise Agreement.
f. Termination by us without cause	None	None
g. Termination by us with "cause"	Sections 21.2 and 21.3	We can terminate only if you default or if certain events (described in (h) and (i) below) occur. In some instances, you will have an opportunity to cure the default.
h. "Cause" defined – defaults which can be cured	Section 21.3	Failure to comply with our standards and procedures or any term of the Franchise Agreement not covered in "i" below, including: failure to submit required reports; failure to relocate; failure to comply with an of the terms and conditions of any other agreement entered into by you in connection with your Restaurant; failure to maintain required insurance; and failure to restore Restaurant to full operation if it is rendered inoperable by casualty. You have 30 days (or 60 days in some instances) after we give you written notice to cure the default.

Provision	Section in Franchise Agreement	Summary
i. "Cause" defined – defaults which cannot be cured	Section 21.2	Insolvency; bankruptcy; liquidation; reorganization; general assignment for benefit of creditors; failure to pay us or any creditor, supplier or lessor of the Restaurant any sums due after written notification; conviction of a felony or crime involving moral turpitude; operation of the Restaurant as a safety hazard; making of material misrepresentations; unauthorized transfer; failure to comply with non-competition and non-solicitation provisions; unauthorized use of any Mark or disclosure of confidential information; failure to comply with any applicable law; unauthorized seizures; failure to maintain possession of the Restaurant premises; knowingly maintaining false books or records; denying us access to your books or records; understatement of fees by more than 5%; receipt of three default notices within a 12 month period; or dissolution.
j. Your obligations on termination/non-renewal	Sections 20, 21.4 and 22	Obligations include payment of lost profits; complete de-identification of Restaurant; payment of amounts due; return confidential materials; cancel assumed name registration; transfer telephone and fax numbers and Internet listings; no investment in competing business; no solicitation of employees; and offer us the right to purchase the Restaurant. We may assume the Restaurant's management.
k. Assignment of contract by us	Section 19.1	No restriction on our right to assign.
l. "Transfer" by you – defined	Section 19.2	Includes transfer of Franchise Agreement, any interest in Franchise Agreement, any assets of Restaurant, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity.
m. Our approval of transfer by you	Sections 19.2 and 19.3	We have the right to approve all transfers but will not unreasonably withhold approval.

Provision	Section in Franchise Agreement	Summary
n. Conditions for our approval of transfer	Section 19.4	Transferee qualifies; transferee assuming obligations under Development Agreement and/or entering into new Development Agreement and any other agreements we require; terms and conditions of transfer are satisfactory to us; you are not in default under the Development Agreement, Franchise Agreement or any other agreement between you and us; execution of a general release; fee paid; we decline to exercise our right of first refusal; and the Marks not being used in any advertisement for any prohibited transfer.
o. Our right of first refusal to acquire your business	Section 23	We can match any offer for the transfer of your business or any ownership interest.
p. Our option to purchase your business	Section 22.3	Upon expiration or termination of the Franchise Agreement, you must offer us the right to purchase the Restaurant.
q. Your death or disability	Section 19.3	Franchise must be assigned by estate to an approved buyer.
r. Non-competition covenants during the term of the franchise	Sections 20.1, 20.2, 20.4 and 20.5	No involvement in competing business and no solicitation of any employee of Mama Fu's or employee of any other Mama Fu's franchisee.
s. Non-competition covenants after the franchise is terminated or expires	Sections 20.1, 20.2, 20.4 and 20.5	For one year, no involvement in competing business located within a three mile radius of any Mama Fu's Restaurant and no solicitation of any employee of Mama Fu's or employee of any other Mama Fu's franchisee. Competitive business includes any business operating or franchising a restaurant or food establishment offering Pan-Asian type food products, menu items or other main courses we authorize for sale at a Mama Fu's Restaurant.
t. Modification of the agreement	Sections 7, 8.1 and 40	Generally, no modifications unless agreed in writing. We may revise the Operations Manual and you must comply with each requirement.
u. Integration/merger clause	Section 40	Only the terms of the Franchise Agreement are binding (subject to state law).
v. Dispute resolution by arbitration or mediation	Section 31.2	Except for certain claims, disputes must be settled by arbitration. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office.

Provision	Section in Franchise Agreement	Summary
w. Choice of forum	Sections 31.1 and 31.2	Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law). Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office.
x. Choice of law	Section 31.1	Georgia law applies, except for federal law and with respect to covenants restricting competition which may be governed by the laws of the state in which the Restaurant is located (subject to state law).
y. Liquidated Damages	Section 22.1	Upon termination of the Franchise Agreement due to your breach, you shall pay us, in addition to other amounts owed, liquidated damages in an amount equal to (i) the greater of (a) the average annual amount of Royalty Fees payable by you to us for the two years immediately preceding the date of termination or (b) the Royalty Fees payable by you to us for the 12 month period immediately preceding the date of termination, however, if the Restaurant has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by you to us for the months in which the Restaurant has been open multiplied by 12; then (ii) multiplied by two; then (iii) multiplied by (a) five or (b) the number of years remaining in the then-current term of the Franchise Agreement, whichever is less.

These states have statutes that may supersede the Development Agreement and the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Sections 4-72-201 to 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Sections 42-133e to 42-133h], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [ILCS, Ch. 815, Sections 705/1-705/44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Stat. Sections 14-201 to 14-233], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Sections 75-24-51 to 75-24-61], MISSOURI [Stat. Sections 407.400-407.410 and 407.420], NEBRASKA [Rev. Stat. Sections 87-401 to 87-410], NEW JERSEY [Stat. Sections 56:10-1 to 56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Sections 13.1-557 to 13.1-574], WASHINGTON [Code Sections 19.100.180, 19.100.190], WISCONSIN [Stat. Sections 135.01-135.07].

The Franchise Agreement contains a liquidated damages provision. Under some state laws, certain liquidated damages clauses are unenforceable.

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS OFFERING CIRCULAR. THESE ADDITIONAL DISCLOSURES APPEAR IN EXHIBIT F ATTACHED TO THIS OFFERING CIRCULAR.

18. PUBLIC FIGURES

We do not use any public figures to promote our franchise.

19. EARNINGS CLAIMS

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual, average or potential sales, costs, earnings, income or profits of a Mama Fu's Restaurant, nor are our salespersons authorized to comment on the likelihood of success or failure of any franchisee or any franchisee's potential development area or Franchise Territory. Actual results vary from Restaurant to Restaurant, and we cannot estimate the results of any particular franchise. We suggest you contact existing franchisees of your own choosing for information concerning a Mama Fu's Restaurant.

20. LIST OF FRANCHISE OUTLETS

**FRANCHISED RESTAURANT STATUS SUMMARY FOR
FISCAL YEARS ENDED 2004/2003^(Note 1)**

State	Transfers	Canceled or Terminated	Not Renewed	Reacquired by Franchisor	Left the System Other	Total from Left Columns	Restaurants Operating at Year End
California	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Florida	0/0	0/0	0/0	0/0	0/0	0/0	5/0
Georgia	0/0	0/0	0/0	0/0	0/0	0/0	7/1
Hawaii	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Illinois	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Indiana	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Maryland	0/0	1/0	0/0	0/0	0/0	1/0	0/0
Minnesota	0/0	0/0	0/0	0/0	0/0	0/0	0/0
New York	0/0	0/0	0/0	0/0	0/0	0/0	1/0
North Carolina	0/0	0/0	0/0	0/0	0/0	0/0	4/0
North Dakota	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Rhode Island	0/0	0/0	0/0	0/0	0/0	0/0	0/0

State	Transfers	Canceled or Terminated	Not Renewed	Reacquired by Franchisor	Left the System Other	Total from Left Columns	Restaurants Operating at Year End
South Carolina	0/0	0/0	0/0	0/0	0/0	0/0	1/1
South Dakota	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Texas	0/0	2/0	0/0	0/0	0/0	2/0	0/0
Virginia	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Washington	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Wisconsin	0/0	0/0	0/0	0/0	0/0	0/0	0/0
TOTALS	0/0	3/0	0/0	0/0	0/0	3/0	18/2

Explanatory Notes:

Note 1: The numbers in this table show the number of Restaurants open and operated by franchisees as of December 31, 2004. We only began offering franchises as of February 2003. This table does not show the specific number of franchisees or the number of Mama Fu's Restaurants we or our affiliates own and operate. As of the end of our fiscal year 2004, our affiliate through common member interest ownership operated one Mama Fu's Restaurant in Atlanta, Georgia.

Note 2: Franchisees are required to sign Development Agreements under which they agree to development a certain number of Restaurants consistent with a Development Schedule. You are not granted development territories under the Development Agreements, although commencing with this Offering Circular, you will have an Area of Responsibility within which you will concentrate your development efforts (see Item 12). As of December 31, 2004, there were 235 Restaurants committed to be established and opened in the future under Development Agreements between us and our franchisees. These Restaurants are scheduled to be established and opened during the period 2005-2013.

**STATUS OF COMPANY-OWNED OR AFFILIATED RESTAURANTS
FOR FISCAL YEARS ENDED 2004/2003^(Note 1)**

State	Restaurants Closed During Year	Restaurants Opened During Year	Total Restaurants Operating at Year End
Georgia	0/0	0/1	1/1
TOTALS	0/0	0/1	1/1

Explanatory Notes:

Note 1: The numbers in this table are as of December 31, 2004. We only began operating in fiscal year 2003.

Note 2: Company-owned and affiliated Restaurants do not pay any Development Fees, initial franchise fees or Royalty Fees, however, they are responsible for paying the required national advertising fee, spending the required amounts on local advertising, and participating in advertising cooperatives, if applicable.

**PROJECTED SALES AND OPENINGS
FOR FISCAL YEAR 2005**

Territory	Franchise Agreements Signed but Restaurant Not Opened	Restaurants Projected To Be Sold in Fiscal Year 2005	New Company-Owned Restaurant Openings in Fiscal Year 2005
Alabama	3	3	0
Arizona	0	1	0
Arkansas	1	2	0
California	2	3	0
Colorado	1	2	0
Florida	4	25	0
Georgia	4	13	1
Hawaii	0	0	0
Illinois	0	0	0
Indiana	1	1	0
Maryland	0	3	0
Michigan	0	1	0
Minnesota	0	0	0
New York	0	0	0
North Carolina	1	6	0
North Dakota	0	0	0
Ohio	1	2	0
Rhode Island	0	0	0
South Carolina	1	6	0
South Dakota	0	0	0
Tennessee	1	4	0
Texas	1	3	0

Territory	Franchise Agreements Signed but Restaurant Not Opened	Restaurants Projected To Be Sold in Fiscal Year 2005	New Company-Owned Restaurant Openings in Fiscal Year 2005
Virginia	1	4	0
Washington	0	0	0
TOTALS	22	79	1

Explanatory Notes:

Note 1: See Note 2 under the chart titled "Franchised Restaurant Status Summary for Fiscal Years Ended 2004/2003" in this Item 20.

Attached to this Offering Circular as Exhibit G are (i) the names, addresses, and telephone numbers of our franchisees who have Restaurants open and operating as of December 31, 2004, and (ii) the names, addresses, and telephone numbers of our franchisees who have executed Development Agreements but who have not opened a Restaurant as of December 31, 2004.

The names, and the last known addresses and telephone numbers of franchisees who had franchises terminated, canceled, or not renewed by us in fiscal year 2004, who otherwise voluntarily or involuntarily ceased to do business under their Franchise Agreement or Development Agreement in fiscal year 2004, or who did not communicate with us within 10 weeks of this Offering Circular are attached to this Offering Circular as Exhibit H.

21. FINANCIAL STATEMENTS

Attached to this Offering Circular as Exhibit I is our audited balance sheet for our fiscal years ended December 31, 2004 and December 31, 2003, and the related statements of operations, shareholders' equity, and cash flows for the fiscal years ended December 31, 2004 and December 31, 2003.

22. CONTRACTS

The Development Agreement is attached as Exhibit B to this Offering Circular. The following additional contracts or agreements are attached to the Development Agreement:

Exhibit	Agreement
A	Development Schedule, Development Fee and Payment Schedule
B	Lease Addendum
C	Personal Covenants
D	Developer Information
E	Guaranty Agreement
F	State Specific Addenda

The Franchise Agreement is attached as Exhibit C to this Offering Circular. The following additional contracts or agreements are attached to the Franchise Agreement:

Exhibit	Agreement
A	Franchised Site, Franchise Territory and Franchise Fee
B	Personal Covenants
C	Internet Web Sites and Listings Agreement
D	Telephone Listing Agreement
E	Franchisee Information
F	Guaranty Agreement
G	State Specific Addenda

Also attached to this Offering Circular as Exhibit J (Franchisee Disclosure Questionnaire) and Exhibit K (Coca-Cola Participation Agreement), both of which you must complete and return to us.

23. RECEIPT

Exhibit L to this Offering Circular are detachable Receipts acknowledging your receipt of this Offering Circular. Please return one Receipt to us and retain the other for your records. If you are missing these Receipts, please contact us at the following address or telephone number:

Mama Fu's Noodle House, Inc.
1935 Peachtree Road
Atlanta, Georgia 30309
Telephone: (404) 844-3225