

outlined in the following chart. Each day will consist of a minimum of 8 to 10 hours of instruction. Training Materials for the Training Program consist of the Manuals and a training binder. Attendees are required to complete prerequisite coursework or readings before attending any training. Attendees must also pass an assessment after each training subject outlined in the chart below. All information presented in the classroom is reinforced at the required onsite job training. We may, in our sole discretion, conduct the Initial Training and/or any other training remotely (via Rita's Online University and/or any other method decided by us).

### TRAINING PROGRAM

Initial Training Subject	Minutes of Online Training	Minutes of Classroom Training	Hours of Hands-on Training	<u>TOTAL</u>	Training Location
Treat Team Orientation	12			<u>12</u>	Rita's Online University
Food Safety	14			<u>14</u>	Rita's Online University
Italian Ice	15			<u>15</u>	Rita's Online University
Frozen Custard	15			<u>15</u>	Rita's Online University
Gelati	7			<u>7</u>	Rita's Online University
5 Layer Gelati	3			<u>3</u>	Rita's Online University
Blendini	13			<u>13</u>	Rita's Online University
Gelati Blender	8			<u>8</u>	Rita's Online University
Ice Blender	6			<u>6</u>	Rita's Online University
Frozen Lemonade	5			<u>5</u>	Rita's Online University
Frozen Coffee	5			<u>5</u>	Rita's Online University
Milkshake	8			<u>8</u>	Rita's Online University
Custard Pint	5			<u>5</u>	Rita's Online University
SUPER Service & GUEST Experience	14			<u>14</u>	Rita's Online University
Recipe Preparation	9			<u>9</u>	Rita's Online University
Production Sheets	4			<u>4</u>	Rita's Online University
Production Procedures	11			<u>11</u>	Rita's Online University
Half and Quarter Container Production Procedures	12			<u>12</u>	Rita's Online University
Batch Machine Servicing	16			<u>16</u>	Rita's Online University
Custard Machine Servicing	21			<u>21</u>	Rita's Online University
The Daily Shop Tool Overview	5			<u>5</u>	Rita's Online University
Online Ordering Overview	5			<u>5</u>	Rita's Online University
Marketing at Rita's		60		<u>60</u>	Trevoese, PA
Products & Environmental Procedures		60		<u>60</u>	Trevoese, PA
Custard Machine Cleaning		30	5.5	<u>35.5</u>	Trevoese, PA
Ice Production		30	6.5	<u>36.5</u>	Trevoese, PA
Storefront Products & Daily Procedures			7	<u>7</u>	Trevoese, PA
Daily Shop Tool - Production Sheets		30		<u>30</u>	Trevoese, PA
SUPER Service		45		<u>45</u>	Trevoese, PA

Supply Chain		45		<u>45</u>	Trevose, PA
Building & Retaining your Treat Team		30		<u>30</u>	Trevose, PA
Inventory Management		60		<u>60</u>	Trevose, PA
Profit and Loss		30		<u>30</u>	Trevose, PA
Digital Marketing		60		<u>60</u>	Trevose, PA
Sales Review Analysis & SMART Program, POS Systems & Loyalty Program		30	15	<u>45</u>	Trevose, PA
Field Operations Overview		30		<u>30</u>	Rita's Online University
Introduction to Online Ordering / Third Party Delivery		45		<u>45</u>	Trevose, PA
Drive-Thru (if applicable)			30	<u>30</u>	Trevose, PA
Weekly Review		30		<u>30</u>	Trevose, PA
Test		60		<u>60</u>	Trevose, PA
Mock Training			1	<u>1</u>	Trevose, PA
In-Shop Franchise Training			40	<u>40</u>	Certified Shop location to be designated by us

## ITEM 12: TERRITORY

The following describes how the Territory and Development Search Area are determined, and the rights that you and we have under the Franchise Agreement and Development Agreement.

