FRANCHISE DISCLOSURE DOCUMENT

Kahala Franchising, L.L.C.
an Arizona limited liability company
9311 E. Via De Ventura
Scottsdale, Arizona 85258
Telephone: (480) 362-4800
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We offer *Cold Stone Creamery*® franchises. As a franchisee, you will operate a restaurant called *Cold Stone Creamery* specializing in super-premium fresh made ice cream, cakes, pies, smoothies, shakes, specialty beverages, soft drinks and other frozen dessert products (prepared using proprietary recipes) and an assortment of complementary toppings and mix-ins on a take-out or eat-in basis, and branded, licensed products. You also have the option of having a yogurt bar and selling Cold Stone Yogurt Bar products in your *Cold Stone Creamery* restaurant.

The total investment necessary to begin operation of a *Cold Stone Creamery* franchise ranges from $3~~10~~22,~~36~~75 to $6~~0~~227,775 for a traditional restaurant, and from $5~~3~~7,200 to $4~~78~~4,~~72~~75 for a non-traditional restaurant. This includes $27,500 to $59,500 for a traditional restaurant and $18,500 to $47,500 for a non- traditional restaurant that must be paid to the franchisor or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kahala Franchising, L.L.C., Attn: John Wuycheck, 9311 E. Via De Ventura, Scottsdale, Arizona 85258 and (480) 362-4800.

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

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

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

Issuance Date: March 28, 202~~3~~4

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolvedisputes with the franchisor by mediation, arbitration and/or litigation only in Arizona.Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Arizona than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house,at risk if your franchise fails.

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

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EXHIBITS:

A State Addenda to Franchise Disclosure Document

B Directory of State Agencies and Administrators

C Franchisor’s Agent for Service of Process

D Asset Purchase Agreement (For Sale of a Corporate Store to a Franchisee) with Promissory Note and Security Agreement and Guaranty (if applicable)

E-1 Franchise Agreement (New)

E-2 Franchise Agreement (Renewal)

E-3 Franchise Agreement (Transfer)

F-1 Guaranty of Franchise Agreement

F-2 Non-Disclosure and Non-Competition Agreement

G Collateral Assignment and Irrevocable Special Power of Attorney

H Amendment to Franchise Agreement (for non-traditional locations excluding those co-branded with another affiliated brand)

H-1 Rocky Mountain Chocolate Factory Addendum to Franchise Disclosure Document and Amendment to Franchise Agreement

I Amendment to Franchise Agreement (for co-branded non-traditional locations)

J In-Store Training Release and Waiver of Liability Agreement

K Addendum to the Franchise Agreement for SBA Loans

L Required Lease Terms (Lease Addendum to Lease Agreement)

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O-2 Sublease and Guaranty of Sublease (Franchisor or its affiliate collects rent from Franchisee and pays to Landlord)

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Q General Release for Renewal of Franchise Agreement

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R-2 Consent to Transfer and Release Agreement (with Sublease)

S State Addenda to Franchise Documents

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V Financial Statements

W Performance Guaranty

X Addendum for Sale of Company-Affiliated Owned Stores

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Y Receipts

ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is Kahala Franchising, L.L.C. To simplify the language in this "Disclosure Document," Kahala Franchising, L.L.C. may be referred to as "Kahala Franchising," "we," "us," "our" and "Franchisor." "You" and "your" mean the person(s), partnership, corporation, limited liability company, or other entity that buys the *Cold Stone Creamery*® unit franchise. If "you" are a business entity, "you" includes the shareholders, members or owners of the business to the extent each guaranties or otherwise agrees to perform or be bound by the obligations of the business entity.

The Franchisor, Parents and Predecessors

Kahala Franchising is an Arizona limited liability company which was formed on December 29, 2008. Kahala Franchising is in the business of franchising to others the right to own and operate quick service restaurants.

Our parent company is Kahala Brands, Inc., formerly known as Kahala Brands, Ltd., ("Kahala Brands"). Kahala Brands was formerly known as Kahala Corp. but changed its name to Kahala Brands in December 2014.

On July 26, 2016, Kahala Brands merged with a wholly-owned subsidiary of MTY Food Group, Inc. ("MTY") having an address at 8150 Transcanada Highway, Suite 200, Saint Laurent, Québec H4S 1MF. Kahala Brands' parent company became MTY Franchising USA, Inc. ("MTY USA"), originally known as The Extreme Pita Franchising USA, Inc., and having an address of 9311 E Via De Ventura, Scottsdale, AZ 85258. MTY USA's parent corporation is MTY Franchising Inc. ("MTY Canada"), a Canadian corporation and a wholly owned subsidiary of MTY, formerly known as MTY Tiki Ming Enterprises Inc., and having an address at 8150 Route Transcanadienne, Suite 200, Ville Saint-Laurent, Quebec, H4S 1M5, Canada.

In addition to the concepts franchised by Kahala Franchising or its current or former US-based affiliates, MTY or one or more of its Canadian-based subsidiaries franchises over (55) different restaurant concepts and has over 2,500 units under the following trademarks in Canada primarily, and other international countries: Allo Mon Coco, Baton Rouge Steakhouse & Bar, Ben & Florentine, Big Smoke Burger, Bunsmaster, Café Depot, Casa Grecque, Country Style, Cultures, Dagwoods, Frat's Cucina, Extreme Pita, Giorgio, Jugo Juice, Kim Chi, Koryo, Koya, Kuto Comptoir A Tartares, La Boite Verte, La Crémière, La Diperie (and Cakes & Shakes by La Dip), Madisons, Manchu Wok, Toujours Mikes, mmmuffins, Mr. Souvlaki, Mr. Sub, Mucho Burrito, Muffin Plus, O'Burger, Pizza Delight, Scores, Senseasian, South St. Burger, Sukiyaki, Sushi Go, Sushiman, Sushi Shop, Thai Express, Thaïzone, The Works, Tiki Ming, Timothy's World Coffee, The COOP Wicked Chicken, Tosto, Turtle Jack's, Tutti Frutti, Valentine, Van Houtte, Vanellis, Vie & Nam, Villa Madina, Spice Brothers, Steak Frites, Wasabi Grill & Noodle and YUZU trademarks. MTY also sub-franchises two (2) other different restaurant concepts: TCBY and TacoTime. MTY is a publicly-traded company headquartered in Montreal, Québec, Canada.

Effective March 1, 2018 MTY through the merger of a wholly-owned subsidiary with Imvescor Restaurant Group Inc. ("IRG"), acquired all the outstanding shares of IRG. At closing IRG operated 5 brands in Canada and had 261 locations in operation.

The name and principal business address of any predecessors for Cold Stone Creamery brand during the 10-year period immediately before the close of Kahala Franchising's most

recent fiscal year is: Kahala Franchise Corp., 9311 E. Via De Ventura, Scottsdale, Arizona 85258. Our predecessor, Kahala Franchise Corp., did not conduct the type of business the franchisee will operate, but its affiliate, CSC Restaurants has been conducting the type of business the franchisee will operate by operating corporate Cold Stone Creamery stores since April 1994; its affiliate, Kahala Holdings, LLC ("Kahala Holdings") has been conducting the type of business the franchisee will operate by operating corporate Cold Stone Creamery stores since January 2008; and another affiliate, Kahala Restaurants, L.L.C., an Arizona limited liability company ("Kahala Restaurants"), has been conducting the type of business the franchise will operate by operating corporate Cold Stone Creamery stores since January 2010. Kahala Franchise Corp. offered franchises providing the type of business the franchisee will operate from March 2008 until March 2010. The name and principal business address of another predecessor for Cold Stone Creamery during the 10-year period immediately before the close of Kahala Franchising's most recent fiscal year is: Cold Stone Creamery, Inc., 9311 E. Via De Ventura, Scottsdale, Arizona 85258. Predecessor, Cold Stone Creamery, Inc., conducted the type of business the franchisee will operate from April 1994 until March 2008. Predecessor, Cold Stone Creamery, Inc., offered traditional franchises providing the type of business the franchisee will operate from April 1994 until March 2008, and offered non-traditional franchises providing the type of business the franchisee will operate from November 2002 until March 2008. Cold Stone Creamery, Inc. did not operate businesses of the type being franchised, but rather, Cold Stone Creamery Restaurants, LLC ("CSC Restaurants"), its affiliate, did conduct the type of business the franchisee will operate by operating corporate Cold Stone Creamery since April 1994. Neither Cold Stone Creamery, Inc., nor any of its affiliates had offered franchises in any other line of business. Kahala Franchise Corp. offered franchises under the following names, which are now being offered by Kahala Franchising as of August 2010: Surf City Squeeze, Rollerz Rolled Sandwiches, Frullati Cafe & Bakery, Ranch One, Samurai Sam's Teriyaki Grill, TacoTime, Great Steak, Johnnie's New York Pizzeria, NrGize Lifestyle Cafe, Blimpie, and Cereality cereal bar & cafe.

As of November 30, 202~~2~~3, there were 1,~~289~~348 franchises, 9~~08~~52 in the United States, plus an additional 3~~81~~96 Cold Stone Creamery's internationally, plus an additional 1~~8~~5 licensed outlets in the United States and 41 company-owned restaurants in the United States. There were also 10~~1~~0 Rocky Mountain Chocolate Factory stores and 1 Tim Hortons store that are co-branded in Cold Stone Creamery restaurants in the United States. The license agreement allowing selected Cold Stone Creamery franchisees to sell Tim Hortons products in their Cold Stone Creamery restaurants has been terminated, so no additional Cold Stone Creamery franchisees may amend their franchise agreement to allow them to sell Tim Hortons products in their restaurants. We have a Master License Agreement dated August 17, 2009 with Rocky Mountain Chocolate Factory, Inc. ("RMCF") under which selected franchised and company-owned Cold Stone Creamery restaurants will be allowed to sell RMCF's products in addition to the Cold Stone Creamery product offering (See Exhibit H-1). We have been offering *Cold Stone Creamery* franchises since August 2010 under the name of Kahala Franchising. Kahala Franchising does not operate businesses of the type being franchised, but rather, Kahala Holdings and Kahala Restaurants, affiliates of Kahala Franchising, operate many of our corporate-owned restaurants, including businesses of the type being franchised. Any corporate-owned *Cold Stone Creamery* restaurants may compete with franchised restaurants in its vicinity.

Other Franchises Offered by Kahala Franchising or its affiliate

KAHALA FRANCHISING IS ONLY OFFERING A *COLD STONE CREAMERY* UNIT FRANCHISE UNDER THIS DISCLOSURE DOCUMENT. EACH OF THE FRANCHISES

DETAILED BELOW ARE OFFERED BY KAHALA FRANCHISING OR A U.S. AFFILIATE UNDER SEPARATE DISCLOSURE DOCUMENTS FOR EACH BRAND.

The following summarizes the Cold Stone Creamery and these other quick service restaurant brands as of November 30, 20223, including the type of restaurant business, number of franchised units in operation as of November 30, 20223, and the date Kahala Franchising or its current or former affiliates offered franchises in those brands:

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 20223	Dates unit franchises began being offered by us or our affiliate
America's Taco Shop	Restaurants serving freshly prepared Mexican food including tacos, burritos, and quesadillas	1 company-owned unit And, 2 licensed units.	November 2011 under Kahala Franchising
Blimpie	Restaurants serving submarine sandwiches and salads	11706 franchised units (1104 in the United States and 32 internationally) (plus 64 company-owned units in the United States)	From 2006 until 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Cereality cereal bar & cafe	Restaurants serving hot and cold cereals and cereal blends with toppings, oatmeal, and parfaits	0 franchised units	From 2007 until 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Chicken Strips and Dips	Ghost kitchen concept serving primarily chicken tenders.	16 franchised units	March 2022, Kahala Franchising.
Cold Stone Creamery	Restaurants serving super-premium freshly made ice cream, cakes, pies, smoothies, shakes, and other frozen dessert products	1,289348 franchised units (908352 in the United States and 381196 internationally)(plus 41 company-owned units). 1010 Cold Stone Creamery franchises also sell Rocky Mountain Chocolate Factory® products and 1 Cold Stone Creamery	From May 2007 until March 2008 by Cold Stone Creamery, Inc., from March 2008 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2022~~2~~3	Dates unit franchises began being offered by us or our affiliate
		franchise also sells Tim Hortons® products. Additionally, 1~~8~~5 licensed units.	
Frullati Cafe & Bakery	Restaurants serving sandwiches, salads, smoothies and baked goods	10 franchised units	From 1999 until 2004 by Frullati Franchise Systems, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Great Steak	Restaurants serving Philadelphia cheesesteak sandwiches, chicken sandwiches and French fries	3~~6~~4 franchised units (2~~6~~5 in the United States and ~~10~~9 internationally) ~~(plus 1 company-owned unit)~~.	From 2004 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Johnnie's New York Pizzeria	Restaurants serving New York style pizza, calzones, salads, and related Italian cuisine menu items	2 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Kahala Coffee Traders	Restaurants serving coffee and espresso, tea, baked goods, parfaits, sandwiches and merchandise	~~3~~5 franchised units. And 1 licensed unit.	November 2011 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2022~~3~~	Dates unit franchises began being offered by us or our affiliate
Maui Wowi	Store fronts or portable units serving fruit smoothies, Hawaiian coffee and espresso	~~110~~ 97 franchised units (~~102~~ 89 in the United States and 8 internationally)	Since November 2015 under Kahala Franchising
NrGize Lifestyle Cafe	Cafes serving smoothies, fruit drinks and nutritional supplements	~~60~~57 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Pinkberry	Restaurants serving frozen yogurt, yogurt drinks, smoothies and frozen desserts	6~~4~~3 franchised units. And ~~24~~30 licensed units.	From July 2008 until April 2016 under Pinkberry Ventures, Inc. and since June 2016 under Kahala Franchising
Planet Smoothie	Restaurants serving smoothies, smoothie bowls, juices and nutritional supplements	1~~56~~63 franchised units (15~~2~~8 in the United States and ~~4~~5 internationally) Additionally, as of fiscal year end there were 2 Tasti D-Lite outlets.	Since June 2016 under Kahala Franchising
Ranch One	Restaurants specializing in grilled and crispy breaded chicken sandwiches	2 franchised units	From 2001 until 2004 by Ranch *1 Group, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
~~Rollerz Rolled Sandwiches~~	~~Restaurants serving gourmet rolled sandwiches, salads, soups and baked goods~~	~~1 franchised unit~~	~~From 2000 until 2004 by Rollerz Franchise Systems, L.L.C., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising~~

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2022~~2~~3	Dates unit franchises began being offered by us or our affiliate
Samurai Sam's Teriyaki Grill	Restaurants serving Japanese rice bowls and noodle bowls	1~~3~~2 franchised units	From 2003 until 2004 by SP Franchising, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Surf City Squeeze	Juice bars serving smoothies, fruit drinks and nutritional supplements	6~~9~~4 franchised units (plus 1 company-owned unit)	From 1994 until 2004 by Malibu Smoothie Franchise Corp. and Surf City Squeeze Franchise Corp., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
TacoTime	Restaurants serving freshly-prepared Mexican food including burritos, taco, quesadillas and nachos	22~~6~~0 franchised units (~~105~~99 franchised in the United States and 121 internationally) (plus 1 company-owned unit) Additionally, there are 78 licensed units.	From 2003 until 2004 by Taco Time International, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2022~~2~~3	Dates unit franchises began being offered by us or our affiliate
Extreme Pita	Restaurants serving wrap-style hot and cold pita and wrap sandwiches	~~0~~1 franchised unit	From March 2001 to July 2014: The Extreme Pita Franchising USA, Inc.; since July 2014: MTY USA
Grabbagreen	Restaurants serving healthy food, juice, smoothies and related products	~~7~~4 franchised units	Since February 2018 under MTY USA

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 2022~~2~~3	Dates unit franchises began being offered by us or our affiliate
Ginger Sushi Boutique + Poke Shop	Restaurant serving a variety of sushi menu items and drinks	0 franchised units	From September 2015 under MTY USA
Mucho Burrito	Restaurants offering burritos, quesadillas, tacos, nachos, and other assorted food and drinks	~~0~~1 franchised unit	From January 2010 under Mucho Burrito Franchising USA, Inc.; from March 2019 under MTY USA
Thai Express	Restaurant serving “Thai-style” foods and drinks	~~8~~9 franchised units (7 in the United States and 2 internationally) (plus 1 company-owned)	From February 2015 under MTY USA
La Diperie	Restaurant serving retail sale of an ice cream product and various dips and toppings	1 franchised unit	From April 2019 under MTY USA
Baja Fresh	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	~~7~~769 franchised units (~~7~~767 in the United States and 2 internationally) (plus ~~7~~11 company-owned units)	October 2016 until July 2017 under Triune, LLC and since then under BFAH
La Salsa	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	6 franchised units	October 2016 under La Salsa Franchise, LLC
The Counter	Full service restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and	~~22~~215 franchised units (1~~9~~4 in the United States and ~~3~~1 internationally) (plus 2 company-owned units)	December 2017 under CB Franchise Systems, LLC. Then from March 2019 under MTY USA

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202~~2~~3	Dates unit franchises began being offered by us or our affiliate
	salads		
Built Custom Burgers	Fast casual restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	6 franchised units (3 in the United States and 3 internationally)	December 2017 under Built Franchise Systems, LLC. Then from March 2019 under MTY USA
sweetFrog	Restaurant offering frozen yogurt using a self-serve delivery format	2~~3~~126 franchised units (2~~2~~116 in the United States which include ~~13~~9 licensed franchisees plus 10 internationally)	September 2018 under MTY USA
Manchu WOK	Quick service restaurant serving fast and fresh Chinese cuisine	1~~8~~5 franchised units	March 2015: MTY USA
Ben & Florentine	Restaurant serving a superior breakfast & lunch experience	0 franchised units	From December 2018 under MTY USA
Papa Murphy's	Retail food outlet serving primarily take and bake pizza	1,1~~82~~54 franchised units (1,1~~45~~19 in the United States and 3~~7~~5 internationally) plus ~~23~~8 company-owned units	From May 2019 Papa Murphy's International LLC

Brand Name	Type of Restaurant Business	Number of Units as of November 30, 202~~2~~3	Dates unit franchises began being offered by us or our affiliate
Famous Dave's	Restaurants specializing in authentic, down-home, genuine smoked barbecue	~~99~~88 franchised units (~~98~~1 in the United States and ~~8~~7 internationally) plus ~~42~~35 company-owned units	From March 1994 under Famous Dave's of America, Inc.
Village Inn	Restaurant specializing in pancakes, omelets, skillets, eggs, and other popular breakfast items	9~~7~~1 franchised units plus 23 company-owned units	From August 2020 under VI BrandCo, LLC
Barrio Queen	Restaurants specializing in authentic Southern Mexican	7 company-owned units	From March 2023 under BQ Concepts, LLC
Sauce Pizza / Wine	Restaurants serving wood-fired pizzas, a variety of pasta dishes, and salads	13 company-owned units	March 2024
Champps Kitchen + Bar	sports theme restaurants that provide the public with high-quality food and beverage	2 franchised units plus 1 company-owned unit	From September 1999 to October 2008 under Champps Entertainment, Inc. and From August 2023 under BQ Concepts, LLC
Wetzel's Pretzels	Restaurant specializing in hand-rolled fresh-baked soft pretzels	3~~29~~56 franchised units (3~~22~~46 in the United States and ~~7~~10 internationally) plus ~~38~~40 company-owned units	From April 1996 under Wetzel's Pretzels, LLC

We or our affiliates had previously also franchised the right to purchase a defined geographic area to become an area representee in; however, as of the issuance date of this Disclosure Document, we or our affiliates are not offering area representative agreements under a separate Area Representative Franchise Disclosure Document for any brands other than La

Diperie, Planet Smoothie, and Blimpie but may do so for additional brands in the future under a separate disclosure document.

Affiliates That Provide Products or Services to Franchisees

Kahala Management, L.L.C. ("Kahala Management"), an affiliate of Kahala Franchising, is an Arizona limited liability company that provides administrative, legal, accounting, sales, POS phone support, real estate and marketing support services to Kahala Franchising. In December of 2019 KGC, LLC, a Colorado limited liability company ("KGC") originally created to administer gift card programs, merged into Kahala Management. Kahala Holdings and Kahala Restaurants are affiliates of Kahala Franchising that own and operate company-owned outlets detailed above. CSC Restaurants, is an affiliate of Kahala Franchising that, along with Kahala Holdings and Kahala Restaurants, owns and operates the Cold Stone Creamery company-owned outlets. Kahala Advertising, LLC, an Arizona limited liability company ("Kahala Advertising"), is an affiliate of Kahala Franchising that began administering the national advertising funds for each of the brands and the regional cooperatives in 2008. Neptune Equipment Services, LLC, an Arizona limited liability company ("Neptune Equipment"), is an affiliate of Kahala Franchising that is an approved retailer of equipment that sells, distributes, and coordinates logistics of equipment, menu boards, interior and exterior signage, and smallwares to Kahala Franchising franchisees and licensees.

Cold Stone Creamery Leasing Company, Inc. ("CSC Leasing"), another affiliate of Kahala Franchising, was incorporated for the purpose of leasing sites for Cold Stone Creamery restaurants and subleasing them to franchisees. CSC Real Estate Management, LLC, an Arizona limited liability company ("CSC Real Estate") provides real estate management services to Cold Stone Creamery, Inc. ("Cold Stone") and CSC Leasing. CSC Leasing does not operate businesses of the type being franchised nor does it offer or sell franchises of Cold Stone Creamery restaurants.

Some Blimpie restaurants are leased by subsidiaries of our affiliate ("Blimpie Leasing Affiliates") KRES Holdings, L.L.C., an Arizona limited liability company ("KRES"), and in turn, subleased by such entities to Blimpie franchisees.

Some existing Cold Stone Creamery restaurants are leased by either of our affiliates, CSC Leasing or Cold Stone (collectively, "Cold Stone Leasing Affiliates"). In these situations, our Cold Stone Leasing Affiliates enter into a direct lease with the property owner ("Master Lease") for the location of the *Cold Stone Creamery* restaurant, and then Sublease the location to the franchisee for that particular *Cold Stone Creamery* restaurant, using our standard forms of Sublease (See Exhibits O-1 and O-2: Sublease, Guaranty of Sublease and State Addenda). In most other cases, you will enter into a lease for the premises of your *Cold Stone Creamery* restaurant directly with the property owner. CSC Real Estate, our affiliate, provides real estate management services to CSC Leasing. Blimpie Leasing Affiliates and Cold Stone Leasing Affiliates shall collectively be referred to in this Disclosure Document as the "Leasing Affiliates."

Other Agreements

Kahala Franchising previously offered franchises for a take and bake pizza concept called "Pizza Fresh Take●N●Bake." It began franchising Pizza Fresh Take●N●Bake in November 2011 and ceased offering Pizza Fresh Take●N●Bake franchises in December 2014. During that time period, there were no Pizza Fresh Take●N●Bake franchises sold. Two

corporately owned Pizza Fresh Take●N●Bake restaurants were opened in 2011 but both closed in 2014 and there are no Pizza Fresh Take●N●Bake restaurants currently in operation. Kahala Franchise Corp. previously offered franchises for a kiosk-style ice cream dessert concept called "Wafflō." It began franchising Wafflō in 2005 and ceased offering Wafflō franchises in December 2007. During that time period, there were 21 Wafflō franchises sold. As of November 30, 2022~~23~~, no Wafflō restaurants were open. Additionally, Kahala Franchise Corp. previously offered franchises for a premium soft serve frozen dessert product called "Tango." It began offering Tango franchises in May 2007 and ceased selling Tango franchises in November 2007. During that time, there were no Tango franchises sold, and there are no Tango franchise locations currently in operation. Tasti D-Lite LLC is an affiliate of Kahala Franchising that previously franchised the Tasti D-Lite frozen dessert brand. Kahala Franchising is now offering Tasti D-Lite products as a menu offering in Planet Smoothie restaurants. As of November 30, 2022~~23~~ there were 2 Tasti D-Lite franchises in the United States.

Taco Time International, Inc. ("TTI") was a predecessor franchisor of the TacoTime brand. TTI's rights and obligations under a Master Franchise Agreement it entered into on March 13, 1978 ("MFA") were assigned to Kahala Franchising. Under the MFA, MTY Canada operates as the master franchisor of the TacoTime brand for the entire country of Canada. As of the date of this Disclosure Document, the MFA is still in effect.

TTI also entered into a Western Washington Area Franchise Agreement with Accord, Inc. ("Accord") dated April 30, 1979, as amended ("Western Washington Agreement") under which TTI assigned its rights to franchise TacoTime in several counties and cities in the state of Washington to Accord ("Accord Territory"). The Western Washington Agreement was ultimately assigned from TTI to Kahala Franchising. Accord is not an affiliate of Kahala Franchising. As of November 30, 2022~~23~~, there were 78 TacoTime licensed restaurants in operation in the Accord Territory. As of the date of this Disclosure Document, the Western Washington Agreement is still in effect. TTI did not enter into any other territory agreements that are currently in effect. We are not offering TacoTime franchises under this Disclosure Document.

Blimpie International, Inc. ("BI") was a predecessor franchisor of the Blimpie brand. BI entered into a trademark distribution agreement with Blimpie of California, Inc. dated July 18, 1984, as amended ("TDA") under which Blimpie of California, Inc. operates as a subfranchisor for the Blimpie brand in a portion of Southern California. The TDA was ultimately assigned from BI to Kahala Franchising. Blimpie of California, Inc. is not an affiliate of Kahala Franchising. As of November 30, 2022~~23~~, there were 2 Blimpie franchises in operation in Blimpie of California, Inc.'s territory. As of the date of this Disclosure Document, the TDA is still in effect. BI did not enter into any other trademark distribution agreements that are currently in effect. We are not offering any Blimpie franchises under this Disclosure Document.

On August 8, 2022, MTY Franchising USA, Inc. and its wholly owned subsidiary Grill Merger Sub, Inc. ("Merger Sub") entered into an agreement with BBQ Holdings, Inc. ("BBQ"), a Minnesota corporation, providing for the acquisition of BBQ by MTY Franchising USA, Inc., consisting of a tender offer (the "Offer") for all of the outstanding shares of BBQ common stock, followed by a subsequent merger of Merger Sub with and into BBQ (the "BBQ Merger"), with BBQ surviving the BBQ Merger as a wholly-owned subsidiary of MTY Franchising USA, Inc. This transaction included the rights to franchise and/or operate the Barrio Queen, Famous Dave's, Village Inn, Bakers Square, Granite City Food and Brewery, Real Urban BBQ, Craft Republic Bar & Grill, Champps Kitchen + Bar, Fox & Hound, and Tahoe Joe's Famous Steakhouse brands. BBQ, through its subsidiary, VI BrandCo, LLC a Delaware limited liability company, offers Village Inn restaurants. As of November 30, 2022~~23~~, there were 1~~20~~14 Village

Inn restaurants (including franchised and company-owned) in the United States. BBQ, through its subsidiary, Famous Dave's of America, Inc., a Minnesota corporation, offers Famous Dave's restaurants. As of November 30, 2022~~2~~3, there were 1~~33~~16 Famous Dave's restaurants (including franchised and company-owned) in the United States, and ~~8~~7 franchised restaurants internationally (in the UAE and Canada). With the merger closing that took place on September 27, 2022, MTY Franchising USA, Inc. is the parent company of both VI BrandCo, LLC and Famous Dave's of America, Inc.

On December 8, 2022, MTY Franchising USA, Inc. and its wholly owned subsidiary Twisted Merger Sub, Inc. ("WP Merger Sub"), a Delaware corporation, entered into an agreement with COP WP Parent, Inc. ("COP"), a Delaware corporation, providing for the acquisition of COP by MTY Franchising USA, Inc., consisting of a merger of WP Merger Sub with and into COP (the "COP Merger"), with COP surviving the COP Merger as a wholly-owned subsidiary of MTY Franchising USA, Inc.~~~~ , under the name Twisted Merger Sub, Inc. In November 2023, MTY Franchising USA, Inc. became the parent company of Wetzel's Pretzels, LLC ("Wetzel's Pretzels"), a California limited liability company. This transaction included the rights to franchise and/or operate the Wetzel Pretzel's brand, through ~~COP's subsidiary~~ Wetzel's Pretzels~~, LLC, a California limited liability company~~. As of November 30, 2022~~2~~3, there were 3~~43~~86 Wetzel Pretzels restaurants (including franchised and company-owned) in the United States and ~~7~~10 franchised restaurants internationally. With the merger closing that took place on December 8, 2022, MTY Franchising USA, Inc. is the parent company of Wetzel's Pretzels, LLC.

On December 15, 2022, MTY Franchising USA, Inc. via its wholly owned subsidiary Sauce Restaurants, LLC ("Sauce Restaurants"), an Arizona limited liability company, simultaneously signed and closed an asset purchase agreement with Sauce, LLC, an Arizona limited liability company, Sauce Holdings, LLC, a Delaware limited liability company, and several other of their affiliates (collectively, "Sauce Sellers"), providing for the acquisition of the assets of Sauce Sellers by Sauce Restaurants. This transaction included the rights to operate (and ultimately franchise should Sauce Restaurants so desire) the Sauce Pizza and Wine brand. As of November 30, 2022~~2~~3, there were 1~~5~~3 Sauce Pizza and Wine restaurants (all of which were company-owned) in the United States. BBQ Holdings, Inc., a subsidiary of MTY Franchising USA, Inc., is the direct parent company of Sauce Restaurants.

Except as described above, neither we nor any of our affiliates, have offered any other franchises in any other line of business.

The principal place of business of Kahala Franchising and its affiliates Kahala Management, Kahala Advertising, KRES, TTSM, KAHA Acquisition V, Kahala Holdings, Kahala Restaurants, Cold Stone, CSC Restaurants, CSC Leasing, CSC International, CSC Real Estate, Neptune Equipment, and Kahala Brands is 9311 E. Via De Ventura, Scottsdale, Arizona 85258. The identity and principal business address of Kahala Franchising's agent for service of process is listed in Exhibit C to this Disclosure Document.

The Franchise

If you qualify, you may (i) construct a new *Cold Stone Creamery* restaurant; (ii) purchase one of our *Cold Stone Creamery* franchises by acquiring an existing business from another franchisee or from us; or (iii) convert all of your existing retail operations from another brand to our *Cold Stone Creamery* brand.

The business you will operate is a single traditional or non-traditional *Cold Stone Creamery* restaurant specializing in super-premium fresh made ice cream, cakes, pies, smoothies, shakes, specialty beverages, soft drinks and other frozen dessert products (prepared using proprietary recipes) and an assortment of complementary toppings and mix-ins on a take-out, delivery or eat-in basis, at a specific location approved by us, and using the trademarks Cold Stone Creamery®, and other trademarks, trade names, service marks, logotypes, and other commercial symbols we adopt and authorize. The ice cream is used to prepare cakes, pies, smoothies, shakes, specialty beverages, and other frozen dessert products. A "traditional" *Cold Stone Creamery* restaurant is a *Cold Stone Creamery* restaurant that is easily accessible by the general public, such as a free-standing building, inline retail shop, shopping mall or street front location. A traditional *Cold Stone Creamery* restaurant normally offers a full *Cold Stone Creamery* menu. A "non-traditional" *Cold Stone Creamery* restaurant is a restaurant that is located in a non-traditional marketplace (as determined in franchisor's sole discretion) such as an airport, amusement park, sports or entertainment venue, train station, travel plaza, toll roads, cafeteria, retail store, convenience store, military base, hospital, office building, movie theater, hotel, casino, kiosk, cart or high school or college campus. A non-traditional *Cold Stone Creamery* restaurant generally offers a limited version of the full *Cold Stone Creamery* menu. A *Cold Stone Creamery* restaurant, whether traditional or non-traditional, is also referred to as the "Franchised Business."

Cold Stone Creamery restaurants serve the general public, and people of all ages consume the products offered by *Cold Stone Creamery* restaurants. Most *Cold Stone Creamery* restaurants may be operated throughout the year; however, the restaurant market for the products offered by *Cold Stone Creamery* restaurants is seasonal, as consumption of ice cream, cakes, pies, smoothies, shakes, specialty beverages and other frozen dessert products is typically higher in the summer and lower in the winter. You will have to compete with other restaurants, fast food outlets, supermarkets and other food retailers located in your venue or market area. Some of your competitors may include *Cold Stone Creamery* restaurants operated by other franchisees or by our affiliates. The extent to which you may succeed at any particular location cannot be predicted. Because of the highly competitive nature of the business involved, successful operation of the *Cold Stone Creamery* restaurant will depend in part upon the best efforts, capabilities, management, and efficient operation by the franchisee; as well as the general economic trend and other local marketing conditions.

You must comply with all federal, state, and local laws that regulate commerce in general, and the food service industry in particular. In addition to laws and regulations that apply to businesses and restaurant operations generally, *Cold Stone Creamery* franchised businesses are subject to: (i) federal, state, and local health codes regarding health, sanitation, and food safety; and (ii) menu labeling and nutrition laws.

ITEM 2: BUSINESS EXPERIENCE

References to titles and positions for the persons listed in this Item 2 may be assigned to MTY, MTY Canada, MTY USA, Kahala Brands, or any one or more affiliated companies.

Chairman of the Board and Chief Executive Officer: Eric Lefebvre

Mr. Lefebvre was promoted and became the Chief Executive Officer of MTY effective November 2018. Prior to that, Mr. Lefebvre was the Chief Financial Officer of MTY since June 2012, and was Vice President of Finance of MTY from November 2009 until June 2012.

Director, Chief Financial Officer: Renee St-Onge

Ms. St-Onge was promoted to Chief Financial Officer of MTY effective November 2018. Prior to that, Ms. St-Onge was with MTY as Controller since 2012.

Director, Chief Operating Officer: Jeff Smit

Mr. Smit has been the Chief Operating Officer of Kahala Brands since June 2009 and has been a Director of MTY USA since November 2018. Prior to that, Mr. Smit was the Blimpie Brand President from November 2007 until December 2010 and the Sr. Vice President of Operations for Cold Stone Creamery from February 2005 to December 2007.

Senior Vice President of Restaurant Operations: Anthony Crosby

Mr. Crosby joined Kahala Brands in October 2009 as the Vice President of Restaurant Operations. He assumed his current role in August 2011.

Vice President of Restaurant Operations: Blake Borwick

Mr. Borwick was a Cold Stone Creamery franchisee in Cedar Falls and Waterloo, Iowa from April 2005 to March 2014. From March of 2014 to January 2017, he was the Regional Director of Operations of Cold Stone Creamery and Blimpie. He was promoted to Vice President of Operations for the Blimpie brand in January 2017 and then became Vice President of Operations for the Cold Stone Creamery brand in March 2018. In May of 2021 he was promoted to Vice President of Restaurant Operations for Kahala Brands.

Vice President of Restaurant Operations: Logan Reves

Mr. Reves joined Kahala Brands in May 2021 in his current role. Prior to joining Kahala Brands, Mr. Reves was an Independent Restaurant Consultant from March 2020 through April 2021. Prior to that Mr. Reves was with Tilted Kilt Franchise Operating, LLC in Tempe, Arizona as Vice President of Operations from January 2014 to July 2016, Chief Operating Officer from July 2016 through December 2018, and as Senior Vice President of Franchise Operations of the Dick's Wings & Grill brand from January 2019 through March 2020.

~~General Counsel~~Chief Legal Officer: Jenny Moody

Ms. Moody has been with the Kahala Brands' Legal department since June 2010. In August 2012 she was named Corporate Counsel, in September 2013 International Counsel, in September 2016 Deputy General Counsel, and in November 2019 General Counsel. In August 2023, Ms. Moody assumed her current role.

Vice President of Training and Customer Service: Kerri Kudla

Ms. Kudla joined the Cold Stone Creamery training team in June 2002. She became Director of Operations & Training Development in January 2009 and was promoted to Senior Director of Operations & Training Development in October 2012. In June 2014, Ms. Kudla assumed her current role.

Senior Vice President of Marketing: Steven Evans

Mr. Evans joined Kahala Brands in October 2007 as a National Marketing Manager for the Blimpie brand. In October 2009, he also became the Director of Marketing for the NrGize Lifestyle Cafe and Surf City Squeeze brands, and in January 2010, also the Director of Marketing for the TacoTime brand. In March 2011, Mr. Evans was promoted to Senior Director of Marketing, and in August 2011, he became the Vice President of Marketing. In January 2017, Mr. Evans was promoted to his current role.

Franchise Sales

Senior Vice President of Development: John Wuycheck

Mr. Wuycheck has served as Kahala Brands' Senior Vice President of Development since September 2014.

Vice President of Franchise Development: Jay Goldstein

Mr. Goldstein has held his current role since May of 2009. Prior to this, he served as Senior Director of Operations, then Senior Director of Development for Kahala Franchising and~~Mr. Goldstein~~ has worked with the Cold Stone Creamery brand since October 2005. ~~In January 2008, he became the Senior Director of Development for Kahala Franchising, and from January 2008 until November 2008, he served as Senior Director of Operations. Mr. Goldstein was promoted to Vice President of Franchise Development in May 2009.~~

Director of Franchise Development: Doug Merenda

Mr. Merenda joined Kahala Brands' sales team in October 2015 as a Director of Franchise Development and was a franchise broker for Kahala Brands from April 2015 through October 2015.

Vice President of Business Development – USA: Ramin (Ray) Zandi

Mr. Zandi is the Vice President of Business Development – USA, a position he has held since February 2009.

Franchise Development Manager: Traci Zandi

Ms. Zandi has assisted ~~Kahala Brands'~~our Development team in awarding franchise units since October 2016. She also served as Office Manager and Executive Assistant for Extreme Pita from April 2011 until October 2016.

Vice President of Franchise Development: Peter Tsafoulias

Mr. Tsafoulias is the Vice President of Franchise Development, a position he has held since March of 2018. Prior to that, he served as the Director of Franchising of IRG from January 2008 until March 2018.

Senior Director of Franchise Sales: Shemar Pucel

Shemar Pucel joined the company in November 2020 as Director of Franchise Sales and was promoted to Senior Director of Franchise Sales in February 2022. From October 2018 to

August 2020, Ms. Pucel was a Director of Development for sweetFrog Premium Frozen Yogurt & Samurai Sam's. From October 2015 to October 2018, Ms. Pucel was with SFF, LLC (formerly SweetFrog Enterprises, LLC) where she first served as Manager of Franchise Marketing and Development and was promoted to Director of Franchise Marketing and Development in August 2016.

Jon Fischer: Head of Development – Wetzel's Pretzels

Jon Fischer serves as Head of Development - Wetzel's Pretzels as of March 2023. Previously, Mr. Fischer served as our Chief Development Officer from October 2019. Previous to that, Mr. Fischer held a variety of Vice-President positions, including in real estate and development, at Papa Murphy's International from August 2014 to October 2019.

Adam Lueras: Sr. Director of Franchise Sales

Adam Lueras became the Director of Franchise Sales for Wetzel's Pretzels effective March 2020 and was promoted to Sr. Director of Franchise Sales in February 2023. Mr. Lueras previously served as a Franchise Development Director with Jackson Hewitt Tax Service in Jersey City, New Jersey from March 2019 through November 2019. Prior to that Mr. Lueras served as a Franchise Development Director with Wyndham Hotel Group in Parsippany, New Jersey from March 2016 through July 2018. Prior to that, Mr. Lueras served as a National Sales Manager with Avalara Software in Seattle, Washington from February 2014 through March 2016.

Ross Duggal: Director of Franchise Sales – Non-Traditional

Ross Duggal became the Director of Franchise Sales – Non-Traditional for Wetzel's Pretzels effective July 2022. Mr. Duggal previously served as the Senior Director of Business Development for OLM Foods located in Sioux Falls, SD from June 2020 through July 2022. Prior to that, Mr. Duggal served as the Director of Business Development for Chester's International in Birmingham, AL from March 2015 through May 2020.

Diana Krankl: Franchise Sales Manager

Diana Krankl became the Franchise Sales Manager for Wetzel's Pretzels effective September 2021. Ms. Krankl previously owned and operated D's Superblends, a food truck business in Los Angeles, California from July 2016 through March 2020, where Ms. Krankl's responsibilities included training, customer service, human resources, quality control, event booking, maintaining and strengthening partner relationships, marketing, bookkeeping, inventory management, design development as well as menu and recipe development.

ITEM 3: LITIGATION

LITIGATION INVOLVING FRANCHISOR, PREDECESSORS AND AFFILIATES

Concluded Arbitration and Litigation Involving The Extreme Pita Franchising USA, Inc. predecessor in interest to MTY Franchising USA, Inc.

Purav Enterprises, LLC, Balwant Bahia, and Paramjit Samra v. The Extreme Pita Franchising USA, Inc., EP Development, Inc., and Feisal Ramjee; Superior Court of the State of Washington for King County; Case No. 15-2-15120-7.

On June 22, 2015, Purav Enterprises, LLC, Balwant Bahia, and Paramjit Samra (collectively "Plaintiffs"), filed a complaint against The Extreme Pita Franchising USA, Inc., EP Development, Inc., and Feisal Ramjee (collectively "Defendants"). Plaintiffs alleged: (i) violations under the Franchise Investment Protection Act in the State of Washington ("FIPA"); (ii) misrepresentation by the Area Developer of the financial performance of the franchise, omissions of mandatory and material information and inherently misleading information that were material factors in the Plaintiff's purchase of the franchise; and (iii) the Area Developer was not a registered broker in the State of Washington. Plaintiffs sought: (i) rescission of the franchise agreement, the corresponding personal guarantee and related agreements; (ii) treble damages under FIPA; and (iii) costs and attorney's fees. The parties entered into a settlement agreement on March 11, 2016, in which Defendants paid Plaintiffs the sum of $20,000. The matter was dismissed on March 16, 2016.

~~**Concluded State Administrative Actions, Arbitration, and Litigation Involving SFF, LLC, successor in interest to SweetFrog Enterprises, LLC**~~

~~*In the Matter of SweetFrog Enterprises, LLC f.k.a. Imagination Enterprises, Inc., d/b/a Sweet Frog*, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2012-0055.~~

~~As a result of an inquiry into the franchise related activities of SweetFrog Enterprises, LLC, ("SFE") the Maryland Securities Commissioner ("Commissioner") concluded that grounds existed to allege that SFE violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of certain license agreements. SFE acknowledged that those license agreements constituted franchises as defined under the Maryland Franchise Law. SFE represented that it entered into license agreements with eight Maryland licensees during the time it was not registered to offer and sell franchises in Maryland. On August 29, 2012, the Commissioner and SFE agreed to enter into a consent order whereby SFE, without admitting or denying any violations of the law, agreed to: (i) immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; (ii) file and diligently pursue an application for an initial franchise registration in Maryland relating to the license agreements it offered and sold to Maryland licensees; and (iii) to offer to rescind the license agreements of all Maryland licensees to whom it sold unregistered franchises. We are not aware of any licensees that accepted the rescission and have made a good faith effort to obtain that information.~~

~~*Sun Yop Cho v. Imagination Enterprises, Inc.*, American Arbitration Association, Case No. 16 114 Y 00250 13.~~

~~On May 15, 2013, Sun Yop Cho ("Claimant"), a sweetFrog licensee, filed an arbitration action against Imagination Enterprises, Inc., predecessor to SweetFrog Enterprises, LLC ("Respondent"). Claimant asserted that: (i) Respondent breached the license agreement by violating the territorial exclusivity provision in the license agreement; (ii) Respondent violated the Virginia Retail Franchising Act; and (iii) Respondent breached an alleged oral promise to partner with Claimant in developing a sweetFrog shop in Leesburg, Virginia. Claimant sought: (i) damages in the amount of $900,000; (ii) attorneys' fees; (iii) reformation of the license agreement; and (iv) injunctive relief. Respondent vehemently disputed Claimant's claims. On December 13, 2013, Claimant and Respondent entered into an agreement pursuant to which: (i) the parties settled their disputes and jointly dismissed the arbitration proceeding with prejudice;~~

and (ii) Respondent repurchased Claimant's License Agreement and acquired the assets of his sweetFrog shop for a total price of $504,162.63.

Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc. v. SweetFrog Enterprises, LLC; SFF, LLC and Ki Young Cha a/k/a Derek Cha; United States District Court, Eastern District of New York; Case No. 2:14-cv-02356-JS-WDW.

On April 11, 2014, Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc., (collectively "Plaintiffs"), two sweetFrog franchisees, filed a lawsuit against SweetFrog Enterprises, LLC, SFF, LLC (collectively "Franchisor"), and Ki Young Cha a/k/a Derek Cha (collectively with Franchisor, "Defendants"). Plaintiffs alleged that Defendants: (i) violated the New York Franchise Sales Act; (ii) violated the New York General Business Law § 680, *et seq.* ("NYFSA") by making unauthorized and fraudulent pre-sale financial performance representations; and (iii) failed to register the franchise offering with the New York Attorney General prior to entering into franchise agreements with Plaintiffs. Plaintiffs demanded: (i) damages in excess of $685,000; (ii) rescission of their franchise agreements; and (iii) recovery of their attorneys' fees. Defendants disputed Plaintiffs' claims, but agreed to mediate the dispute. Prior to the deadline to respond to the complaint, on July 29, 2014, the parties entered into an agreement pursuant to which: (i) Plaintiffs would attempt to sell their franchised shops and transfer their franchise agreements to any third party(ies) approved by Franchisor before November 1, 2014; and (ii) if Plaintiffs were unable to identify a suitable buyer for their franchised shops by November 1, 2014, the parties agreed to mutual termination of the franchise agreements and that Franchisor would purchase the equipment from each franchised shop at a price of $50,000. The case was dismissed with prejudice on August 6, 2014.

Tri Star Consulting Group, Inc. and Sweet Frog Hauppauge, Inc. v. SweetFrog Enterprises, LLC, SFF, LLC, Ki Young Cha a/k/a Derek Cha; United States District Court, Eastern District of New York; Case No. 2:14-cv-02228-ADS-AKT.On April 9, 2014, Tri Star Consulting Group, Inc., a licensee and area developer of SweetFrog Enterprises, LLC ("Plaintiff Tri Star"), and Sweet Frog Hauppauge, Inc., a licensee of SweetFrog Enterprises, LLC ("Plaintiff Hauppauge"); (collectively "Plaintiffs"); filed a lawsuit against SweetFrog Enterprises, LLC, ("Defendant SweetFrog"), SFF, LLC ("Defendant SFF"), and Ki Young Cha a/k/a Derek Cha (collectively "Defendants"). Plaintiff Tri Star alleged Defendant SweetFrog breached its license/area development agreement with Plaintiff Tri Star by: (i) terminating the license/area development agreement for nonpayment of royalty fees; (ii) licensing to Defendant SFF the right to sell franchises in New York City, Plaintiff Tri Star's development territory; and (iii) failing to pay fees allegedly owed to Plaintiff Tri Star related to the operation of franchised sweetFrog locations within Plaintiff Tri Star's development territory. Plaintiff Tri Star sought: (i) damages in excess of $75,000; (ii) a declaration that it was not in default of the license/area development agreement; (iii) a declaration that Defendant SweetFrog was obligated to pay fees to Plaintiff Tri Star based on revenues of all franchised sweetFrog locations in New York City; (iv) an order enjoining Defendant SFF from selling franchises in New York City; and (v) recovery of its attorneys' fees. Prior to the deadline to respond to the complaint, on September 9, 2014, Plaintiff Tri Star and Defendants entered into an agreement pursuant to which (1) the parties agreed to mutual termination of Plaintiff Tri Star's license/area development agreement; (2) Defendant SweetFrog agreed to pay Plaintiff Tri Star $19,830.58; (3) Defendant SFF agreed to pay Plaintiff Tri Star an ongoing commission equal to 2% of the net sales of all franchised sweetFrog locations in New York City through November 2031; and (4) Plaintiff Tri Star agreed not to operate any

competitive business in New York City for so long as Defendant SFF was obligated to make commission payments to Plaintiff Tri Star.

Plaintiff Hauppauge asserted that Defendants: (i) violated the New York Franchise Sales Act, (ii) violated the New York General Business Law § 680, *et seq.* ("NYFSA"); (iii) committed fraudulent and negligent representations by making unauthorized and fraudulent pre-sale financial performance representations; and (iv) failed to register the franchise offering with the New York Attorney General prior to entering into franchise agreements with Plaintiffs. Plaintiff Hauppauge sought: (i) damages in excess of $330,000; (ii) rescission of its license agreement, and (iii) recovery of its attorneys' fees. Defendants disputed Plaintiffs' claims but agreed to mediate the dispute. Prior to the deadline to respond to the complaint, on September 9, 2014, Plaintiff Hauppauge, on the one hand, and Defendants on the other hand, entered into an agreement pursuant to which: (i) the parties agreed to mutual termination of Plaintiff Hauppauge's license agreement; and (ii) Defendant SweetFrog agreed to pay Plaintiff Hauppauge $75,000. The case was dismissed with prejudice on September 20, 2014.

Urquieta Sweet Frog, LLC and Ana Urquieta v. SweetFrog Enterprises, LLC d/b/a SFF, LLC, American Arbitration Association; Case No. 01-14-0001-8086.

On December 23, 2014, Urquieta Sweet Frog, LLC and Ana Urquieta, a former sweetFrog franchisee and its owner (collectively "Plaintiffs"), filed a Demand for Arbitration against SweetFrog Enterprises, LLC ("Defendant"). Plaintiffs alleged: (i) Defendant engaged in fraud; (ii) unfair practices; and (iii) deceptive actions. On February 2, 2015, Defendant timely filed an Answer and Counterclaim and denied all allegations, and further asserted a counterclaim against Plaintiffs for unpaid royalties. This matter was settled in December of 2015. Under the settlement, Defendant agreed to pay Plaintiffs $300,000 and the parties executed mutual releases.

SFF, LLC v. Carmel Village Yogurt Company LLC; City of Richmond, Virginia Circuit Court; Case No. CL16-3927.

On August 29, 2016, SFF, LLC ("Plaintiff") filed a lawsuit against three sweetFrog franchisee entities, Carmel Village Yogurt Company LLC ("Defendant Carmel YC"), Huntersville Yogurt Company, LLC ("Defendant Huntersville YC"), and Mooresville Yogurt Co, LLC ("Defendant Mooresville YC"), and their main member, Steve Anto ("Defendant Anto"); (all named Defendants collectively referred to as, "Anto Defendants"). Plaintiff alleged: (i) Defendant Carmel YC breached its franchise agreement through its unauthorized closure of its franchised shop; and (ii) as a result of the breach, Plaintiff had the contractual right to terminate Defendant Carmel YC's franchise agreement and cross-terminate the franchise agreements of Defendant Huntersville YC and Defendant Mooresville YC. Plaintiff sought: (i) declaratory judgment that the three franchise agreements had terminated; (ii) specific performance of the Anto Defendants' post-termination obligations; (iii) damages for past due fees; (iv) lost future royalties in excess of $116,000; and (v) recovery of its attorneys' fees. In response to Plaintiff's complaint, Anto Defendants denied Plaintiff's claims and asserted counterclaims against Plaintiff and alleged: (i) Defendant Carmel YC's franchise agreement was unenforceable and, alternatively, that Plaintiff was in breach of Defendant Carmel YC's franchise agreement due to Plaintiff's allowance of another franchisee to open a shop within three miles of Defendant Carmel YC's shop. Anto Defendants sought: (i) a declaratory judgment that they were not in default of their franchise agreements; (ii) damages of not less than $425,000; and (iii) recovery of their attorneys' fees. Plaintiff denied Anto Defendants' claims and filed a demurrer and pleas in bar seeking to have

~~those claims dismissed. Prior to the court hearing and ruling on Plaintiff's motion, the parties entered into an agreement pursuant to which: (i) the parties acknowledged the valid termination of Defendant Carmel YC's franchise agreement; (ii) Defendant Carmel YC transferred the assets of its business to Plaintiff and Plaintiff paid Defendant Carmel YC $25,000; (iii) Plaintiff reinstated Defendant Huntersville YC's and Defendant Mooresville YC's terminated franchise agreements; and (iv) Plaintiff granted Defendant Anto the right to develop a new sweetFrog shop at a mutually acceptable location on or before November 8, 2018. The case was dismissed with prejudice on December 15, 2016.~~

Concluded Arbitration and Litigation Involving Kahala Franchising, L.L.C.

KOHO, Inc. v. Kahala Franchising, L.L.C.; Superior Court of the State of California for the County of Los Angeles; Case No.: BC572565.

On or about February 17, 2015, Koho, Inc. ("Koho") filed a Complaint against Kahala Franchising, L.L.C. ("Kahala") alleging: (i) breach of contract; (ii) unjust enrichment; and (iii) declaratory relief. Koho sought: (i) no less than $540,000 in special and general damages; (ii) litigation costs; (iii) prejudgment interest; (iv) reasonable attorney's fees; and (v) declaratory relief. On or about May 5, 2015, Kahala filed a Cross-Complaint against Koho; Heeyong Kyle Chung; and Hannah Kim; alleging: (i) breach of contract; (ii) unjust enrichment; (iii) disgorgement and restitution; (iv) fraud-deceit and concealment; (v) negligent misrepresentation; (vi) conversion; (vii) negligence; and (viii) declaratory relief. Kahala sought: (i) breach of contract damages in amount according to proof; (ii) disgorgement and restitution on Unjust Enrichment cause of action; (iii) judicial determination that Kahala is permitted and entitled to set off amounts owed to it by Koho with funds in its possession which would otherwise have been due Koho; (iv) costs; (v) attorneys' fees; (vi) punitive damages; and (vii) prejudgment interest; (viii) any other relief the Court deems just and proper. On or about June 15, 2015, Koho filed a Notice of Hearing on Demurrer and Demurrer to Kahala's Cross-Complaint; Memorandum of Points and Authorities; Declaration of Daniel D. Hoffman and Exhibits in Support Thereof. Koho filed its Notice of Motion and Motion to Strike Certain Portions of Kahala's Cross Complaint; Memorandum of Points and Authorities on June 17, 2015. On October 16, 2015, the Court overruled Koho's Demurrer to Kahala's Cross Complaint in its entirety and denied their motion to strike Kahala's punitive damages claims; the Court sustained the Demurrer as to Hannah Kim. Mediation was held on May 3, 2016, which failed to yield a settlement between the two parties. On May 5, 2016, Kahala dismissed the claims against Koho and Kyle Chung because they satisfied the debts owed to Kahala, and, therefore, the claims were moot. Hannah Kim was subsequently awarded attorney's fees on June 15, 2016, in the amount of $10,233. A bench trial commenced on June 15, 2016, and ended on June 16, 2016. Upon the conclusion of Koho's case, Kahala presented its case–in-chief and moved for judgment pursuant to Code of Civil Procedure section 631.8. The Court granted Kahala's Judgment as Koho failed to establish the requisite elements of "breach" and "damages" on the three causes of action asserted in the Complaint. On July 18, 2016, the Court awarded Kahala attorneys' fees in the amount of $205,000. On September 22, 2016, Koho filed a Notice of Filing of Notice of Appeal and requested that Kahala participate in a mediation to resolve the outstanding award to Kahala. Koho failed to post an appeal bond. On February 13, 2017, Kahala commenced its self-help pursuant to Section 8(i) and (j) of the ARA and began withholding 100% of the Area Representative fees to which Koho would have otherwise been entitled. On June 19, 2017, the parties entered into a settlement agreement whereby Kahala

repurchased Koho's Area Developer territory for the sum of $75,000 and forgave the remaining damages owed in the amount of $130,000.

Texas Nrgize #1, Inc. v. Kahala Franchising, L.L.C.. and Kahala Holdings, L.L.C.; 67th Judicial District Court, Tarrant County, Texas; Civil Action No.: 067-272652-14 subsequently removed to United States District Court for the Northern District of Texas; Case No.: 4:14-cv-544-Y.

On or about June 18, 2014, Texas Nrgize #1, Inc., an Nrgize franchisee ("Plaintiff"), filed a Petition and Request for Disclosure against Kahala Franchise Corp and Kahala Holdings, L.L.C. (collectively "Defendants") alleging (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) Breach of Contract and Warranties. Plaintiff sought: (i) economic damages in excess of $200,000, plus treble damages and pre- and post-judgment interest at the maximum rates allowed by law; (ii) attorneys' fees and costs; and (iii) such other relief to which the Plaintiff may be justly entitled. On July 16, 2014, Defendants filed a Notice of Removal to the United States District Court for the Northern District of Texas. On July 24, 2014, the judge executed the Order Granting the Unopposed Motion to Substitute Parties and Changing Case Style. Kahala Franchising, L.L.C. ("Defendant") was substituted in as a defendant instead of Kahala Franchise Corp. On July 28, 2014, Defendant filed a Motion to Transfer Pursuant to 28 U.S.C. §1404(A) and Brief in Support. This motion sought an order to transfer the litigation to the United States District Court for the District of Arizona pursuant to the parties' forum selection clause contained in the franchise agreement. On August 1, 2014, Defendant filed its Answer, Counterclaim and Third Party Claim. The Counterclaim was against Plaintiff and the Third Party Claim was filed against Duane W. Martin, Argentina Saldivar, and Margena Wood ("Third Party Defendants"). Defendant alleged: (i) Breach of Franchise Agreement against Plaintiff, and (ii) Breach of Guaranty against Third Party Defendants. Defendant sought: (i) judgment against Plaintiff and the Third Party Defendants in an amount to be proven at trial; (ii) attorneys' fees; (iii) costs pursuant to A.R.S. §§12-341 and 12-341.01 and the parties' contractual agreements; and (iv) any other relief the Court deemed fit. Plaintiff filed its Response to Defendant's Motion to Transfer Pursuant to 28 U.S. C. §1404 (A) and Brief in Support on August 18, 2014, then filed its Answer to Defendant's Counterclaim on August 22, 2014. On August 28, 2014, Defendant filed its Reply in Support of Motion to Transfer Pursuant to 28 U.S. C. § 1404(A) and Brief in Support. On September 24, 2014, the United States District Court for the Northern District of Texas Court requested that each party submit a supplemental brief to benefit the Court in resolving the Defendant's Motion to Transfer. Mediation was held on September 29, 2014, but the parties failed to come to an agreement. On October 17, 2014, Third Party Defendants filed their Answer and Counterclaim. Third Party Defendants alleged: (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) breach of contract and warranties. Third Party Defendants sought: (i) economic damages in excess of $200,000, plus treble damages under the Code and pre- and-post judgment interest at the maximum rates allowed by law; (ii) attorney's fees; (iii) costs; and (iv) any other general or special relief that the Court deemed fit. On October 24, 2014, Defendant filed its Supplemental Briefing In Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 10, 2014, Defendant filed its Answer to the Third Party Counterclaims. On November 13, 2014, Defendant filed its Notice of Dismissal Without Prejudice as to Third Party Defendant Argentina Saldivar only. On November 14, 2014, Plaintiff filed its Response to Defendant's Supplemental Briefing In Support of Their Motion to Transfer Pursuant to 28 U.S.C.

§1404(A). On November 26, 2014, Defendant filed its Reply to Plaintiff's Response to Defendant's Supplemental Briefing in Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On February 24, 2015, the Court granted Defendant's Motion to Transfer the case to the United States District Court of the District of Arizona; Phoenix Division; Case No.: CV15-0337 PHX DGC. In April 2015, Plaintiff moved to compel arbitration which was ultimately denied by the Court. The parties participated in a mediation in August 2015 which was unsuccessful. In December 2015, the parties executed a settlement agreement in which Defendant paid Plaintiff the sum of $35,000. The parties filed a Stipulation to Dismiss With Prejudice on December 18, 2015.

Lawsuits Filed by Franchisor Kahala Franchising, L.L.C. Against Franchisees During Fiscal Year December 1, 2021 through November 30, 2022

Suit for Breach of Contract (Franchise Agreement); Open Account and Personal Guaranty

Kahala Franchising, L.L.C. v. Hadi's American Subs, LLC and Mohamad Wajdi El-Hadi; State of Michigan in the Wayne County Circuit Court; Case No. 22-001314-CB.

Suit for Breach of Contract (Franchise Agreement and Personal Guaranty)

Kahala Franchising, L.L.C. and Kahala Holdings, L.L.C. v. Ay-Ray Enterprise, LLC, Mohammed Aiyaz Ali and Sofia Ali; In the Circuit Court of the State of Oregon for the County of Washington; Case No. 22CV36048.

Suit for Breach of Contract (Franchise Agreement)

Kahala Franchising, L.L.C. v. Mustafa Shakruwala, Sakina Shakruwala, Murtuza Rajkotwala a/k/a Murtaza Rajkotwala, and Alifiya Rajkotwala a/k/a Alefiyah Rajkotwala; In the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsbborough County, Florida; Case No. 29022CA008402A001HC.

Lawsuits Filed by MTY Franchising, USA, Inc. Against Franchisees During Fiscal Year December 1, 2021 through November 30, 2022

Suit for Breach of Contract (Franchise Agreement); Personal Guaranty (The Corbetts); and Unjust Enrichment (In the Alternative)

MTY Franchising USA, Inc. v. Tebrock, David, L.L.C., Lawrence Corbett and Carolina Corbett; In the Superior Court of the State of Arizona in and for the County of Maricopa; Case No. CV2022-000086.

Suit for Breach of Contract (Franchise Agreement and Personal Guaranty)

MTY Franchising USA, Inc. v. Thanhson Nguyen Dinh, Thuy Thanh Tran and Does 1 through 20; Superior Court of California, County of Sacramento, Gordon D. Schaber Courthouse-Unlimited Civil; Case No. 34-2022-00316197.

Suit for Unlawful Detainer for failure to pay rent

MTY Franchising USA, Inc. v. Trimurti Management, Inc.; Superior Court of California, County of Los Angeles; Case No. 22VECV01347.

Concluded Arbitration and Litigation Involving Cold Stone Creamery, Inc.

Kenneth J. Kirwin v. Cold Stone Creamery/Kahala Corp; Commonwealth of Massachusetts Plymouth Superior Court, Civil Action No. 13-01126A subsequently removed to the United States District Court of Massachusetts; Case No.: 1:14-cv-11691.

On or about October 21, 2013, Kenneth J. Kirwin ("Plaintiff") filed a Complaint In Equity and Demand For Jury Trial against Kahala Corp, inadvertently named as Cold Stone Creamery/Kahala Corp ("Defendant"). The Complaint alleged: (i) promissory estoppel; breach of contract; breach of implied covenant of good faith and fair dealing; (ii) misrepresentation; fraud and deceit violation of M.G.L. Chap. 93A, §11; (iii) unjust enrichment; (iv) misrepresentation and deceit in violation of M.G.L. Chap. 93A, §11; and (v) intentional infliction of emotional distress. Plaintiff sought: (i) judgment against Defendant in an amount the Court deemed appropriate; (ii) interest; (iii) costs of the action; (iv) compensatory damages; (v) punitive damages; (vi) attorneys' fees; and (vii) court costs. On April 7, 2014, Defendant filed its Notice of Removal seeking removal to the United States District Court for the District of Massachusetts. On April 16, 2014, Defendant filed its Motion to Dismiss or Transfer; which Plaintiff opposed in its filing of the April 16, 2014 Opposition to Kahala Corporation's Motion to Dismiss. On May 5, 2014, Defendant filed its Reply to Plaintiff's Opposition to Motion to Dismiss. On May 16, 2014, Defendants filed a Petition to Compel Arbitration against Plaintiff in the United States District Court for the District of Arizona; Case No.: 2:14-cv-01059-NVW. Defendants sought a court order to compel Plaintiff to arbitrate before the American Arbitration Association in Phoenix, Arizona per the language of the franchise agreements. On June 2, 2014, Plaintiff executed a Declaration With Consent to Relief Requested agreeing to arbitrate before the American Arbitration Association in Phoenix, Arizona. On June 3, 2014, Defendants filed a Notice of Voluntary Dismissal against Plaintiff as he had agreed to arbitrate all claims. Mediation occurred on July 15, 2014, and the parties arrived at a settlement in which Defendants would pay Plaintiff $37,500 to settle all disputes. The Settlement Order of Dismissal was filed on July 17, 2014, in the United States District Court District of Massachusetts.

Gregory Fowler, and Doubri Enterprises, L.L.C. v. Cold Stone Creamery, Inc.; State of Rhode Island Kent Superior Court; Case No.: KC-13-0986; subsequently removed to United States District Court for the District of Rhode Island; Case No.: CA 1:13-cv-00662-S-PAS; subsequently removed to United States District Court for the District of Arizona; Case No.: 2:13-02414 PHX PGR.

On or about September 13, 2013, Gregory Fowler and Doubri Enterprises, LLC (collectively "Plaintiffs") filed a Complaint against Cold Stone Creamery, Inc. ("Defendant"). Plaintiffs alleged: (i) breach of sublease; (ii) breach of franchise agreement; (iii) breach of good faith and fair dealing; (iv) tortious interference with contractual relationships; (v) fraud; (vi) defamation of business character; and (vii) negligent infliction of emotional distress. Plaintiffs sought: (i) punitive damages; (ii) attorneys' fees; (iii) interest; and (iv) costs. On September 17, 2013, Defendant filed a Notice of Removal, removing the lawsuit to the United States District Court for the District of Rhode Island. On October 9, 2013, Defendant filed a Motion to Dismiss the Complaint, or alternatively, to transfer the lawsuit to the United States District Court for the District of Arizona. The Motion to transfer was granted on November 25, 2013, and the matter was transferred to the Arizona court. On December 9, 2013, Defendant filed its Answer to the Complaint. On March 5, 2014, the Court entered a scheduling order establishing dates for completion of discovery and pre-trial motions and setting the matter down for trial on October

28, 2014. The parties participated in mediation and ultimately entered into a settlement agreement whereby Defendant paid Plaintiffs $250,000.

~~*Cindy Kilman, Joseph "Buck" Kilman, and BCEK, L.L.C. v. Cold Stone Creamery, Inc.*; American Arbitration Association; Case No.: 76 114 Y 00252 09 LGB .~~

~~On or about August 17, 2009, Cindy Kilman, Joseph "Buck" Kilman, and BCEK, L.L.C. (collectively "Claimants"), former Cold Stone Creamery franchisees, filed a Demand for Arbitration with the American Arbitration Association against Cold Stone Creamery, Inc. ("Respondent"). Claimants alleged: (i) intentional fraud/fraudulent inducement; (ii) negligent misrepresentations and omissions; (iii) wrongful termination of four franchise agreements and subleases; (iv) breach of implied covenant of good faith and fair dealing; (v) breach of contract; (vi) violations of Federal Anti-Trust law including "illegal tying" claims and "exclusive arrangements" under the Sherman Act and Clayton Act; (vii) violations of the Arizona Uniform State Antitrust Act, A.R.S. §§ 44-1401, *et seq.;* (viii) violations of the Texas Free Enterprise and Antitrust Act of 1983, Tex. Bus. & Com. Code Ann. §§15.01 – 15.26 (TFEAA); (ix) violations of Arizona's Consumer Fraud Act, A.R.S. §§ 44-1521, *et seq*.; (x) and violations of Texas' Deceptive Trade Practices-Consumer Protection Act, Texas Bus. & Comm. Code Ann. §§17.41, *et seq*. Claimants sought: (i) damages in excess of $1,100,000, which included their investment; (ii) future profits; (iii) future earnings; (iv) interest; (v) costs and expenses of the arbitration proceeding; (vi) attorneys' fees; (vii) rescission of their four franchise agreements and subleases; and (viii) declaratory relief that "None of the Kilmans (BCEK, L.L.C., Cindy Kilman or Joseph "Buck" Kilman), shall be responsible to Cold Stone Creamery, Inc. for contribution, or otherwise, relating to any rent or additional rent which Cold Stone Creamery, Inc. (or any of its affiliates) may owe or may have been adjudged to owe to any landlord in connection with any of the premises from which the Kilmans (or any one of them) operated their Cold Stone Franchises." Claimants filed an Amended Demand for Arbitration on or about February 9, 2010, stating with more specificity the allegations of each alleged misrepresentation. Respondent filed a Response to the Amended Demand for Arbitration and Counterclaim in which it alleged breach of contract and sought a dismissal of all claims raised by Claimants with prejudice and damages in the amount of $85,000 plus reasonable attorneys' fees and costs. The arbitration occurred in March 2011, with the American Arbitration Association. The arbitrator awarded Claimants $349,542.07 on or about May 6, 2011. On or about May 20, 2011, Respondent filed a Notice of Appeal with the American Arbitration Association. On or about June 15, 2011, the American Arbitration Association asked to set up a conference call to initiate the appeal. When, as of June 17, 2011, counsel for the Claimants had not indicated any availability for or an agreement to participate in the conference call, Respondent appealed the decision to the Arizona District Court by filing a Complaint, Case No. 2:11-cv-01192, alleging breach of contract. Respondent sought an order compelling the Claimants to submit to AAA jurisdiction for an appeal of the award, reasonable attorneys' fees and costs, and any other relief the court deemed proper. On August 5, 2011, Respondent filed a Motion to Vacate and Modify Arbitration Award in which it sought an order amending the arbitration award in favor of Respondent in the amount of $85,000 plus pre- and post-judgment interest, or alternatively, an order vacating the arbitration award, and reasonable attorneys' fees and costs incurred and such other relief as the court deemed just and proper. On or about September 6, 2011, Claimants filed a Motion for Temporary Restraining Order and Preliminary Injunction seeking the court to disallow Respondent from any further activity in the appeal of the arbitration award and to disallow Respondent from enforcing the appeal of arbitration provision in the franchise~~

~~agreement. Claimants filed an Answer and Counterclaims seeking an Order confirming the final arbitration award, a declaration that the appeal provision in the franchise agreement is unconscionable, and injunctive relief. On September 16, 2011, Respondent filed a Motion to Stay its earlier filed Petition to Vacate and Modify the Arbitration Award until the Court ruled on the underlying merits of the Complaint. On September 20, 2011, Claimants filed an Amended Answer to the Complaint asserting counter-claims against Respondent. Respondent filed a response to Claimants' Motion seeking a temporary restraining order. On October 3, 2011, Claimants filed a response to Respondent's Motion to Stay. On October 26, 2011, the United States District Court of Arizona Order granted Claimants' Motion for Temporary Restraining Order and Preliminary Injunction as well as its cross-motion seeking to confirm the arbitration award. The Order further denied Respondent's Motion to Stay as well as its Motion seeking to Vacate and/or Modify the arbitration. Following the October 2011 Order, Claimants filed a Motion for Attorneys' Fees and Non-Taxable Expenses in the amount of $160,000. In May 2012, the Court ordered Respondent to pay Claimants $70,000 in fees. Respondent appealed the United States District Court of Arizona's Order to the United States Court of Appeals for the Ninth Circuit in February 2012 and Claimants cross-appealed the May 2012 Order. While the appeal was pending, the parties continued to explore settlement discussions. In December 2012, the parties wished to settle all the issues and claims arising out of and/or relating to the (i) AAA Proceeding; (ii) the District Court Action; (iii) the AAA Appeal Proceeding; and (iv) the Court of Appeals Actions. Respondent agreed to pay Claimants $371,160 in full satisfaction of the claims and attorneys' fees along with $3,381 in AAA fees. In exchange, Claimants agreed to release and forever discharge Respondent from any and all claims related to or arising from the dispute. On January 17, 2013, the United States District Court executed an Order that dismissed all claims and counter claims with prejudice with each party bearing its own costs and attorneys' fees.~~

Concluded Arbitration and Litigation Involving SFF, LLC, successor in interest to SweetFrog Enterprises, LLC

Sun Yop Cho v. Imagination Enterprises, Inc., American Arbitration Association, Case No. 16 114 Y 00250 13.

On May 15, 2013, Sun Yop Cho ("Claimant"), a sweetFrog licensee, filed an arbitration action against Imagination Enterprises, Inc., predecessor to SweetFrog Enterprises, LLC ("Respondent"). Claimant asserted that: (i) Respondent breached the license agreement by violating the territorial exclusivity provision in the license agreement; (ii) Respondent violated the Virginia Retail Franchising Act; and (iii) Respondent breached an alleged oral promise to partner with Claimant in developing a sweetFrog shop in Leesburg, Virginia. Claimant sought: (i) damages in the amount of $900,000; (ii) attorneys' fees; (iii) reformation of the license agreement; and (iv) injunctive relief. Respondent vehemently disputed Claimant's claims. On December 13, 2013, Claimant and Respondent entered into an agreement pursuant to which: (i) the parties settled their disputes and jointly dismissed the arbitration proceeding with prejudice; and (ii) Respondent repurchased Claimant's License Agreement and acquired the assets of his sweetFrog shop for a total price of $504,162.63.

Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc. v. SweetFrog Enterprises, LLC; SFF, LLC and Ki Young Cha a/k/a Derek Cha; United States District Court, Eastern District of New York; Case No. 2:14-cv-02356-JS-WDW.

On April 11, 2014, Sweet Frog Stony Brook, Inc. and Sweet Frog Babylon, Inc., (collectively "Plaintiffs"), two sweetFrog franchisees, filed a lawsuit against SweetFrog Enterprises, LLC, SFF, LLC (collectively "Franchisor"), and Ki Young Cha a/k/a Derek Cha (collectively with Franchisor, "Defendants"). Plaintiffs alleged that Defendants: (i) violated the New York Franchise Sales Act; (ii) violated the New York General Business Law § 680, *et seq.* ("NYFSA") by making unauthorized and fraudulent pre-sale financial performance representations; and (iii) failed to register the franchise offering with the New York Attorney General prior to entering into franchise agreements with Plaintiffs. Plaintiffs demanded: (i) damages in excess of $685,000; (ii) rescission of their franchise agreements; and (iii) recovery of their attorneys' fees. Defendants disputed Plaintiffs' claims, but agreed to mediate the dispute. Prior to the deadline to respond to the complaint, on July 29, 2014, the parties entered into an agreement pursuant to which: (i) Plaintiffs would attempt to sell their franchised shops and transfer their franchise agreements to any third party(ies) approved by Franchisor before November 1, 2014; and (ii) if Plaintiffs were unable to identify a suitable buyer for their franchised shops by November 1, 2014, the parties agreed to mutual termination of the franchise agreements and that Franchisor would purchase the equipment from each franchised shop at a price of $50,000. The case was dismissed with prejudice on August 6, 2014.

Tri Star Consulting Group, Inc. and Sweet Frog Hauppauge, Inc. v. SweetFrog Enterprises, LLC, SFF, LLC, Ki Young Cha a/k/a Derek Cha; United States District Court, Eastern District of New York; Case No. 2:14-cv-02228-ADS-AKT.On April 9, 2014, Tri Star Consulting Group, Inc., a licensee and area developer of SweetFrog Enterprises, LLC ("Plaintiff Tri Star"), and Sweet Frog Hauppauge, Inc., a licensee of SweetFrog Enterprises, LLC ("Plaintiff Hauppauge"); (collectively "Plaintiffs"); filed a lawsuit against SweetFrog Enterprises, LLC, ("Defendant SweetFrog"), SFF, LLC ("Defendant SFF"), and Ki Young Cha a/k/a Derek Cha (collectively "Defendants"). Plaintiff Tri Star alleged Defendant SweetFrog breached its license/area development agreement with Plaintiff Tri Star by: (i) terminating the license/area development agreement for nonpayment of royalty fees; (ii) licensing to Defendant SFF the right to sell franchises in New York City, Plaintiff Tri Star's development territory; and (iii) failing to pay fees allegedly owed to Plaintiff Tri Star related to the operation of franchised sweetFrog locations within Plaintiff Tri Star's development territory. Plaintiff Tri Star sought: (i) damages in excess of $75,000; (ii) a declaration that it was not in default of the license/area development agreement; (iii) a declaration that Defendant SweetFrog was obligated to pay fees to Plaintiff Tri Star based on revenues of all franchised sweetFrog locations in New York City; (iv) an order enjoining Defendant SFF from selling franchises in New York City; and (v) recovery of its attorneys' fees. Prior to the deadline to respond to the complaint, on September 9, 2014, Plaintiff Tri Star and Defendants entered into an agreement pursuant to which (1) the parties agreed to mutual termination of Plaintiff Tri Star's license/area development agreement; (2) Defendant SweetFrog agreed to pay Plaintiff Tri Star $19,830.58; (3) Defendant SFF agreed to pay Plaintiff Tri Star an ongoing commission equal to 2% of the net sales of all franchised sweetFrog locations in New York City through November 2031; and (4) Plaintiff Tri Star agreed not to operate any competitive business in New York City for so long as Defendant SFF was obligated to make commission payments to Plaintiff Tri Star.

Plaintiff Hauppauge asserted that Defendants: (i) violated the New York Franchise Sales Act, (ii) violated the New York General Business Law § 680, *et seq.* ("NYFSA"); (iii) committed fraudulent and negligent representations by making unauthorized and fraudulent pre-sale financial performance representations; and (iv) failed to register the franchise offering with the

New York Attorney General prior to entering into franchise agreements with Plaintiffs. Plaintiff Hauppauge sought: (i) damages in excess of $330,000; (ii) rescission of its license agreement, and (iii) recovery of its attorneys' fees. Defendants disputed Plaintiffs' claims but agreed to mediate the dispute. Prior to the deadline to respond to the complaint, on September 9, 2014, Plaintiff Hauppauge, on the one hand, and Defendants on the other hand, entered into an agreement pursuant to which: (i) the parties agreed to mutual termination of Plaintiff Hauppauge's license agreement; and (ii) Defendant SweetFrog agreed to pay Plaintiff Hauppauge $75,000. The case was dismissed with prejudice on September 20, 2014.

Urquieta Sweet Frog, LLC and Ana Urquieta v. SweetFrog Enterprises, LLC d/b/a SFF, LLC, American Arbitration Association; Case No. 01 14 0001 8086.

On December 23, 2014, Urquieta Sweet Frog, LLC and Ana Urquieta, a former sweetFrog franchisee and its owner (collectively "Plaintiffs"), filed a Demand for Arbitration against SweetFrog Enterprises, LLC ("Defendant"). Plaintiffs alleged: (i) Defendant engaged in fraud; (ii) unfair practices; and (iii) deceptive actions. On February 2, 2015, Defendant timely filed an Answer and Counterclaim and denied all allegations, and further asserted a counterclaim against Plaintiffs for unpaid royalties. This matter was settled in December of 2015. Under the settlement, Defendant agreed to pay Plaintiffs $300,000 and the parties executed mutual releases.

SFF, LLC v. Carmel Village Yogurt Company LLC; City of Richmond, Virginia Circuit Court; Case No. CL16-3927.

On August 29, 2016, SFF, LLC ("Plaintiff") filed a lawsuit against three sweetFrog franchisee entities, Carmel Village Yogurt Company LLC ("Defendant Carmel YC"), Huntersville Yogurt Company, LLC ("Defendant Huntersville YC"), and Mooresville Yogurt Co, LLC ("Defendant Mooresville YC"), and their main member, Steve Anto ("Defendant Anto"); (all named Defendants collectively referred to as, "Anto Defendants"). Plaintiff alleged: (i) Defendant Carmel YC breached its franchise agreement through its unauthorized closure of its franchised shop; and (ii) as a result of the breach, Plaintiff had the contractual right to terminate Defendant Carmel YC's franchise agreement and cross terminate the franchise agreements of Defendant Huntersville YC and Defendant Mooresville YC. Plaintiff sought: (i) declaratory judgment that the three franchise agreements had terminated; (ii) specific performance of the Anto Defendants' post-termination obligations; (iii) damages for past due fees; (iv) lost future royalties in excess of $116,000; and (v) recovery of its attorneys' fees. In response to Plaintiff's complaint, Anto Defendants denied Plaintiff's claims and asserted counterclaims against Plaintiff and alleged: (i) Defendant Carmel YC's franchise agreement was unenforceable and, alternatively, that Plaintiff was in breach of Defendant Carmel YC's franchise agreement due to Plaintiff's allowance of another franchisee to open a shop within three miles of Defendant Carmel YC's shop. Anto Defendants sought: (i) a declaratory judgment that they were not in default of their franchise agreements; (ii) damages of not less than $425,000; and (iii) recovery of their attorneys' fees. Plaintiff denied Anto Defendants' claims and filed a demurrer and pleas in bar seeking to have those claims dismissed. Prior to the court hearing and ruling on Plaintiff's motion, the parties entered into an agreement pursuant to which: (i) the parties acknowledged the valid termination of Defendant Carmel YC's franchise agreement; (ii) Defendant Carmel YC transferred the assets of its business to Plaintiff and Plaintiff paid Defendant Carmel YC $25,000; (iii) Plaintiff reinstated Defendant Huntersville YC's and Defendant Mooresville YC's terminated franchise agreements; and (iv) Plaintiff granted Defendant Anto the right to develop a new sweetFrog

shop at a mutually acceptable location on or before November 8, 2018. The case was dismissed with prejudice on December 15, 2016.

Concluded Arbitration and Litigation Involving Fresh Enterprises, LLC successor in interest to BF Acquisition, LLC

Fresh Enterprises v. Ledang Investment Group, LLC, Vincent Tienn Le, Ho Tien Le and Hue This Dang Superior Court of the State of California, County of Santa Clara, Case No. 1-13-CV-257219.

On July 2, 2013, Fresh Enterprises, as successor-in-interest to Baja Fresh Westlake Village, Inc. ("Plaintiff"), filed a complaint against Ledang Investment Group, LLC; Vincent Tien Le, Ho Tien Le and Hue Thi Dang (collectively "Defendants Ledang" or "Cross Claimants Ledang") for: (i) implied indemnity; (ii) equitable indemnity; (iii) express indemnity; (iv) breach of contract; (v) declaratory relief seeking unspecified damages; (vi) indemnification; (viii) a judgment of unlawful detainer; and (ix) declaration that Defendants Ladang were obligated to reimburse Plaintiff for various expenses. On January 6, 2014, Cross Claimants Ledang filed a Cross-Complaint against Plaintiff, Baja Fresh Westlake Village, LLC, Triune Corporation and National Franchise Sales, Inc. (collectively "Counter Defendants") for: (i) breach of contract; (ii) breach of covenant of good faith and fair dealing; (iii) negligent misrepresentation; and (iv) intentional misrepresentation. On February 19, 2014, Counter Defendants filed a Motion to Compel Arbitration, which was granted. The disputes between the parties were then arbitrated before the American Arbitration Association (Case Number 72-20-1400-0126). On February 2, 2015, the Arbitrator issued an award in favor of Cross Claimants Ledang in the amount of $660,620.84. The parties entered into a Settlement and Release Agreement on July 20, 2015, under which Counter Defendants paid the Cross Claimants Ledang the sum of $585,000 and the matter was dismissed with prejudice.

Concluded Arbitration and Litigation Involving Famous Dave's of America, Inc.

Desert Ribs, LLC, Famous Gracie, LLC, Famous Freddie, LLC, Famous George, LLC and Famous Charlie, LLC v. Famous Dave's of America, Inc., American Arbitration Association, Minneapolis, Minnesota, Case No. 01 16 0000 8549.

On March 14, 2016, the franchisees for the Famous Dave's® Restaurants in Chandler, Peoria, Mesa and Gilbert, Arizona ("Claimants") filed a Demand for Arbitration against Famous Dave's alleging that Famous Dave's (1) violated the Minnesota Franchise Act ("MFA"), (2) breached the implied covenant of good faith and fair dealing under the Famous Dave's® Franchise Agreements with Claimants (the "Franchise Agreements"), and (3) breached certain express provisions of the Franchise Agreements. Claimants sought damages of $2,984,098, and a permanent injunction prohibiting Famous Dave's from engaging in discriminatory conduct in violation of the MFA. On July 20, 2016, the arbitrators ruled in partial favor of the pre-hearing motion filed by Famous Dave's by dismissing Claimants' MFA claims against Famous Dave's. Upon the dismissal of the MFA claims, Claimants voluntarily dismissed their remaining claims against Famous Dave's and entered into a confidential settlement agreement and mutual release (the "Settlement Agreement"), dated August 22, 2016, with Famous Dave's. The Settlement Agreement included the following material terms: (i) the territorial rights granted to Claimants in the Franchise Agreements were modified; (ii) the managing member of Claimants (the "Consultant") entered into a consulting agreement with Famous Dave's that provided for the design, development and build-out of a counter-service/line-service prototype barbecue restaurant concept (the "Prototype") and the payment of a consulting fee of $410,000 to the

Consultant in installments over a three-year period; and (iii) Claimants entered into a right of first offer agreement with Famous Dave's granting to a Claimant the first right to enter into an area development agreement with Famous Dave's for the development of seven Prototype restaurants in a reserved territory in Arizona.

Tacoma BBQ, Inc. et. al. v. Famous Dave's of America, Inc., FORUM, Case No. FA1705001729911.

On or about April 10, 2017, former franchisees of the Famous Dave's® Restaurants in Midvale, Utah; Layton, Utah; Jordan, Utah; Tukwila, Washington; Puyallup, Washington; Tacoma, Washington; Silverdale, Washington; and Everett, Washington ("Claimants") filed a Demand for Arbitration against Famous Dave's disputing Famous Dave's assertion that the Claimants were in default under their Franchise Agreements and disputing Famous Dave's performance under the Franchise Agreements. On or about June 7, 2017, Famous Dave's filed its Answer and Counterclaim denying the Claimants' claims. The parties elected to enter into a confidential settlement agreement and mutual release of all claims (the "Settlement Agreement") dated December 6, 2017, which included the following material terms: (i) Famous Dave's consented to the sale of the Claimants' restaurants to CD Holding Company, LLC and, accordingly, terminated all of the applicable Franchise Agreements; (ii) the Claimants paid to Famous Dave's a settlement amount of $350,000; and (iii) the Claimants and Famous Dave's executed a mutual release of all claims.

Famous Dave's of America, Inc. v. SR El Centro, Inc., et al., Superior Court of the State of California, County of Los Angeles, Central Division, Case No. BC589329, filed July 24, 2015.

Famous Dave's commenced this lawsuit against the former franchisees for the Famous Dave's® Restaurants in El Centro, Long Beach, Palmdale, Simi Valley, and Tracy, California, and others ("Defendants") based in part on the continued operation of the Restaurants as Famous Dave's® Restaurants using Famous Dave's Marks and Restaurant System after the termination of their Franchise Agreements by Famous Dave's for failure to cure breaches of the Franchise Agreement, including the failure to pay the Royalty and Marketing Fund Fees due under the Franchise Agreements, within the prescribed cure period after receipt of written notice, in violation of the post-termination obligations of the Franchise Agreements. Famous Dave's alleged Lanham Act violations, including federal trademark infringement, federal trademark dilution, federal unfair competition and false advertising, and federal trade dress dilution; trademark infringement, trademark dilution, unfair competition and false advertising under California law; common law trademark infringement; breach of the Franchise Agreements; breach of the implied covenant of good faith and fair dealing; and intentional interference with contract. Famous Dave's sought injunctive relief to enjoin Defendants from continuing to use the Marks and Restaurant System and enforcing compliance with the post-termination obligations of the Franchise Agreements, and also sought damages in an amount that was to be determined at trial, reasonable attorneys' fees, interest and costs of suit. On September 29, 2018, the parties agreed to enter into a confidential settlement agreement and a mutual release of claims (the "El Centro Settlement Agreement"), which contained the following material terms: (i) Famous Dave's paid $75,000 to SR Restaurant Holdings Group, Inc. as reimbursement for a portion of the attorneys' and other professional fees it allegedly incurred; (ii) Allan Gantes paid to SR Restaurant Holdings Group, Inc. $7,500; (iii) Defendants agreed to de-identify the Restaurants in Long Beach, California and Tracy, California; (iv) notices were provided to certain customers of the Long Beach, California and Tracy, California Restaurants; and (v) Famous Dave's consented to the sale of certain Restaurant assets by SR El Centro FD, Inc. to Shoreline FD Investors, LLC, John Gantes, and Allan Gantes (or an affiliate), so long as certain

designated criteria were met. All of the Famous Dave's Franchise Agreements between the parties were terminated. As a result, the matter was dismissed by the Superior Court of the State of California, County of Los Angeles, Central Division on November 26, 2018.

On January 26, 2018, Famous Dave's commenced an arbitration action pursuant to FORUM Arbitration Rules against FDWNY, Inc. and Timothy Cloe, seeking past due fees, attorneys' fees, and costs. The parties agreed to settle the matter in exchange for the defendants' payment of a settlement amount in excess of $165,000 to Famous Dave's.

SR El Centro, Inc., et al. v. Famous Dave's of America, Inc., Superior Court of the State of California, County of Los Angeles, Case No. NC060189, filed July 28, 2015.

The franchisees for the Famous Dave's® Restaurants in El Centro, Long Beach, Palmdale, Simi Valley, and Tracy, California ("Plaintiffs") filed a complaint against Famous Dave's in the South Judicial District of the Superior Court of the County of Los Angeles. On March 10, 2016, Plaintiffs re-filed this Complaint as a First Amended Cross-Complaint in matter described above [Famous Dave's of America, Inc. v. SR El Centro, Inc., et al., Superior Court of the State of California, County of Los Angeles, Central Division, Case No. BC589329] alleging that Famous Dave's breached the Franchise Agreements for these Restaurants by failing to provide certain marketing support and access to customer contact data, vendors, internet reporting and support to Plaintiffs, and failing to provide operations and preferred practices training to Plaintiffs' designated representative. Plaintiffs further alleged that such conduct by Famous Dave's was a breach of the covenant of good faith and fair dealing. Plaintiffs also alleged that Famous Dave's aided and abetted John and Allan Gantes in breach of their fiduciary duty to Plaintiffs. Plaintiffs sought compensatory damages in an amount not less than $20 million, punitive damages, costs and attorneys' fees. On September 29, 2018, the parties agreed to settle the matter in the El Centro Settlement Agreement described above. As a result, the matter was dismissed by the Superior Court of the State of California, County of Los Angeles, Central Division on November 26, 2018.

Concluded Arbitration and Litigation Involving VI BrandCo, LLC

In re: Restaurants Acquisition I, LLC (Giuliano vs. W. Craig Barber et. al. United States Bankruptcy Court for the District of Delaware on December 2, 2015 (Case No. 15-12406 (KG)).

On December 1, 2017, the Chapter 7 trustee in the Restaurants Acquisition I, LLC ("RAI") bankruptcy proceeding filed suit in the United States Bankruptcy Court against our Chief Executive Officer W. Craig Barber, our Chief Concept Officer – Family Restaurant Division Robert Langford and companies owned jointly by them alleging avoidance, fraudulent transfer, breach of contract and breach of fiduciary duty in connection with their executive roles with RAI and as members of Dynamic Management Company, LLC related to the RAI's ownership and operation of Black-Eyed Pea and Dixie House restaurants. On March 6, 2019, Barber and Langford each settled with the Chapter 7 trustee by each agreeing to pay to the trustee and estate separate payments totaling $150,000 each over a three-year period.

Concluded Arbitration and Litigation Involving Wetzel's Pretzels, LLC

Pretzelsdallas1, Inc. v. Wetzel's Pretzels, LLC (Los Angeles, California, AAA Case No.01-19-0002-9326).

On or about July 19, 2017, we entered into a franchise agreement with Pretzelsdallas1, Inc. (then known as Triple Scoops, Inc.). On or about September 11, 2019, Pretzelsdallas1, Inc.,

("Claimant/Counter Respondent") a franchisee, filed a demand for arbitration against Wetzel's Pretzels, LLC ("Respondent/Counter Claimant") with the American Arbitration Association in which it alleged claims for (i) recission and restitution for intentional misrepresentation, (ii) recission and restitution for negligent misrepresentation and (iii) violation of the California Corporations Code §31201. Claimant/Counter Respondent sought $368,837 in damages. On or about February 26, 2020, Respondent/Counter Claimant filed an answer and counterclaim against Claimant/Counter Respondent. Respondent/Counter Claimant alleged: (i) breach of contract- franchise agreement; (ii) breach of contract – sublease agreement; (iii) breach of guaranty. Respondent/Counter Claimant sought: judgment on its claims for payments on the franchise agreement in the amount of $133,600; (ii) judgment on its claims for payments on the sublease agreement in the amount of $14,8520; judgment in its favor on its claims for payments on the guaranty in the amount of $148,450; (iv) interest on the sums; (v) attorney's fees; and (vi) any other relief the court deems fit. On September 24, 2021, the parties entered into a settlement agreement, in which a mutual release of all claims was agreed to, and Respondent/Counter Claimant paid Claimant/Counter Respondent the sum of $125,000. The matter was subsequently dismissed with prejudice.

Concluded Arbitration and Litigation Involving Papa Murphy's International, L.L.C.

DTD Pizza LLC, Brian Watson, Alton Spears, LMP Enterprises LLC, Pizza Enterprises LLC, Alan and Denise Barnett, DOB Enterprises, Inc., Douglas and Lesia Billing, Rob & Bud's Pizza, Robert J. Dickerson Trust UA, Rob Dickerson, 4LM Enterprises, Inc., Jana and Randell Liles, Ben and Kim Mayfield, SEAMS Holdings LLC, Scott and Erica Shelby, Robert Hoersting, PM Savannah LLC, James and Mona King, Hans King, Pizza For 4 Kings Corp, Alamo Quality Pizza I, LLC., Quality Pizza III, LLC., Gerardo Torres, George Knost, Arkel Food Services, LLC., Reece Alexander Overcash, III, Angelo S. Chantilis, Jr., Double AA Partners, LLC., Jeffrey L Comish, John Stalker, and Papa's of Tennessee, LLC. v. Papa Murphy's International LLC, Papa Murphy's Company Stores, Inc., PMI Holdings Inc., Papa Murphy's Intermediate Inc., Papa Murphy's Holdings, Inc., Lee Equity Partners LLC, John D. Barr, Ken Calwell, Thomas H. Lee, Yoo Jin Kim, Benjamin Hochberg, John D. Schafer, Achi Yaffe, Janet Pirus, Victoria Blackwell, Gail Lawson, Dan Harmon, Scott Mullen, Jayson Tipp, Kevin King, Stephen Maeker, Steve Millard, Steve Figiola; Washington Superior Court, Clark County, Case No. 14-2-00904-0.

and

Mitch and Kristen Brink, Brink Holdings Inc., Angela Buchannan, Tim Forester, Z-Axis, Inc., Heather and Gary Nychyk, Bar N Pizza, LLC, John DeMattia, DeMattia LLC, a Texas Limited Liability Company, Harry and Terry Olson, Hot Pizza Inc., Steven Pyatt, Craig Braun, David Mraz, JIM LLC, Philip and Maria Ahn Wilson, Papa South, LLC, Steven and Holly Mead, Thomas Lance, PMG Tampa, LLC, Ilya and Chantal Rubin, Pie in the Sky LLC, Joanna and Glenn Patcha, Alchemy Foods LLC, Ian Hasinoff and Susan Lorimer, Eddrachillis LLC, Cole Kilen, Eye on the Pie LLC, Ann and Harvey Callegan, Just for Fun, LLC, Eugene and Joy Hill, Conn, Edward Turnbull, Turnbull Restaurant Group LP, Turnbull Restaurant Group GP, Conn, LLC, Loralie and Trey Bennett, Pizza Revolution of Fort Walton Beach LLC, Pizza Revolution of Panama City LLC, Pizza Revolution at Tyndall LLC, Steven Terry, Matthew and Cindy Terry, Alice and Douglas Worthington, Thomas Stephenson, Make Dough Enterprises Inc., Jared Richardson, Russell Crader, and Red Rust, LLC, v. Papa Murphy's International LLC, Papa Murphy's Company Stores, Inc., PMI Holdings Inc., Papa Murphy's Intermediate Inc., Murphy's Holdings, Inc., Lee Equity Partners LLC, John D. Barr, Ken Calwell, Thomas H. Lee, , Yoo Jin Kim, Benjamin Hochberg, John D. Schafer, Achi Yaffe, Janet Pirus, Victoria Blackwell, Gail

Lawson, Dan Harmon, Scott Mullen, Jayson Tipp, Kevin King, Stephen Maeker, Steve Millard, Steve Figiola; Washington Superior Court, Clark County, Case No. 14-2-01743-3.

These two related actions were commenced in April 2014 and June 2014, respectively, by separate groups of current and former franchisees against us, certain members of our board of managers and executive team, and others in Washington Superior Court (Clark County), alleging misrepresentations involving financial performance representations in ITEM 19 of our franchise disclosure document the franchisees' local marketing obligations, among other things, and brought claims for violation of the Washington Franchise Investment Protection Act ("WFIPA"), fraud, negligent misrepresentation and breach of contract. These two actions were consolidated in September 2014 under Case Number 14-2-00904-0.

Each of the plaintiff groups have entered into settlements with Papa Murphy's in which they dismissed all of their claims against defendants with prejudice and the action was dismissed in June 2020. The settlements are as follows: (1) one plaintiff group dismissed its claims against Papa Murphy's for no consideration; (2) two plaintiff groups agreed to pay amounts ranging from $5,000 to $8,000 to Papa Murphy's and remained in the system; (3) Papa Murphy's agreed to pay one plaintiff group's advertising costs for one year, agreed to allow the franchisee to develop an additional franchise, and agreed to return the franchisee's initial development fee of $10,000; (4) another plaintiff group agreed to remain in the system in exchange for Papa Murphy's paying 3.8% of the franchisees' sales towards local advertising for a period of two years and extending the franchise agreement's term for an additional ten years; (5) Papa Murphy's settled with fifteen different plaintiff groups and paid amounts ranging from $10,000 per group to $4 million per group; (6) Papa Murphy's agreed to purchase one plaintiff group's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus $500,000; and (7) Papa Murphy's agreed to purchase seven plaintiff groups' Papa Murphy's stores at an agreed upon value of the stores' assets.

Rob & Bud's Pizza, LLC v. Papa Murphy's International, Inc. and Papa Murphy's International, LLC; United States District Court for the Western District of Washington, Case No. 5:15-cv-05090-TLB.

In spring 2015, Papa Murphy's sent a notice of default to plaintiff for alleged defaults under the plaintiff's franchise agreements. In response, on April 17, 2015, the plaintiff brought an action seeking a declaratory judgment and injunction preventing Papa Murphy's from terminating the franchises. The plaintiff subsequently added claims in the case alleging that Papa Murphy's tortiously interfered with the plaintiff's employees and negligence in how Papa Murphy's handled the plaintiff's customer database, and sought compensatory damages, punitive damages and costs in an unspecified amount. The plaintiff was also a plaintiff in the LMP case described above. The case has been dismissed with prejudice as part of a settlement with plaintiff in this case and the LMP case under which Papa Murphy's purchased plaintiff's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus $500,000.

PUBLIC AGENCY ACTIONS AGAINST MTY USA, AFFILIATES AND/OR THEIR PREDECESSORS

Concluded State Administrative Actions Involving SFF, LLC, successor in interest to SweetFrog Enterprises, LLC

In the Matter of SweetFrog Enterprises, LLC f.k.a. Imagination Enterprises, Inc., d/b/a Sweet Frog, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2012-0055.

As a result of an inquiry into the franchise related activities of SweetFrog Enterprises, LLC, ("SFE") the Maryland Securities Commissioner ("Commissioner") concluded that grounds existed to allege that SFE violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of certain license agreements. SFE acknowledged that those license agreements constituted franchises as defined under the Maryland Franchise Law. SFE represented that it entered into license agreements with eight Maryland licensees during the time it was not registered to offer and sell franchises in Maryland. On August 29, 2012, the Commissioner and SFE agreed to enter into a consent order whereby SFE, without admitting or denying any violations of the law, agreed to: (i) immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; (ii) file and diligently pursue an application for an initial franchise registration in Maryland relating to the license agreements it offered and sold to Maryland licensees; and (iii) to offer to rescind the license agreements of all Maryland licensees to whom it sold unregistered franchises. We are not aware of any licensees that accepted the rescission and have made a good faith effort to obtain that information.

Concluded State Administrative Actions Involving Predecessor Blimpie Associates, Ltd.

In May 1992, Blimpie Associates, Ltd. ("Blimpie") and Joseph Dornbush (formerly the President of Blimpie) (collectively "Respondents") responded to a claim by the New York Department of Law that it had sold franchises during a period of time when Blimpie's prospectus had not been updated by amendment. Without the admission of any wrongdoing, Respondents consented to the entry of an order in which Respondents agreed: (i) to entry of a judgment enjoining them from further violations of the New York Franchise Sales Act; and (ii) to pay the sum of $18,000 to the State of New York as an additional allowance. Respondents paid the $18,000 in May 1992 and executed the consent judgment on August 25, 1992.

Concluded State Administrative Actions Involving Maui Wowi Franchising, Inc., predecessor in interest to Kahala Franchising, L.L.C.

In the Matter of Maui Wowi Franchising, Inc., Before the Securities Commissioner of Maryland, Case No. 2005-0651.

On November 11, 2005, Maui Wowi Franchising, Inc., the predecessor franchisor of the Maui Wowi brand ("MWF"), entered into a Consent Order with the Securities Commissioner of Maryland ("Commissioner") resulting from MWF inadvertently entering into four franchise agreements with Maryland residents after its registration in Maryland expired on June 9, 2004 ("Maryland Franchisees"). The Consent Order required MWF to cease and desist from the offer and sale of unregistered franchises in Maryland; to diligently pursue the completion of its then pending application; to register its Offering Circular in Maryland; to develop and implement new franchise law compliance procedures to ensure future compliance with the registration and disclosure provisions of Maryland Franchise Law; and to enroll an officer and a franchise compliance person in a franchise law compliance training program. Upon notification

by the Commissioner, MWF sent to the Maryland Franchisees the registered Offering Circular, a copy of the Consent Order, and a letter notifying the Maryland Franchisees that they could rescind their franchise agreements. At this time, MWF is in full compliance with the Consent Order.

In the Matter of Maui Wowi Franchising, Inc., Before the Securities Commissioner of Maryland, Case No. 2007-0194.

On September 12, 2007, "MWF" entered into a Consent Order with the Maryland Commissioner resulting from MWF inadvertently entering into two franchise agreements with two Maryland residents ("Second Maryland Franchisees") without delivering to them the appropriate Offering Circular. MWF was registered in the State of Maryland at the time of the offer and sale with an Offering Circular containing certain specific information required only by Maryland law. At the same time, MWF used a second form of Offering Circular in other states that did not contain all of the information required by Maryland law. Prior to the execution of the franchise agreements with the Second Maryland Franchisees, MWF accidentally delivered to them the Offering Circular that did not contain the Maryland-specific information. We subsequently reported these mistakes to the Commissioner. The Consent Order required MWF to cease and desist from the offer and sale of franchises in Maryland in violation of the Maryland Franchise Law; to diligently pursue the completion of its then pending application to register its Offering Circular in Maryland; to implement additional compliance measures to ensure future compliance with the Maryland Franchise Law; to employ an approved franchise law compliance training program or trainer to monitor MWF's franchise activities in Maryland for two years; and to reimburse the Maryland Attorney General for its investigation and resolution costs in the total amount of $2,500. Additionally, MWF was required to provide to the Second Maryland Franchisees the registered Offering Circular, a copy of the Consent Order, and a letter notifying the Second Maryland Franchisees that they have a right to rescind their franchise agreements. The Commissioner and MWF subsequently entered into an Amended Consent Order in which MWF elected to withdraw from the State of Maryland instead of employing a compliance monitor, with the agreement to employ a monitor if MWF was to re-register in the State of Maryland. MWF fully complied with the Amended Consent Order, and subsequently employed a compliance monitor and was granted registration in the State of Maryland.

Concluded State Administrative Actions, Arbitration, and Litigation Involving BF Acquisition Holdings, LLC and/or its predecessors

State of Maryland Determination; Case Number 2012-0073.

In February 2012, the State of Maryland alleged that during the period January 1, 2009 to November 26, 2009, Triune, LLC ("Triune"): (i) did not retain signed acknowledgements of receipt reflecting the dates that its Franchise Disclosure Document was delivered to certain Maryland residents and non-residents; (ii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document; (iii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document that contained its 2008 financial statements with a going concern note from its auditors resulting from the unfavorable financial condition of its parent company; and (iv) sold franchises to certain Maryland residents and non-residents without including, or abiding with, a deferral condition in their Franchise Agreements that was

imposed upon it by the State of Maryland, all as required by the Maryland Franchise Registration and Disclosure Law (the "Maryland Law") and in violation of the Maryland Law. Without admitting or denying the allegations, in September 2012, Triune voluntarily entered into a Consent Order with the Office of the Attorney General of Maryland and agreed to: (i) not violate the Maryland Law in the future; (ii) pay the Office of the Attorney General the sum of $50,000 as a civil penalty; (iii) retain copies of all acknowledgments of receipt confirming dates that prospective Maryland franchisees received any Maryland Franchise Disclosure Documents; (iv) comply with the disclosure and antifraud provisions of the Maryland Franchise Law and the record keeping and escrow requirements of the Code of Maryland Regulations; and (v) send a copy of the Consent Order to certain Maryland franchisees.

State of Virginia Determination; Case Number SEC-2012-00027.

In February 2012, the Division of Securities and Retail Franchising of the State Corporation Commission (the "Commission") alleged that during 2009 Triune, LLC ("Triune"): (i) offered or sold franchises in Virginia in 2009 that were not registered under the Virginia Retail Franchising Act (the "Virginia Act"); (ii) offered or sold franchises in Virginia without disclosing that it was not registered to do so; (iii) failed to provide material information regarding the parent company's unfavorable financial condition and the potential impact that it could have on Triune as stated in a going concern note in its 2008 financial statements from its auditors; and (iv) failed to provide a prospective franchisee with a copy of its Franchise Disclosure Document as required by rule or order of the Commission at least 14 calendar days before the prospective franchisee signed a binding agreement or made any payment to it in connection with the sale or offer to sell a franchise in Virginia. Without admitting or denying the allegations, on November 26, 2012, Triune voluntarily entered into a Settlement Order with the Commission and agreed: (i) to not violate the Virginia Act in the future; (ii) to pay Virginia the sum of $25,000 as a penalty and the sum of $5,000 to defray the Commission's costs of investigation; (iii) to offer certain Virginia franchisees a refund of their initial franchise fees; and (iv) to send a copy of the Settlement Order to certain Virginia franchisees.

Lawsuits Filed by Franchisor Kahala Franchising, L.L.C. Against Franchisees During Fiscal Year December 1, 2022 through November 30, 2023

Suit for Breach of Contract

Kahala Franchising, L.L.C. v. Hunter Hammond Enterprises, L.L.C. and Keith Hammond; In The Superior Court Of Harris County State Of Georgia; Civil Action File No.: 23-CV-379.

~~*Fresh Enterprises v. Ledang Investment Group, LLC, Vincent Tienn Le, Ho Tien Le and Hue This Dang* Superior Court of the State of California, County of Santa Clara, Case No. 1-13-CV-257219.~~

~~On July 2, 2013, Fresh Enterprises, as successor-in-interest to Baja Fresh Westlake Village, Inc. ("Plaintiff"), filed a complaint against Ledang Investment Group, LLC; Vincent Tien Le, Ho Tien Le and Hue Thi Dang (collectively "Defendants Ledang" or "Cross Claimants Ledang") for: (i) implied indemnity; (ii) equitable indemnity; (iii) express indemnity; (iv) breach of contract; (v) declaratory relief seeking unspecified damages; (vi) indemnification; (viii) a judgment of unlawful detainer; and (ix) declaration that Defendants Ladang were obligated to reimburse Plaintiff for various expenses. On January 6, 2014, Cross Claimants Ledang filed a Cross-Complaint against Plaintiff, Baja Fresh Westlake Village, LLC, Triune Corporation and National Franchise Sales, Inc. (collectively "Counter Defendants") for: (i) breach of contract; (ii) breach of covenant~~

~~of good faith and fair dealing; (iii) negligent misrepresentation; and (iv) intentional misrepresentation. On February 19, 2014, Counter Defendants filed a Motion to Compel Arbitration, which was granted. The disputes between the parties were then arbitrated before the American Arbitration Association (Case Number 72-20-1400-0126). On February 2, 2015, the Arbitrator issued an award in favor of Cross Claimants Ledang in the amount of $660,620.84. The parties entered into a Settlement and Release Agreement on July 20, 2015, under which Counter Defendants paid the Cross Claimants Ledang the sum of $585,000 and the matter was dismissed with prejudice.~~

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

The initial franchise fee ("Initial Franchise Fee") for your first *Cold Stone Creamery* traditional restaurant is $27,000. The Initial Franchise Fee is reduced for your second and each subsequent traditional restaurant to $15,000. The Initial Franchise Fee for your non-traditional *Cold Stone Creamery* restaurant location ranges from $10,000 to $20,000 for each restaurant.

If you are currently an active or active reserve member of the U.S. Armed Forces, have been honorably discharged from the U.S. Armed Forces ("Eligible Military"), or are a 501(c)(3) organization ("501(c)(3)"), you will receive a 20% discount on the Initial Franchise Fee.

The initial fees to be paid to us and/or our affiliate(s) before the franchisee's *Cold Stone Creamery* business opens are indicated on the chart below and in the notes to the chart. The initial fees to be paid to us and/or our affiliate(s) before the franchisee's business opens are the total of the Initial Franchise Fee, Grand Opening Marketing, lease review fee (if any) and a portion of the cost of equipment, furniture, millwork, menu boards, wall decor and smallwares (which may or may not be paid to us and/or our affiliate(s).), and ranges from $18,500 to $47,500 for a non-traditional location and from $27,500 to $59,500 for a traditional location. These amounts do not include the Document Administration Fee.

For the 2021 fiscal year, the formula used to calculate the range of initial fees paid to us and/or our affiliate(s) before the franchisee's business opened was: the total of the Initial Franchise Fee, lease review fee (if any), and the cost of equipment, furniture, menu boards, wall décor and/or smallwares purchased from Neptune Equipment. The factors that determined these amounts were: (i) if the Initial Franchise Fee was discounted or waived; (ii) if the restaurant was traditional or non-traditional; (iii) if the restaurant was the franchisee's first or subsequent traditional restaurant (iv) the lease review fee if the franchisee requested a full lease review (v) the lease guarantee fee if the franchisee requested we guarantee their lease and Kahala Franchising or its affiliate agreed to be a guarantor on their lease; and (vi) the cost of equipment, furniture, menu boards, wall décor and smallwares purchased from our affiliate, Neptune Equipment.

There are no refunds of the Initial Franchise Fee under any circumstances. We may periodically reduce the Initial Franchise Fee in connection with limited time promotions, new concepts and/or operational programs. We may vary the terms of our franchises in connection

with testing new marketing, branding and/or operational programs. These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. If you sign the Franchise Agreement in connection with a transfer or renewal, you will not pay the Initial Franchise Fee.

We may offer you the option to purchase a license to sell additional signature products in your *Cold Stone Creamery* restaurant and to use the signature products trademark(s) as signature products are developed. The signature products that would be available for *Cold Stone Creamery* franchisees to sell in their restaurants are currently under development. We estimate that the fees associated with acquiring license(s) to sell additional products will be between $2,500 and $5,000 although these license fees may be modified from time to time.

CATEGORY	AMOUNT	METHOD OF PAYMENT	DUE DATE	TO WHOM PMT IS MADE	REFUNDABILITY
Initial Franchise Fee – first traditional restaurant	$27,000 (reduced to $21,600 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Kahala Franchising	See Note (1)
Initial Franchise Fee – second traditional restaurant and each afterward	$15,000 (reduced to $12,000 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Kahala Franchising	See Note (1)

CATEGORY	AMOUNT	METHOD OF PAYMENT	DUE DATE	TO WHOM PMT IS MADE	REFUNDABILITY
Initial Franchise Fee – non-traditional restaurants (Note 2)	$10,000 to $20,000 (reduced to $8,000 to $16,000 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Kahala Franchising	See Note (1)
Grand Opening Marketing	$10,000 for a traditional store and $5,000 for a non-traditional store	Lump Sum	Earlier of; prior to execution of a lease or prior to construction of premise	Kahala Franchising or its affiliate	See Note (1)
Lease Guarantee Fee (optional)	10% of the total amount guaranteed, up to a maximum payment of $10,000 (if applicable) (Note 2)	Lump Sum	Signing of the lease guarantee agreement (if applicable)	Kahala Franchising or its affiliate who guarantees the lease	See Note (1)
Lease Review Fee (optional)	$0 to $2,500(Note 3)	Lump Sum	When you request review by Kahala Management's real estate department	Kahala Franchising	See Note (1)
Equipment, interior and exterior signage, menu boards, millwork, and/or smallwares	$5,500 to $10,000 (Note 4)	Lump sum	When invoiced	Neptune Equipment	See Note (1)

Notes:

(1) There are no refunds under any circumstances. Kahala Franchising does not offer any financing of the Initial Franchise Fee. We may periodically reduce the Initial Franchise Fee in connection with limited time promotions, new concepts and/or operational programs.

(2) If, after a request by you, Kahala Franchising or any of its affiliates agree, in their sole and absolute discretion, to guarantee your lease with the applicable third party landlord for the *Cold Stone Creamery* restaurant you are developing, you will pay Kahala Franchising or its affiliate a lease guarantee fee in the amount of 10% of the total amount of the rental obligations being guaranteed under the lease upon the execution of the lease and associated guarantee with the third party landlord, up to a maximum payment of $10,000. This fee is not refundable (See Exhibit M: Lease Guaranty Acknowledgement).

(3) If, prior to executing the lease, you request Kahala Management's real estate department review your lease and provide suggested changes to you, a $2,500 lease review fee shall be paid by you to Kahala Franchising ("Lease Review Fee") upon your request to Kahala Management's real estate department. The Lease Review Fee is non-refundable. This is an optional service, with the determination of whether to utilize Kahala Management's real estate department to be made in your sole discretion.

(4) Certain of your equipment, furniture, menu boards, millwork, wall graphics and smallwares will be purchased from Neptune Equipment, an affiliate of Kahala Franchising.

ITEM 6: OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee and Surcharge (Notes 1 and 13)	6% of Gross Sales plus a maximum Surcharge of $10 per week (Note 2)	Withdrawn electronically from your Depository Account weekly (Note 3)	"Gross Sales" include all revenue from your restaurant excluding sales tax and authorized refunds, credits and allowances.
Advertising Fees (Note 1)	3% of weekly Gross Sales	Same as Royalty Fee (Note 3)	The Advertising Fees are deposited as follows: 2% to the National Fund and 1% to the Regional Fund for your Cooperative or your store (Note 4).
Additional Persons Training Fee (Note 1)	$1,750 per person ($1,000 per person ($500/40 hour week) for the In-Store portion of the Training Program, and $750 per person for the New Owner Training portion of the Training Program)	2 weeks prior to beginning of training	The training of two individuals is included in the Initial Franchise Fee. The Additional Persons Training Fee is for any additional persons who attend the Training Program.
Additional Training Fee (Note 1)	$300 per person per day	Prior to attendance	Payable if we require or you request additional training after attending the Training Program.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Annual Meeting Registration Fee (Notes 1 and 5)	Up to $1,000 plus incidental costs to attend	60-90 days prior to the Meeting	We will debit your Depository Account for this fee, which is non-refundable. This fee is charged to all franchisees whether or not they attend the Meeting.
Depository Account	$3,000 (must be replenished on a regular basis)	Signing of Franchise Agreement	(Note 3)
Charitable Contributions	To be determined by us	As determined by us	(Note 6)
Data Fees (Notes 1 and 7)	Up to $75 per month (subject to reasonable annual and/or service enhancement increases)	Same as Royalty Fee (Note 3)	Begins immediately after you open your restaurant.
POS Help Desk Phone Support Maintenance Contract Fee	Up to $60 per month	Last Thursday of each month	We will debit your Depository Account for this fee.
Gift Card Redemption Fee	11% of the amount of the gift card redemption (Note 14)	On or about the 25th day of each month	Fee is charged by us and collected by a third party on our behalf.
Renewal Franchise Fee – traditional and non-traditional (Note 1)	50% of the then-current Initial Franchise Fee not including any discounts or reductions	Signing of new Franchise Agreement at renewal	Applicable if you are renewing your Franchise Agreement. Renewal term is five years.
Transfer Franchise Fee – traditional location (Notes 1 and 10)	$17,500	Prior to consummation of transfer	Payable if you are purchasing your Franchised Business as a result of a full transfer. A full transfer is including, but not limited to, a transfer of 50% or more ownership or control.
Transfer Franchise Fee – non-traditional restaurant - (Notes 1 and 10)	$5,000	Prior to consummation of transfer	Payable if you are purchasing your Franchised Business as a result of a full transfer. A full transfer is including, but not limited to, a transfer of 50% or more ownership or control.
Relocation Fee (Note 1)	$500	At signing of relocation amendment to Franchise Agreement	Payable if we approve the relocation of your store.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Non-participation Fee	$100 per day if you fail or refuse to participate in any required national, local, regional, seasonal, promotional or other program, initiative and campaign or in any new or modified product or service test or offering.	Upon failing or refusing to participate	Payable to us.
Document Administration Fee	$500 (Note 11)	As incurred	Applicable if an amendment must be prepared, including for an affiliate transfer.
Default Interest (Notes 1 and 12)	$50 plus interest at 1-1/2% per month or maximum legal rate, if less ("Default Rate").	Payable upon assessment	Payable on all overdue amounts.
Document Late Charge (Notes 1 and 8)	$100 per week or partial week	Payable upon assessment	Payable if any required financial statement, report or other document is delinquent.
Draft Draw Charge (Note1 and 9)	$100 per day	As incurred	Payable to us.
Late Charge	5% of the unpaid amount or $100, whichever is greater, on royalties, advertising payments, and other amounts unpaid within 10 days.	As incurred	Payable to us.
Sublease Late Charge	5% of the late or unpaid amount plus any late charges and interest incurred under the Master Lease as a result of the late payment (where applicable).	As incurred	Payable to our affiliate if you are subleasing your restaurant space from our affiliate.
Collection Costs (Note 1)	All collection costs including, but not limited to, reasonable attorneys' fees.	Payable upon assessment	Payable only if we are required to retain an attorney or collection agency to collect delinquent payments from you. We will also collect as damages any attorneys' fees and costs incurred by us in defending claims that arise due to your actions as a *Cold Stone Creamery* franchisee.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Non-Sufficient Funds Fee (Note 1)	$50 for each electronic funds transfer returned for non-sufficient funds; $25 for each check or draft returned for non-sufficient funds.	Payable upon assessment	Payable only if your electronic funds transfer from your Depository Account or any check you remit to us is returned for non-sufficient funds.
Audit (Note 1)	Cost of Audit plus interest at Default Rate on underpayments or the maximum rate permissible by law (Note 9).	Payable upon assessment	Payable only if audit is caused by your failure to furnish reports or if audit reveals an understatement of fees or assessment of 5% or more.
Early Termination Damages (Note 1)	The average monthly Royalty and Advertising Fees paid for any consecutive 12 month period within the preceding 48 month period multiplied by the number of months remaining in the term of the Franchise Agreement, and the product is divided by 2.	30 days prior to the early closing of the restaurant	You must provide us with 90 days prior written notice of the termination of your Franchise Agreement.
Attorneys' Fees and Costs	Will vary under the circumstances.	As incurred	Payable to us.
Indemnification of us and/or our affiliates for damages suffered or incurred for your actions or omissions, including amounts paid on your behalf or to cure your breaches under the Franchise Agreement	Will vary under the circumstances.	As incurred	Payable to us.
Damages for Breach of Non-Compete Obligations under the Franchise Agreement	Will vary under the circumstances.	As incurred	Payable to us

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Management Fee	6% of the Franchised Business' Gross Sales (in addition to the Royalty Fee and Advertising Fee) plus our direct out-of-pocket costs and expenses.	Payable with Royalty and Advertising Fee	If we assume the management of your Franchised Business for any period of time.

Notes:

(1) These fees are collected by Kahala Franchising, are payable to Kahala Franchising, and are non-refundable. These fees are uniformly imposed by Kahala Franchising; however, Kahala Franchising, in its sole discretion, may reduce or waive a one-time fee (*i.e.,* transfer franchise fee, renewal franchise fee, etc.) or may waive or reduce an ongoing fee (*i.e.*, Royalty Fee or Advertising Fees) for a defined period of time.

(2) In our sole discretion, we may charge, in addition to the Royalty Fee, a Surcharge of up to $10 per week if your restaurant is located in a state that imposes additional reporting requirements on a franchisor. Currently, New York is the only state that has imposed the additional reporting requirements.

(3) At the time you sign the Franchise Agreement, you will set up a depository account of a minimum of $3,000 with your local banking institution. You are required to maintain a minimum balance of $3,000 in this account at all times. This will mean that you must replenish the depository account to $3,000 after Kahala Franchising makes any withdrawals. (A Pre-Authorized Electronic Funds Transfer Form by and payable to Franchisor is attached as Exhibit P).

(4) Kahala Franchising directs that Advertising Fees be paid to us, a national advertising fund ("National Fund") designated by us, and/or, in our sole discretion, to a designated approved regional advertising fund ("Regional Fund," and together with the National Fund, the "Advertising Fund" or "Fund"). Upon thirty (30) days' notice by us to you, we may unilaterally increase the Advertising Fee from its current level not to exceed four percent (4%) of your weekly Gross Sales. We encourage the formation of franchisee cooperative advertising associations (each a "Cooperative"). If a Cooperative is formed for your region, you must financially contribute to the Cooperative as required by us. Failure to do so will be deemed a breach of the Franchise Agreement and you may also, in Franchisor's sole discretion, lose your right to vote on decisions the Cooperative makes. The membership of the Cooperative is defined by us according to your market area. If no Cooperative exists where your restaurant is located, your store will be considered a "single store" cooperative and you must contribute to the Regional Fund for your store. Except in limited circumstances, all *Cold Stone Creamery* franchisees must contribute to the Regional Fund at the same rate, which is currently 1% of your weekly Gross Sales. In limited cases in our sole discretion (for example, certain international restaurants or non-traditional restaurants such as airport or university locations that require different advertising support), some stores may not be obligated to contribute to the Fund. For each of our company-owned or affiliate-owned restaurants, it's our policy that such restaurants make contributions to the Fund at a rate equal to the lowest rate a franchisee is then-required to contribute. Company-owned or affiliate-owned restaurants have the same

voting power as franchisee owned outlets. On our request, you must assist in establishing a Cooperative or in deciding how to allocate contributions we may make to the Cooperative. We reserve the right to establish general standards concerning the operation of a Cooperative, to specify the advertising agencies a Cooperative must retain, and to designate advertising programs a Cooperative must conduct. Notwithstanding anything to the contrary, no Cooperative may make decisions or spend advertising contributions without our prior written approval. (See Exhibit E: Franchise Agreement – Section 5.4).

(5) If we hold an annual meeting ("Meeting"), the Meeting will be held at various locations throughout the United States and/or online as we may designate in our sole discretion, and may offer valuable continuing education programs. Because the planning and funding of the Meeting must be done well in advance and requires a substantial financial commitment, we have the right to debit your Depository Account for the Annual Meeting Registration Fee up to $1,000 at any time 60 to 90 days prior to the first day of the Meeting. This fee is not refundable and will be debited from all franchisees' accounts (even if you do not attend the Meeting). If you do not attend the Meeting, we will send to you one full set of the substantive materials that were presented at the Meeting.

(6) You must participate in all programs of a charitable nature designated by us from time-to-time, including the obligation to contribute a designated percentage of opening day sales (or sales for other periods) to a charity designated by you or us, as we may elect.

(7) We may collect a weekly data polling fee for the collection of data from your restaurant sales for the POS System for your restaurant. Currently, the fee is up to $75 per month, and is subject to reasonable annual and/or service enhancement increases.

(8) If you fail to deliver or provide to us or your Area Representative (if applicable) any statement, report or other document or information required to be delivered (for example, sales reports, certificates of insurance and financial statements), by the applicable deadline, you will be assessed a late charge per week, or part thereof (until that statement, document or other information has been delivered or provided), which amount may be increased by us from time to time.

(9) If you fail to provide us with any necessary information or documentation with respect to our practice of drawing drafts against your bank accounts, you will be assessed a fee in the amount of $100 per day.

(10) If you want to transfer the restaurant or the Franchise, or if you want to sell more than 50% of the equity of your business, you must first give us a right of first refusal, at the same price offered by any bona fide buyer. Before transfer, we must approve any new franchisee, transferee, stockholder, or assignee.

(11) The Document Administration Fee in the amount of $500 will be charged to you if an amendment to your franchise documents must be prepared.

(12) Interest begins from the date of the underpayment.

(13) Royalties may be increased to up to eighteen percent (18%) of Gross Sales with respect to any period during which Franchisee is in breach or default of its/his/her obligations under this Agreement without providing Franchisee advance notice or right to cure. The Royalties paid or owing to Franchisor with respect to the period during which Franchisee is in

breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14) day period, regardless of the length of the actual breach or default.

(14) This fee may be increased to cover the potential of future increased costs affecting the gift card program, such as increased production and shipping costs and costs of processing. If fees are to increase, franchisees will receive 30 day advanced notice.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Traditional Cold Stone Creamery Restaurant

Column 1 Type of Expenditure	Column 2 Traditional Low Amount	Column 3 Traditional High Amount	Column4 Method of Payment	Column 5 When Due	Column 6 To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$12,000	$27,000	Lump Sum	At Signing of Franchise Agreement	Us
Rent/Security Deposit (for 3 months) (Note 2)	$9,750	$19,500	As Incurred	Prior to Opening	Landlord(s)
Travel and Living Expenses (2 persons) while training, not including salaries, if any, for you and your employees	$3,000	$7,500	As incurred	As incurred	Airlines, hotels, car rental agency & restaurants
Real Estate	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
Lease Review Fee	$0	$2,500	Lump Sum	When you request review by Kahala Management's real estate department	Us
Architectural Fees	$~~7~~8,000	$2~~0~~1,000	As incurred	Prior to Opening	Licensed and Approved Architect
Leasehold Improvements (Note 3)	$~~97~~102,~~5~~000	$2~~62~~75,500	As incurred	Prior to Opening	Approved Contractors and Vendors
Exterior Signage	$~~9~~10,~~7~~500	$1~~5~~6,000	As Incurred	Prior to Opening	Approved Sign Company
Equipment (Note 4)	$12~~3~~9,000	$~~19~~205,000	Lump Sum	Prior to Opening	Approved Vendors and Suppliers

Column 1 Type of Expenditure	Column 2 Traditional Low Amount	Column 3 Traditional High Amount	Column4 Method of Payment	Column 5 When Due	Column 6 To Whom Payment is to be Made
PCI Compliance Costs	$150	$1,300	As billed by third party vendor	As billed by third party vendor	Approved Vendor
Opening Inventory (Note 5)	$8,000	$8,000	Lump sum	Before opening	Vendors & suppliers
Employee Uniforms	$500	$800	Lump sum	Before opening	Vendors
Grand Opening Marketing Advertising (Note 6)	$10,000	$10,000	Lump sum	Earlier of; prior to execution of a lease or prior to construction of premise	US
Insurance Premiums (Note 7)	$500	$2,500	Lump sum	Before opening	Insurance carrier
Permits and Licenses	$2,000	$3,000	Lump sum	Before opening	Governmental entities
Telephone and Utility Deposits and Hookups (Note 8)	$250	$1,000	Lump sum	Before opening	Utility companies
Computer Training and Food Safety Certification Course	$100	$250	As needed	As incurred	Vendors, Suppliers
Miscellaneous (Note 9)	$3,925	$3,925	As incurred	As incurred	Vendors, etc.
Depository Account (Note 10)	$3,000	$3,000	Lump Sum(must be replenished on a regular basis)	Signing of Franchise Agreement	Your bank (we have the right to withdraw from this account)
Additional Funds -3 month initial period (Note 11)	$20,000	$20,000	As incurred	As incurred	Us, Employees, Various Third Parties
Total (Note 12)	$3~~10~~22,~~36~~75	$6~~02~~27,775	*(Does not include real estate costs, construction of the building or rent for the business location except for the initial security deposit.)*		

YOUR ESTIMATED INITIAL INVESTMENT

Non-Traditional Cold Stone Creamery Restaurant

Column 1 Type of Expenditure	Column 2 Low Amount	Column 3 High Amount	Column4 Method of Payment	Column 5 When Due	Column 6 To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$8,000	$20,000	Lump Sum	At Signing of Franchise Agreement	Us
Rent/Security Deposit (for 3 months) (Note 2)	$0	$19,500	As Incurred	Prior to Opening	Landlord(s)
Travel and Living Expenses (2 persons) while training, not including salaries, if any, for you and your employees	$3,000	$7,500	As incurred	As incurred	Airlines, hotels, car rental agency & restaurants
Real Estate	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
Lease Review Fee	$0	$2,500	Lump Sum	When you request review by Kahala Management's real estate department	Us
Architectural Fees	$~~1~~3,~~0~~500	$1~~5~~6,000	As incurred	Prior to Opening	Licensed Design Architect
Leasehold Improvements (Note 3)	$0	$189,000	As incurred	Prior to Opening	Approved Contractors and Vendors
Exterior Signage	$~~1~~2,~~5~~000	$1~~5~~6,000	As Incurred	Prior to Opening	Approved Sign Company
Equipment (Note 4)	$~~8~~9,000	$1~~57~~65,~~5~~000	Lump Sum	Prior to Opening	Approved Vendors and Suppliers
PCI Compliance Costs	$150	$1,300	As billed by third party vendor	As billed by third party vendor	Approved Vendor
Opening Inventory (Note 5)	$1,000	$8,000	Lump sum	Before opening	Vendors & suppliers
Employee Uniforms	$200	$800	Lump sum	Before opening	Vendors

Column 1 Type of Expenditure	Column 2 Low Amount	Column 3 High Amount	Column4 Method of Payment	Column 5 When Due	Column 6 To Whom Payment is to be Made
Grand Opening Marketing Advertising (Note 6)	$5,000	$5,000	Lump sum	Earlier of; prior to execution of a lease or prior to construction of premise	US
Insurance Premiums (Note 7)	$500	$2,500	Lump sum	Before opening	Insurance carrier
Permits and Licenses	$500	$3,000	Lump sum	Before opening	Governmental entities
Telephone and Utility Deposits and Hookups (Note 8)	$250	$1,000	Lump sum	Before opening	Utility companies
Computer Training and Food Safety Certification Course	$100	$250	As needed	As incurred	Vendors, Suppliers
Miscellaneous (Note 9)	$1,000	$3,925	As incurred	As incurred	Vendors, etc.
Depository Account (Note 10)	$3,000	$3,000	Lump Sum (must be replenished on a regular basis)	Signing of Franchise Agreement	Your bank (we have the right to withdraw from this account)
Additional Funds -3 month initial period (Note 11)	$20,000	$20,000	As incurred	As incurred	Us, Employees, Various Third Parties
Total (Note 12)	$~~6~~5~~63~~7,200	$4~~7~~784,~~7~~275	*(Does not include real estate costs, construction of the building or rent for the business location except for the initial security deposit.)*		

Notes:

(1) The Initial Franchise Fee includes the training fee for two individuals.

(2) If you do not own a suitable premises approved by us, you must lease or purchase the premises for your *Cold Stone Creamery* restaurant. If you decide to lease the premises, the landlord will generally require a security deposit, the amount of which generally ranges from one month of monthly rent to six months of monthly rent. The amount of your security deposit will vary according to your area, the type of location (enclosed mall, strip center, or free-standing building), and various other factors. A lease security deposit may be non-refundable and is paid directly to the landlord of the premises. If you decide to purchase land and construct your own building or buy an existing building, you can expect to add the cost of the real estate and costs of building to the total investment. Real estate costs vary considerably

depending on fair market values in your area; size, condition, and location of the premises; and municipal requirements.

(3) The Landlord may provide some leasehold improvements, but if not, they will be at your expense. The total amount of leasehold improvements for your *Cold Stone Creamery* restaurant will vary greatly, depending on the type of premises for your restaurant, condition of the premises, and what improvements you require. To avoid excessive construction costs, it is strongly recommended that you choose contractors carefully by obtaining several competitive bids before construction begins. These estimates are based on constructing a 1,200 square foot vanilla shell for a traditional location or a 500 square foot vanilla shell for a non-traditional location, electrical requirements and HVAC per site standards of the brand. This amount is based upon a national average for labor costs and does not include extensive renovations. Construction costs also vary considerably depending on fair market values in your area; size, condition, and location of the premises; labor costs (union versus non-union); and equipment requirements. There is a wide range of probable locations that a *Cold Stone Creamery* restaurant could be in, and therefore, a wide range for the approximate size of the property and building. Typical locations for a traditional restaurant are strip shopping centers, lifestyle centers, business centers, regional centers, malls or downtown areas that could range in size from 1,300 square feet for a stand-alone location to over one million square feet for a large regional shopping mall. Typical locations for a non-traditional restaurant are airports, kiosks, convenience stores, malls, stadiums, entertainment pavilions, amusement parks, sports or entertainment venues, train stations, travel plazas, toll roads, cafeterias, retail stores, military bases, hospitals, hotels, casinos and high school and college campuses.

(4) This amount includes estimated costs of furniture, furnishings, installations, equipment, trade fixtures, and certain other items on the restaurant premises, the amount and specific items of which will vary depending upon the location, size and condition of a particular restaurant. You must purchase restaurant equipment for your Restaurant from approved vendors according to our specifications. A list of approved distributors for our approved vendors is maintained by our purchasing department and will be provided to you during the pre-opening and/or construction phase for your Franchised Business. Updates will be provided to you as changes are made (i.e., additions and deletions) to the list of approved distributors for our approved vendors.

(5) As with any retail business, you will purchase inventory continuously as long as you operate your *Cold Stone Creamery* restaurant.

(6) You are required, to pay a Grand Opening Marketing fee of $10,000 for a Traditional store or $5,000 for a Non Traditional store payable to US on the earlier of (i) prior to you executing a lease for the premises where the Franchised Business will be located; or (ii) prior to construction commencing at the premises where the Franchised Business will be located. We or our designated affiliate will create a marketing plan for (i) a grand opening event at your Franchised Business, and (ii) the initial advertising of your Franchised Business, and will work with you to obtain your input on the marketing plan. We or our designated affiliate will use the Grand Opening Marketing fee to pay for the grand opening and initial advertising, but may, in our sole discretion, reimburse you for some local store marketing expenses that you pay if you received our prior approval and we receive your reimbursement within six (6) months from the opening of your Franchised Business to the public. The Grand Opening Marketing fee should be used within six (6) months of the opening of your Franchised Business to the public. However, if a portion of the Grand Opening Marketing fee is not used within those six (6) months, we may, in our sole discretion and without prior notice, ~~spend~~ transfer the remaining

portion of the Grand Opening Marketing fee after six (6) months from the opening of your Franchised Business to the public to the National Advertising Fund.

(7) Initial premiums for commercial general liability insurance are subject to change due to market forces beyond either of our control. The cost of other coverages, including workers' compensation and employer liability coverage and your discretionary purchases, varies widely.

(8) The telephone and utility deposits will generally be refundable in accordance with the terms fixed by the telephone company and the utility companies, respectively.

(9) Miscellaneous expenses include pre-opening employee training payroll, petty cash (including cash register "opening banks"), security system, interior/exterior landscaping, sound system, banking pre-opening costs, accountants, lawyers, office supplies, fees and expenses of incorporation and initial pest control fee**.**

(10) At the time you sign the Franchise Agreement, you will set up a depository account of $3,000 with your local banking institution. You are required to maintain a minimum balance of $3,000 in this account at all times.

(11) Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business. The range shown estimates 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. 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 acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period. The amount required for additional funds was formulated based upon our years of experience as a franchisor and our affiliate's years of experience operating company restaurants in addition to information provided by other franchisees.

(12) Your initial investment for a new *Cold Stone Creamery* restaurant depends primarily upon the size, configuration, location, who pays the costs to develop the real estate and/or construction of the restaurant, and the amount and terms of financing, if any. The initial funds required must be estimated as most costs are not within our control and may change at frequent intervals. These estimated ranges are based on our experience and information provided by franchisees.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as stated in this Item 8, you have no obligation to purchase or lease goods, services, supplies, fixtures, equipment, inventory or computer hardware relating to the establishment or operation of your *Cold Stone Creamery* restaurant from us or from any of our designees.

The Franchise Agreement requires that all food products, ingredients, equipment, computer hardware and software, furniture, fixtures, millwork, décor, signs, computer equipment, supplies and other products, services and materials which you will use in the operation of your restaurant meet our standards and be purchased only from approved

distributors and suppliers. You may use any operational service providers, such as exterminators, refrigeration services companies, refuse removal companies, and similar service providers that you desire. If we organize a rollout for a new approved product or a new supplier of an approved product, you will be required to purchase such approved product(s) from our approved distributors of the approved supplier within 60 days of notification from us. We are not an approved supplier of any products or services. Kahala Brands is not a supplier of any products or services. Neptune Equipment, an affiliate of Kahala Franchising, is currently one of the approved suppliers of certain equipment, interior and exterior signage menu boards, POS System and smallwares. You are required to purchase certain menu boards, wall covering, wall graphics, and other items from Neptune Equipment. Kahala Management, an affiliate of ours, is currently the only approved service provider of phone support maintenance for the software and hardware of the POS system ("POS Help Desk Phone Support Maintenance"). You are required to purchase the phone support service from Kahala Management. Kahala Management is also an approved service provider of real estate services. For a fee, Kahala Management will review your entire lease and exhibits and provide to you or your attorney its review of the entire lease and suggested changes to the lease. Kahala Management may, in its sole discretion, also assist you in locating a potential site for a franchisee upon request from a franchisee. You may, but are not required, to use Kahala Management for real estate services. We currently have other non-affiliated approved suppliers of other equipment, smallwares, furniture, POS Systems, beverage equipment, sound systems and certain ingredients and other logoed items utilized in your *Cold Stone Creamery* restaurant. None of our officers own an interest in any of the approved suppliers not affiliated with us. To become approved, a supplier must demonstrate, to our reasonable satisfaction, it can meet all of our standards and has adequate capacity to supply franchisee's quantity and delivery needs. We will provide you with a list of approved distributors of the approved suppliers for your market area during the pre-opening and/or construction phase for your Franchised Business. You can expect that the items you will purchase in accordance with our specifications will represent over 90% of the total purchases you will make to begin operations and over 80% of your annual operating expense for raw materials, products and supplies.

All requests for approving new or alternative suppliers must be submitted in writing by you and/or the supplier to the purchasing department at Kahala Brands. Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then current requirements, which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing. Our criteria for approving suppliers is available to franchisees upon written request to the purchasing department. There is no cost to you for the inspection and tests of the proposed supplier. If approved, in our sole reasonable discretion, we will notify you and/or the supplier in writing within 60 days of our receipt of an approval request. You must not offer for sale or sell any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier. We may, at our option, re-inspect the facilities and products of any approved supplier and revoke its approval upon the supplier's failure to meet any of our then current minimum standards and specifications. If you receive a written notice of revocation from us, you must stop selling disapproved products and stop purchasing from the disapproved supplier.

We will provide you with one set of our confidential "ops package" which may consist of the operations manual, "ops toolkit" and related printed and electronic documents (collectively, the "Confidential Manual".) We provide all specifications and standards to you in the Confidential Manual, which we may modify from time to time by providing you with "rollout

guides" for limited time offers, amendments, modifications or supplemental inserts through notices or bulletins, or by amending the Confidential Manual. A list of approved distributors for our approved vendors is maintained by our purchasing department and will be provided to you during the pre-opening and/or construction phase for your Franchised Business. Updates will be provided to you as changes are made (i.e., additions and deletions) to the list of approved distributors for our approved vendors.

We have negotiated special pricing arrangements or discounts with some of our suppliers. The arrangements may include special contract pricing, volume discounts, and specific discounts from regular wholesale prices. Some or all of these discounts could be passed on to our franchisees, in our sole discretion. We do not provide any other material special benefits to franchisees based on their purchase of particular approved supplies or their use of particular approved suppliers.

We or our ~~subsidiaries~~ affiliates may also receive ~~rebates and/or~~vendor allowances, usually ranging between 1% and 5%, from certain suppliers on purchases made by you and other franchisees. The ~~rebates and/or~~vendor allowances are generally based upon a percentage of franchisee purchases, will be included in our general revenue, and may be used by us for salaries of personnel that assist franchisees by attempting to increase their sales, maintaining the customer service hotline, handling of inquiries and complaints from our franchisees' customers, tracking consumer service hotline trends, product research and development, franchisee crew training, supply chain information management systems, and a variety of ongoing programs, including education, marketing, advertising, and franchisee meetings, seminars, conventions, conferences, and events. These ~~rebates~~ vendor allowances are usually based on an amount per unit, per case, per gallon, or per pound of product (*i.e.*, properly specified and approved meat, dairy products, paper products, smallwares, beverages and apparel) purchased. We may use ~~rebate~~ vendor~~and~~ allowance funds received from our suppliers to benefit the *Cold Stone Creamery* System in our sole and absolute discretion.

Pursuant to the mergers as fully described in Item 1, the total revenues and expenses of Kahala Franchising and its subsidiaries and affiliates have been consolidated with MTY USA's, as reflected in the audited consolidated financial statements presented in this disclosure document. For the year ending November 30, 202~~2~~3, MTY USA and its subsidiaries, as of such date, derived revenues from the sales of products, services, and vendor allowances in the amount of $~~31,789,676~~4~~5~~3,8905,~~026~~158, which was approximately ~~12~~8~~7~~.5% of MTY USA's total consolidated recognized revenue in the amount of $~~263,686,000~~580,280,000.

Various suppliers and vendors of MTY USA and its subsidiaries contribute marketing and other revenues to MTY USA and/or its subsidiaries based upon system-wide purchases from those suppliers and vendors. During our last fiscal year, MTY USA and its subsidiaries on a consolidated basis earned a total of $~~20,618,596~~32,499,276 of the $~~31,789,676~~4~~5~~3,8905,~~026~~158 from such vendors. Additional ~~miscellaneous~~ other revenues (for example, revenue from ~~the sale of branded merchandise from certain corporate-owned stores~~miscellaneous fees and expenses from franchisees~~the sale of branded merchandise from certain corporate-owned stores~~) in the amount of $~~4,518,201~~7,744,~~184~~5,749,317 were also received by MTY USA and its subsidiaries during the last fiscal year.

A subsidiary of MTY USA that earned revenue from purchases of equipment, furniture, menu boards, interior and exterior signage, wall décor and smallwares made by us, our franchisees, and licensees is Neptune Equipment. Neptune Equipment provides the following services: purchases your equipment from various approved manufacturers; provides logistics

services by arranging for bundled delivery to you; and assists with warranty support of the equipment purchased. Neptune Equipment charges a markup on the equipment and a handling fee for its services. During our last fiscal year, Neptune Equipment earned a total of $1,~~308,262~~652,145 of the $~~31,789,676~~453,~~890~~5,~~026~~158 from franchisee purchases.

During our last fiscal year, MTY USA on a consolidated basis with its subsidiaries, earned revenue from POS help desk support maintenance services and the sale of POS equipment in a total amount of $~~3,082,617~~1,739,420 of the $~~31,789,676~~453,~~890~~5,~~026~~158.

The processing fees received by Kahala Management do not currently cover the costs of the gift card program.

Our Leasing Affiliates do not derive revenue as a result of their leasing activities.

We may acquire certain used equipment and signage and offer it for sale to prospective or existing franchisees at a price that we believe to be equal to or less than the fair market value of that equipment and signage. If we make that offer to you, you have the option of purchasing that equipment and signage from us or purchasing new equipment and signage from approved third parties. In addition, we or our affiliate, may offer to sell to prospective or existing franchisees an existing operational *Cold Stone Creamery* restaurant (including the equipment, signage, fixtures, inventory and other items necessary to operate the restaurant) at a price that we believe to be equal to or less than the fair market value of the restaurant. If we make that offer to you, you have the option of purchasing the existing operational *Cold Stone Creamery* restaurant or starting your own *Cold Stone Creamery* restaurant.

We have not arranged any purchasing or distribution cooperatives among our franchisees.

We have a master beverage agreement with the Coca-Cola Company ("Coke") (the "Coke Agreement") under which Coke products are the only approved carbonated fountain soft drinks for your *Cold Stone Creamery* restaurant. Coke may pay allowances to you, the Advertising Fund, and/or us based on Coke products purchased. Coke may also: (i) subsidize or provide your financing for approved Coke dispensing and ice making equipment (your subsidy or financing will be offset by some or all of your allowances from Coke); (ii) service the Coke dispensing equipment (to be paid for out of your allowance, if available); and (iii) subsidize or provide your financing to us or third party service providers for certain promotional and advertising materials, including menu panels (your contribution, subsidy or financing will be offset by some or all of your allowances from Coke). Your allowances and equipment support payments may be terminated if you or we do not comply with the Coke Agreement. Coke and/or we may also provide you or make available to you for purchase selected promotional and marketing materials, which shall be paid for with all or a portion of your allowances earned from Coke. We reserve the right to amend, modify or terminate the Coke Agreement as we deem appropriate.

You must, at your own cost and expense, use our designated and approved third party design architect, as detailed in the Confidential Manual, to prepare the initial design drawings for your Franchised Business. Except for the design architect designated and approved by us, no other architect may be used by you for the design of your restaurant. You must also, at your own cost and expense, retain a licensed architect of record to prepare the permitted construction set of drawings.

You must purchase an interior and exterior sign package and menu panels in accordance with our specifications indicated in the Confidential Manual and related documents provided to all franchisees. In addition, you must have your *Cold Stone Creamery* restaurant be consistent in color, design and style with the standards and specifications adopted and approved by us, and as we may modify those standards periodically. You must maintain the appearance and atmosphere of your *Cold Stone Creamery* restaurant, and the equipment and premises used in connection with your *Cold Stone Creamery* restaurant, in accordance with the standards we may adopt from time to time. Any variations in color, design, style, appearance or atmosphere must be approved in writing by us. Our current standards and specifications are included in our Confidential Manual.

You are required to acquire, from an approved supplier, and exclusively use an approved cash register/point of sale computer system and software during the operation of your *Cold Stone Creamery* restaurant. The components and specifications of this system are specifically identified in the Confidential Manual. You shall also be required to own a personal computer or similar device that allows you to receive online orders and to send and receive e-mails with us, and possibly a fax machine to allow communication with us.

You are required to accept all approved debit and credit cards, along with Kahala Franchising or its affiliate's stored value gift cards, loyalty cards, frequency cards, and any other similar Kahala Franchising or affiliate sponsored electronic card and/or payment program (collectively, the "Gift/Loyalty Card") from consumers at your *Cold Stone Creamery* restaurant. Prior to the opening of your restaurant, you will be required to acquire an approved debit, credit and Gift/Loyalty card processing system to use during the operation of your *Cold Stone Creamery* restaurant. The components and specifications of this system are specifically identified in the Confidential Manual. Additionally, you must utilize our approved third party payment card processor, as identified in the Confidential Manual, for processing all such debit, credit, rewards, and Gift/Loyalty card transactions.

You must utilize our approved mobile application ("App") and online food ordering service (including any third-party delivery order integration) and may not use any other store-specific App or online ordering service. Olo is a Franchisor-approved online ordering vendor, as of this Disclosure Document's issuance date. You may also utilize third-party delivery services, such as through DoorDash, or through another provider of your choice, unless we require you to use a specific third-party(ies) and provided that if required and/or if you choose to participate in such third-party delivery services, you may be required to utilize a point-of-sale integration directed by us.

You must complete a food safety manager training program at your cost. We will accept your local county or state required program or any other nationally recognized food safety program. You must provide us with a copy of your certificate prior to attending our Training Program.

We may, from time to time, provide referral incentives to franchisees, employees and others for qualified referrals of prospective franchisees. We may, from time to time, pay membership fees to public, quasi-public and private service providers who refer potential franchisees from identified groups (e.g. veterans or military personnel planning to leave the service).

We may vary the terms of our franchises in connection with testing new marketing, branding, research and development of new menu offerings, and/or operational programs.

These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. We reserve the right to sell some of the products associated with the *Cold Stone Creamery* brand to different retail outlets such as grocery chains or membership-based retailers.

You may not maintain a World Wide Web site, social media site, an App (application) or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Franchised Business without our prior written approval.

Although not bound to do so, Kahala Franchising may conduct, from time to time, additional research and development with regard to its specifications and standards. The criteria for evaluating any changes in these specifications will be whether such changes in the specifications will improve quality, be more efficient and have greater customer appeal, thus enhancing the *Cold Stone Creamery* brand name and image.

You must obtain all insurance we require and obtain it from an insurer having an A.M. Best's financial strength rating of "A-VIII" or better. Your insurance must: (i) insure the particular Franchisee listed on your Franchise Agreement; (ii) name us and our parents, subsidiaries, affiliates, directors, officers, and employees as additional insured; (iii) contain a waiver by the insurance carrier of all subrogation rights against us and our affiliates for casualty losses; (iv) provide that we will receive by an endorsement 30 days' prior written notice of cancellation; and (v) provide that failure by franchisee to comply with any term, condition or provision of the contract, or other conduct by franchisee, will NOT void or otherwise affect the coverage afforded us. Before you may open your *Cold Stone Creamery* restaurant, at the time you sign your lease, annually at least 10 days prior to renewal of your insurance coverage, and at any other time upon our request, you must provide a copy of your certificate of insurance to us which meets our requirements.

Our minimum insurance coverage requirements (subject to change, including to increase) are below. You need to evaluate if your particular business will require greater coverage or other types of insurance. For example, we strongly recommend that you consult with an insurance broker to discuss whether your particular lease/situation requires and/or should obtain additional common types of insurance (including without limitation, business interruption, umbrella insurance and cyber liability/data breach insurance coverage). Such insurance may significantly increase your premiums but may also save you money in the long run. We make no representation that the minimum coverage that we specify will be sufficient for your business. You will pay your insurance premiums directly to your insurance broker or to the insurance company issuing the policy.

TYPE OF COVERAGE	LIMITS/SPECIFICATIONS
General Liability	$1,000,000 Bodily Injury/Property Damage Per Occurrence / $2,000,000 Aggregate
Building Improvements and Betterments	100% of Full Replacement Cost – No Coinsurance (minimum of $100,000)
Business Personal Property	100% of Full Replacement Cost – No Coinsurance – Special Form or equivalent (minimum of $100,000)
Spoilage	$5,000
Flood, Earthquake and Volcanic Eruption	Subject to Territory Limitations – required if in a designated Flood Zone

TYPE OF COVERAGE	LIMITS/SPECIFICATIONS
Workers' Compensation and Employer's Liability Insurance	As required by law
Employment Practices Liability Insurance with Franchisor Defense coverage	$1,000,000
Hired and Non-Owned Automobile Liability	$1,000,000 Combined Single Limit per accident

You must always keep the required insurance coverage in force, and you must comply with any changes we make periodically to our insurance requirements. Upon 30 days' notice to you, we may require you to increase and/or otherwise change the minimum coverage of the insurance referred to above including to reflect identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. In the event you fail to obtain or maintain the required insurance coverage, we reserve the right, but are not obligated to, obtain the required insurance on your behalf and charge the insurance premium to you.

We want to ensure that our franchisees comply with their leases for the premises where their restaurants are located, the limitations on their use of the approved location, and their obligations to us. Thus, if you open and operate a restaurant, one of our Leasing Affiliates may enter into a Master Lease for your restaurant and will then Sublease it back to you, using one of our approved Sublease forms (See Exhibit O-1: Sublease and Guaranty of Sublease (Franchisee pays rent directly to Landlord); and Exhibit O-2: Sublease and Guaranty of Sublease (Franchisor or its affiliate collects rent from Franchisee and pays to Landlord) (the preceding two subleases collectively known as "Exhibit O: Sublease and Guaranty of Sublease")). The Sublease will contain substantially the same terms as the Master Lease. The term of the Sublease will be for the entire term of the Master Lease, less one day. You will sign the Sublease at the time our Leasing Affiliate signs the Master Lease for the premises. You must provide all security deposits, guaranties, and other assurances the landlord of the premises requires. We or our Leasing Affiliate will try to negotiate favorable terms under the Master Lease, but we cannot guarantee that the lease terms, including but not limited to rent, will be the most favorable terms available in the market. We encourage you to participate in the lease negotiation process, with the assistance of your attorney. Our attorneys represent us, not you.

We may, at our option, require you to enter into a lease for the restaurant premises directly with the landlord ("Direct Lease"). You and your attorneys must negotiate the terms of the Direct Lease. We have no liability to you regarding the terms or negotiations of the Direct Lease. The Direct Lease for the premises is subject to our final approval. You and the landlord under the Direct Lease must sign our approved Lease Addendum (See Exhibit L: Required Lease Terms). Additionally, if your selected franchised Cold Stone Creamery restaurant is allowed to sell RMCF's products in addition to the Cold Stone Creamery product offering you must sign our approved RMCF Lease Addendum (See Exhibit L-1: RMCF Required Lease Terms). If we require you to enter into a Direct Lease, you must provide us with a copy of the Direct Lease and the Lease Addendum(s) for our approval at least 10 days before you sign the Direct Lease, and you must provide us with a copy of the executed Direct Lease and Lease Addendum(s) within 10 days after signing. If you do not provide us with all of the required documents, we will not approve your Direct Lease.

A non-traditional restaurant will generally be located inside an existing primary business. As a result, if you open and operate a non-traditional restaurant, there may not be a Sublease between you and our Leasing Affiliate. If the circumstances make a Sublease appropriate, then you would sign a Sublease with our Leasing Affiliate.

You should carefully read the Direct Lease, or the Sublease and Master Lease, and, if applicable, the sublicense agreement. The Sublease provides that a default under your Franchise Agreement is a default under the Sublease. It also provides that you will not raise any defense or counterclaim in any action we or our Leasing Affiliates commence, other than a defense of payment.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Article or Section in Franchise Agreement	Section in Sublease	Disclosure Document Item
a. Site selection and acquisition/lease	2.1 and 2.2	Preamble	7 and 11
b. Pre-opening purchases and leases	2.2, 3.3, 4.6 and 9.3	Not Applicable	5, 7, 8, 10 and 11
c. Site development and other pre-opening requirements	2.3, and 2.4	1.2	7, 8 and 11
d. Initial and ongoing training	4.1, 4.2 and 4.3	Not Applicable	11
e. Opening	3.1 (Note 1)	Not Applicable	7 and 11
f. Fees	5	3, 4, 5 and 18	5, 6, 7 and 11
g. Compliance with standards and policies/ Confidential Manual	1.4, 3.2, 4.5 and 9	Not Applicable	8, 11, 14 and 16
h. Trademarks and proprietary information	6 and 7	Not Applicable	13 and 14
i. Restrictions on products/ services offered	2.6, 3.2 and 9.2	6	8 and 16
j. Warranty and customer service requirements	No obligation imposed	Not Applicable	Not applicable
k. Territorial development and sales quotas	No obligation imposed in Franchise Agreement;	Not Applicable	11
l. Ongoing product/service purchases	3.2, 9.2 and 9.3	Not Applicable	8
m. Maintenance, appearance	1.4, 2.3, 12.3 and	8	7 and 11

Obligation	Article or Section in Franchise Agreement	Section in Sublease	Disclosure Document Item
and remodeling requirements	13		
n. Insurance	9.5	12	7
o. Advertising	5.3, 5.4 and 10	Not Applicable	6, 7 and 11
p. Indemnification	8.2, 8.3, 14.7 and 16.17	2.3, 7, 11 and 16	13 and 14
q. Owner's participation/ management/staffing	4.1, 4.2, 4.3, 9.1 and 9.6	Not Applicable	11 and 15
r. Records and reports	5.2, 5.6 and 11.1	3	6 and 11
s. Inspections and audits	4.3, 4.4, 5.18, 9.7 and 11.2	3.3 and 13	6 and 11
t. Transfer	12	9	6, 16 and 17
u. Renewal	13	2.2	6, 16 and 17
v. Post-termination obligations	14.5	Not Applicable	17
w. Non-competition covenants	14.6	Not Applicable	15 and 17
x. Dispute resolution	16.3	Not Applicable	17
y. Other			
Personal Acceptance; Personal and Spousal Guarantees; Non-Disclosure and Non-Competition	9.8; Personal Acceptance of Sections 7.1, 7.2, 14.6 and 14.8; Guaranty of Franchise Agreement; and Non-Disclosure and Non-Competition Agreement	Guaranty of Sublease	10, 15

Note 1: Not applicable for renewal Franchise Agreements.

ITEM 10: FINANCING

We do not offer any direct or indirect financing or financing arrangement, nor will we guaranty your obligations under any note or other obligation, except potentially for the lease for your site or if you purchase a restaurant corporate-owned “as-is” by one of our affiliates, and only in our sole and absolute discretion.

If you are an individual and married, your spouse must execute and deliver to us a Guaranty of Franchise Agreement (See Exhibit F-1: Guaranty of Franchise Agreement) and a Non-Disclosure and Non-Competition Agreement (See Exhibit F-2: Non-Disclosure and Non-Competition Agreement) at the same time that you sign the Franchise Agreement unless your spouse is also signing the agreement as an individual. If you are a corporation, limited liability company, or other business entity, each of your shareholders, members, or other owners (and their respective spouses, if married) must execute and deliver to us a Guaranty of Franchise Agreement, and their respective spouses must execute and deliver to us a Non-Disclosure and Non-Competition Agreement, at the same time that you sign this Agreement. In the event any

person who has not previously signed a Guaranty of Franchise Agreement or a Non-Disclosure and Non-Competition Agreement becomes your spouse or the holder of any class of your stock or ownership interests or a spouse of such holder, at any time after the execution of such agreement, you must cause such person(s) to immediately execute and deliver a Guaranty of Franchise Agreement and a Non-Disclosure and Non-Competition Agreement to us as appropriate.

If, in order to obtain the lease agreement for the site of your *Cold Stone Creamery* restaurant, the landlord requires you to obtain a third party lease guarantee, and we or one of our affiliates agrees to serve as such guarantor (with such determination to be made in our sole and absolute discretion), you will pay to us a lease guarantee fee in the amount of 10% of the total amount of the rental obligations being guaranteed under the lease during its term up to a maximum payment of $10,000. If the franchisee is an individual, the individual franchisee (and his/her spouse, if married) must personally guarantee the debt. If the franchisee is a corporation, limited liability company, partnership, or other entity, each of the principals of the entity (and each of their respective spouses, if married) must personally guarantee the debt. Once paid, the lease guarantee fee is non-refundable under all circumstances. We do not offer financing for the lease guarantee fee as it is payable in full upon the execution of the guarantee. Neither we, nor any of our affiliates, are required to serve as a guarantor of your lease for the site of your restaurant. The decision of whether to serve as a guarantor of your lease shall be made at our sole and absolute discretion.

If you purchase a corporate restaurant "as-is" that is owned and operated by one of our affiliates, we may finance up to 100% of the purchase price, at our sole discretion. When you purchase a corporate-owned restaurant from one of our affiliates, you will enter into an "Asset Purchase Agreement" (See Exhibit D). If you finance any portion of the purchase price of the corporate-owned restaurant through Kahala Holdings or Kahala Restaurants, you will also enter into a "Promissory Note and Security Agreement" and a "Guaranty," which are exhibits to the Asset Purchase Agreement. The purchase price may include the Initial Franchise Fee, any transferrable furniture, fixtures, and equipment, the leasehold and/or any transferable leasehold improvements that are located in the restaurant at the time of purchase, along with any inventory that is in the restaurant at the time of purchase. The lender providing the financing is one of our affiliates, Kahala Holdings or Kahala Restaurants, whichever entity owns the restaurant. The annual rate of interest charged will be between 0% and 12% and will depend on the creditworthiness of the franchisee, the amount being financed, and the dollar amount being paid up-front by the franchisee. There are no finance charges associated with the Promissory Note and Security Agreement. The amount being financed will be required to be re-paid in equal monthly installments and the period of repayment will be between 12 months and 60 months, depending on the amount being financed. The security interest required by us is a first position lien on all equipment. If the franchisee is an individual, the individual franchisee (and his/her spouse, if married), must personally guarantee the debt. If the franchisee is a corporation, limited liability company, partnership, or other entity, each of the principals of the entity (and their respective spouses, if married) must personally guarantee the debt. The Promissory Note and Security Agreement may be pre-paid in full or in part at any time and from time to time without penalty. The franchisee's potential liabilities upon default include: (i) an accelerated obligation to pay the entire amount due, including but not limited to all accrued and unpaid interest, if the default is not cured within seven calendar days; and the interest rate will be increased to an annual rate of 18%; (ii) obligation to pay costs and attorneys' fees incurred in collecting the debt; (iii) termination of the franchise; and (iv) liabilities from cross defaults resulting from non-payment or from the loss of business property on franchisee's other restaurants named in the Promissory Note and Security Agreement and granting either Kahala

Holdings or Kahala Restaurants the right to take back the restaurant(s). The Promissory Note and Security Agreement requires franchisees to waive the following legal rights: demand, notice, diligence, protest, presentment for payment, and notice of extension, dishonor, protest, demand and nonpayment of the promissory note; any release or discharge by reason of: any release or substitution of, or other change in, any security given for the indebtedness or the obligation of any person or entity who may become directly or indirectly liable for the note or any extension or other modification of the note; and rights to contest or appeal our exercise of the take back rights and not receiving compensation for the restaurant after the take back rights have been exercised. The Promissory Note and Security Agreement also bars the franchisee's right to contest the take back rights.

We require a first lien position in all equipment as a security interest to be given by the franchisee. We do not intend to sell, assign or discount to a third party any financing arrangement. We do not arrange financing from other sources; therefore, we do not receive direct or indirect payments from placing financing.

The lease for a corporate restaurant is entered into by one of our affiliates. When you purchase the corporate restaurant, you will enter into a Sublease with our affiliate using our standard form of Sublease where you pay all monies owing under the Master Lease directly to the property owner, or our standard form of Sublease in which you pay all monies owing under the Master Lease to our affiliate and the affiliate will pay the property owner, which are exhibits to the Asset Purchase Agreement. The Sublease will contain substantially the same terms as the Master Lease. The term of the Sublease will be for the entire term of the Master Lease, less one day. If you are an individual, you (and your spouse, if married) must sign the Guaranty of Sublease (see Exhibit O: Guaranty of Sublease). If you are a corporation, limited liability company, partnership or other business entity, each of your shareholders, members, partners or other owners (and their respective spouses, if married) must sign the Guaranty of Sublease.

We will, within 60 days after we receive the proposed Master Lease (and additional materials required by us), review the Master Lease to make sure it meets our minimum site requirements.

Upon submission of a proposed Master Lease, you must provide us with any additional documentation and information that we may require regarding the proposed site, the proposed lease, your financial condition and your Principals' financial condition. If we determine that you do not have the financial capacity to perform your obligations with respect to the site or the Master Lease, we may deny approval of the site and/or Master Lease. That disapproval will be deemed to be reasonable. In that event, we or our affiliates or franchisees may operate a *Cold Stone Creamery* restaurant at that site.

We or our affiliates may, in our sole discretion, lease the site approved by us for your *Cold Stone Creamery* restaurant and sublease the site to you. In addition, if and when you sign the Sublease, you must pay to us an amount equal to two months base rent under the Master Lease, plus a security deposit in an amount equal to the security deposit required under the Master Lease. (We reserve the right, however, to require a greater security deposit, based upon your creditworthiness.)

Please note, if you intend to lease the site of your restaurant, the lease must include certain required provisions (See Exhibit L: Required Lease Terms; Exhibit E-1: Franchise Agreement (New) – Section 2.2; Exhibit E-2: Franchise Agreement (Renewal) – Section 2.2;

Exhibit E-3: Franchise Agreement (Transfer) – Section 2.2 (all the preceding three franchise agreements collectively known as "Exhibit E: Franchise Agreement")).

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as disclosed below, Kahala Franchising is not required to provide you with any assistance.

If your Franchised Business will be located in an area that is subject to an area representative agreement, the Area Representative in that area may be responsible for providing to you some or all of the services required to be provided by us, other than new owner training. However, Area Representatives are not authorized to make promises or agreements on our behalf or to agree to modifications to your Franchise Agreement or other agreements relating to your Franchised Business.

Pre-Opening Assistance

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

Site Selection

1. You will either: (i) lease or purchase the premises for your *Cold Stone Creamery* restaurant directly from a third party; or (ii) one of our Leasing Affiliates will lease or license the premises where you will locate your restaurant, and will provide you with a Sublease or sublicense of the premises, as applicable. You must select, and we must approve, an acceptable location that you open within one year after the effective date of the Franchise Agreement. The lease or purchase agreement will be subject to our prior approval, and you must provide us with a copy of the lease or purchase agreement at least 30 days prior to execution. We will notify you if we do not approve the site within 30 days of receiving your site selection information. We will not unreasonably withhold our approval of the location. The location must be within a geographic area identified in Section 1.1 of the Franchise Agreement. The factors that we will consider in approving your proposed location include, among other things: occupancy costs, proximity to major retail activity and other *Cold Stone Creamery* restaurants, sign visibility, traffic volume and speeds, parking availability, neighborhood economic profile, population density, accessibility, competition and other tenants in the shopping center, mall, or applicable retail structure. If you cannot secure a location acceptable to us and open it within one year after the effective date of the Franchise Agreement, we may terminate your Franchise Agreement after giving you written notice (See Exhibit E-1: Franchise Agreement (New) —Section 2.1). The decision to establish and operate your *Cold Stone Creamery* restaurant at the location will be made solely by you, without any reliance upon any information provided (if any), recommendation made (if any) or approval given (if any) by us, any Area Representative or any of our or their respective shareholders, directors, officers, employees, representatives, agents or affiliates. You must purchase or lease your business location from independent third parties. If you intend to lease your business location, the lease must include certain required provisions (See Exhibit L: Required Lease Terms; Exhibit E: Franchise Agreement—Section 2.2).

2. If we determine that you do not have the financial capacity to perform your obligations with respect to the location or the Master Lease, we may deny approval of the

location and/or Master Lease. Our disapproval will be deemed to be reasonable. In that event, we or our affiliates or franchisees may operate a *Cold Stone Creamery* restaurant at that site.

Construction and Furnishings

1. We will provide you with a copy of the design drawings, which is the detailed plans and specifications including landscaping and parking space, if applicable, for your Franchised Business upon our approval of the plans. You must hire and use, at your sole cost and expense, our designated and approved third party architect (See Exhibit E: Franchise Agreement—Section 2.3). You are solely responsible for conforming the premises to all codes and ordinances, including the Americans with Disabilities Act (the "ADA"), and obtaining all required permits. You are solely responsible for constructing or remodeling and decorating the location to our system standards and subject to our approval. We do not provide assistance with conforming the premises to codes and ordinances, including the ADA, obtaining permits, or constructing, remodeling or decorating your restaurant. You must provide us with one copy of the plans for your restaurant within 30 days after selection of the site. We will then have 30 days to approve or disapprove of the plans. We must approve any and all changes or revisions to the plans required for your site before you begin construction. Our approval of the plans is solely for complying with our system standards, and not for determining compliance with codes, ordinances, the ADA, or any lease-specific requirements.

2. We will identify the furnishings, fixtures, and equipment (including cash registers, point of sale systems, and computer hardware and software), signs, products, materials, and supplies necessary or authorized for the restaurant to begin operation (See Exhibit E: Franchise Agreement—Sections 2.4, 3.2, 3.3, 4.5, 4.6, and 9.3).

3. We will provide you with all standards of operation that you must use or satisfy before you open the restaurant (See Exhibit E: Franchise Agreement—Sections 4.5 and 9.1).

4. We will provide you with the names and contact information of any distributors and/or suppliers you are required or authorized to use to supply you with products or services complying with our standards and specifications. The names and contact information of the approved distributors and suppliers and the written specifications for the approved equipment, signs, fixtures, opening inventory and supplies will be provided to you during the pre-opening and/or construction phase for your Franchised Business. Updates will be provided to you as changes are made (i.e., additions and deletions) to the list of approved distributors for our approved suppliers. We do not deliver or install any of these approved items (See Exhibit E: Franchise Agreement—Section 9.3).

Confidential Operations Manual

We will provide you, as part of the Confidential Manual, an electronic or print version of the Operations Manual, with operating procedures to assist you in complying with our standard methods of controls, production methods, and with policies procedures and resources to support brand consistency and compliance. The Operations Manual is collectively 48 pages. The Operations Manual is confidential and remains our property. We may modify the Operations Manual as and when we desire, but no modification will materially alter your status and rights under the Franchise Agreement (See Exhibit E: Franchise Agreement—Section 4.5). The Table of Contents of the Operations Manual is attached to this Disclosure Document as Exhibit T.

Time to Open

The typical length of time between the earlier of the signing of the Franchise Agreement or the first payment of consideration for the franchise and the opening of the Franchised Business is 4 to 12 months for both a traditional and non-traditional Cold Stone Creamery restaurant. The factors that may affect this time are: lease or purchase negotiations; zoning procedures; financing applications; local ordinances and approvals; obtaining licenses and permits; construction delays; weather conditions; shortages; delayed installation of equipment, fixtures and signs; development or construction not in accordance with our requirements; labor disputes; Acts of God; and other reasons.

Training

1. We will make a Training Program available to you and your designated representative after you sign the Franchise Agreement. The following Table indicates the general subject matter, the number of hours of classroom training, and the number of hours of on-the-job training for each subject to be covered during the Training Program, and the location of the training. Our instructors have been adequately trained in the ownership and operation of a *Cold Stone Creamery* franchise, including having, at a minimum, completed the entire *Cold Stone Creamery* Training Program, and having experience in training each of the subjects listed in the table below, with some trainers having five years' experience or more in training each of the subjects. Other personnel involved with on-the-job training of franchisees are Regional Directors of Operation, all who have more than one year experience with on-the-job training. During the classroom portion of the Training Program, New Owner Training will be taught using the following instructional materials: manuals, videos, and tests. You and anyone taking in-store training (including employees of franchisees) must: sign the In-Store Training Release and Waiver of Liability Agreement (see Exhibit J). In-store training will be taught in a *Cold Stone Creamery* restaurant using the following instructional materials: manuals, job aids and tests. Certain portions of the entire Training Program may be adjusted as necessary as determined by us and based upon your skill sets. Further, substitute instructors may present certain portions of the Training Program.

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of on-the-job training	Column 4 Location
New Owner Training	40	---	Online, KTEC (Kahala Training & Education Center) in Scottsdale, AZ, or at such other location designated by us
In-Store Training	---	80	Training store in Arizona or such other location designated by us

2. The training of two individuals is included in the Initial Franchise Fee. You or another partner, shareholder or member of your business organization must have successfully completed our Training Program to our satisfaction. Your manager, at your sole discretion, may be one of the two individuals you bring to training, or you may bring your manager in addition to the two individuals and pay the Additional Persons Training Fee. You and your restaurant managers must be able to read and write English adequately, in our good faith opinion, to

satisfactorily complete our Training Program and to communicate with employees, customers and suppliers. Notwithstanding the foregoing, Franchisor has the right to require Franchisee and/or its managers(s) to attend additional in-store training in the event Franchisee is not operating the Franchised Business pursuant to Franchisor's Systems Standards. Please note, at our sole discretion, the Training Program for a non-traditional Cold Stone Creamery may differ slightly from the Training Program outlined above (See Exhibit H: Amendment to Franchise Agreement (for non-traditional locations excluding those co-branded with another affiliated brand); Exhibit I: Amendment to Franchise Agreement (for co-branded non-traditional locations)).

3. The classroom portion of the Training Program will be held online, from KTEC–, which is located at our corporate offices in Scottsdale, Arizona, or at such other location(s) as we designate in our sole discretion and the in-store portion of the Training Program will be held at one of our affiliated restaurants in the metropolitan Phoenix, Arizona area, or at such other location(s) as we may designate in our sole discretion. You will need to arrange for transportation (such as flights and car rental), food, and lodging for you and your designated attendee. The costs you incur will depend on factors such as the distance you must travel, the type of accommodations you choose and the time of year you attend training The estimated cost for travel and living expenses for two persons while training, not including salaries, if any, ranges from $3,000 to $7,500 (See Exhibit E: Franchise Agreement—Sections 4.1 and 9.6).

4. You must complete the Training Program no more than three months and no less than one day prior to the opening of your *Cold Stone Creamery* restaurant. The New Owner Training will be conducted once a month. The In Store Training portions of the Training Program is scheduled as needed and determined by the Franchisor. Kahala Franchising does not currently require you to attend additional training courses or refresher courses. However, if you would like additional training after completing the Training Program, we will provide additional training to you at a cost of $300 per person per day. Notwithstanding the foregoing, Franchisor has the right to require Franchisee and/or its managers(s) to attend additional in-store training in the event Franchisee is not operating the Franchised Business pursuant to Franchisor's Systems Standards.

5. In addition to the Training Program, you must ensure that all of your employees are trained in *Cold Stone Creamery* restaurant procedures. You are solely responsible for hiring and training your employees. You must also ensure that the manager(s) and all employees whose duties include customer service are able to speak and read English and any other language that may be required to adequately meet the public needs in your restaurant. We believe training is important to the success of the *Cold Stone Creamery* System, and from time to time, we may offer informal training sessions to franchisees. We believe it is in your best interest to attend any such training sessions.

6. We will provide one of our representatives to come to your restaurant during opening week for up to five days at our expense to work with you and your manager on your grand opening, and on operating and marketing your restaurant. We may, in the future, hold refresher or additional training programs, conferences and seminars. Your attendance at these programs is mandatory. To help us defray the cost of sponsoring these programs, there may be a nominal registration fee, and you will also be required to pay the cost of transportation, food, lodging and other personal expenses of your attendance and those of your personnel at any such program. These programs will be held at locations within the United States that we will specify in our sole discretion (See Exhibit E: Franchise Agreement—Section 4.3).

Post-Opening Assistance

During the operation of the Franchised Business:

1. If you are opening a new restaurant, we or our designated affiliate will create a marketing plan for (i) a grand opening event and (ii) the initial advertising of your Franchised Business, and will work with you to obtain your input on the marketing plan. (See Exhibit E: Franchise Agreement-Sections 5.24 and 10.2).

2. We will maintain a continuing advisory relationship with you, including consulting with you in marketing, merchandising and general business operations which may help you in improving and developing your restaurant (See Exhibit E: Franchise Agreement – Sections 4.3, 9.1).

3. We will provide you with information on our operating and other standards for your restaurant. We may modify these as, and when, we desire (See Exhibit E: Franchise Agreement – Sections 4.5, 9.1).

4. We will continue our efforts to maintain high and uniform standards of quality, cleanliness, appearance and service at all restaurants in the System, including making periodic inspections and quality service checks of your restaurant (See Exhibit E: Franchise Agreement – Section 4.3, 9.1, and 9.7).

5. We may make you aware of software available for purchase from an approved third party vendor to assist you in administrative, bookkeeping, accounting, and inventory control procedures (See Exhibit E: Franchise Agreement – Section 4.6).

6. We must review substitute locations for your restaurant and you must obtain our prior approval if you desire to relocate your restaurant. (See Exhibit E: Franchise Agreement – Section 2.5).

7. We may offer you the option for a one-time renewal of your Franchise Agreement prior to its expiration for a maximum term of five years, if you meet our requirements. Upon renewal, you must execute our form of Franchise Agreement being used at the time of your renewal and pay us the applicable Renewal Franchise Fee (See Exhibit E-1: Franchise Agreement (New) – Article 13; Exhibit E-3: Franchise Agreement (Transfer)).

Optional Assistance

1. Upon your request, we will reasonably assist you or provide recommendations regarding establishing pricing for the products you sell in your restaurant; however, the ultimate decision on the prices you charge is yours. We will not establish the prices for you.

2. Upon your request, we will reasonably assist you in resolving operating problems you may encounter.

Advertising

1. We (or, at our election, a third party that may be an affiliate of ours) will establish and administer the Fund that will include your Advertising Fees and those of other franchise owners in the System, in accordance with the Franchise Agreement. The Advertising Fee, which is currently three percent (3%) of your weekly Gross Sales (See Exhibit E: Franchise

Agreement – Section 5.3), shall be due and payable with the Royalty Fee (See Exhibit E: Franchise Agreement – Section 5.2). Except in limited circumstances as described below, all *Cold Stone Creamery* franchisees must contribute to the Fund at the same rate, which is currently two percent (2%) of your weekly Gross Sales to the National Fund. If your restaurant is located in a Cooperative, you must also contribute an additional one percent (1%) of your weekly Gross Sales to your Regional Fund for your Cooperative; if no Cooperative exists where your Franchised Business is located, your Franchised Business will be considered a "single store" cooperative and you must contribute the remaining one percent (1%) of your Gross Sales to the Regional Fund for your Franchised Business. In limited cases in our sole discretion (for example, certain international restaurants or non-traditional restaurants such as airport or university locations that require different advertising support), some franchisees may not be obligated to contribute to the Fund. For each of our company-owned or affiliate-owned restaurants, it's our policy that such restaurants make contributions to the Fund at a rate equal to the lowest rate a franchisee is then-required to contribute. If an affiliate of ours administers the Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third parties for comparable services. Unless required by applicable law, we will have no obligation to create a trust account, escrow account or other special account for the Fund, and the monies comprising the Fund may be placed in our general account(s) if we desire. We may also reserve portions of the Fund for use in a subsequent year. The Fund is not audited, and the financial statements for the Fund and accounting of the Fund are not available to franchisees.

2. The Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* name, System, products and services. The Fund may be used to pay any and all costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine, digital, and newspaper advertising campaigns and other public relations activities, employing advertising agencies to assist in such campaigns or other activities, and providing promotional brochures and other marketing materials to franchise owners. We are entitled to receive the following from the Fund: reimbursement of our expenses, overhead, and employee salaries for services, materials, supplies, facilities, equipment or capital provided to the Fund, and rent for office space provided to the Fund. Advertising funds not spent in the fiscal year in which they accrue are rolled over to the next fiscal year. We have no fiduciary responsibility to you on our management of the Fund, and no obligation to you to spend the Fund in your market area and/or in your Cooperative area, if applicable.

3. We, or our designee, will direct all advertising programs to be undertaken through the use of the Fund. We will have sole discretion over all creative concepts, materials and media used in such programs and the placement and allocation of such programs. Advertisements generally will be in print, digital, and broadcast media, initially with local coverage. We are not required to use any specific amounts from the Fund in your market. However, we in our sole discretion may use some amounts contributed by you to any approved Regional Fund, if any, in the same geographic area in which your restaurant is located. We may use an outside advertising agency to create and place advertising. The Fund will be used to create new marketing material and promote the products and services offered by *Cold Stone Creamery* restaurants.

Advertising Fund expenditures during our most recent fiscal year ending November 30, 2022~~2~~3 fell into the following categories:

Production	~~17.1~~19.6%
Media Placement	~~55.1~~52.4%
Administrative	~~21.1~~22.4%
Other	~~6.7~~