### Franchise Agreement

If the Accepted Location is known at the time that you sign the Franchise Agreement, the Franchise Agreement will specify the Accepted Location for the Shop and the Territory. Your Territory will be negotiated by you and us before you sign the Franchise Agreement and described in the Franchise Agreement. The size and scope of the Territory will be contained in the Franchise Agreement and will be determined by us on a case-by-case basis. The Territory will be determined by various factors including demographics, the concentration of other businesses in the vicinity, existing and potential shop competition, projections of growth in the area and the economic environment. The Territory can also be impacted by geographic and/or man-made conditions such as bodies of water, mountains, driving conditions and other factors which may necessitate the Territory being less than the radius mentioned below. If the Standard Shop is located in a large metropolitan area, the Territory is described by a certain shopping area, defined area based on blocks (or a radius) and that area may range from approximately one-tenth of a mile up to a maximum of one mile as we determine on a case-by-case basis. If the Standard Shop is located in a smaller city or rural area, the Territory is described by a radius and the radius may range from one-tenth of a mile up to a maximum of two and a half miles as we determine on a case-by-case basis. The Territory for an Express Shop will generally be the venue or Institutional Facility (defined below) in which the Express Shop is located. If the Accepted Location is not known when you sign the Franchise Agreement, we will designate the Territory once we authorize a location for the Shop, and the Accepted Location and Territory will be documented in the Accepted Location Addendum to the Franchise Agreement. In the event that you fail to execute the Accepted Location Addendum prepared by us and you open the Shop, the Territory shall be limited to the four walls of the building where the Shop is located.

similar to those of an established business.

5. The sales results for a Shop are affected by a number of factors including but not limited to: whether the Shop has a Satellite and/or engages in Third-Party Delivery Services, Mobile Events and/or Catering; weather conditions in the market; the physical location of the Shop; local demographics (including daytime and residential population and income levels); site characteristics (i.e. visibility, traffic count, ease of ingress and egress, parking availability); seating; the offering of online ordering and/or curbside service; the presence of a walk-up window and/or drive-thru; seasonality (particularly in colder climates); local competition; brand and product awareness in the market; the number of Shops in the market; the presence of a Cooperative in the market; your local advertising and promotion spending, and your individual marketing efforts. Sales may also be affected by other factors such as the length of the seasons, unusual weather events and road construction affecting traffic patterns. Sales may also be affected by the strength of and public reception to the Rita's brand in the market, the length of time the Rita's brand has been in the market, the overall brand marketing within the market (which is determined by the number of Shops in the media market and whether there is a Cooperative in the media market), the flavors you offer, the overall public familiarity with Italian Ice in the market, and the overall public desire for Italian ice and custard in the market.

6. Your sales will be affected by your own operational ability (which may include your experience with managing a business), your involvement in the local community, your involvement in the active management of the Shop, your capital and financing (including working capital), continual training of you and your staff, your customer service orientation, your business plan and your use of experts (for example, an accountant) to assist in your business plan. Your sales will be negatively affected if you do not adhere to the System Operating Standards and the System. There are numerous factors that may affect sales at the Shop, and the factors listed above and below are not an all-inclusive list of those factors.

7. Economic conditions in the United States are unusually volatile both in terms of consumer spending as well as the costs of doing business. As a result, historical performance results may not be as useful in your financial planning as they may have been in less volatile times (in terms of anticipated sales and anticipated costs). There is no assurance that future sales will correspond to historical sales, and you are likely to achieve results that are different, possibly significantly and adversely, from the results shown above. As you review the historical financial information appearing in this Franchise Disclosure Document, you must carefully consider the potential impact of the current economic volatility, price spikes in the costs of commodities used for products and your potential sales volume. Past results are no assurance of the same performance results in the future.

~~8. We do not make any promises or representations of any kind that you will achieve any particular results or level of sales or profitability or even achieve break-even results in any particular year of operation.~~

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

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**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance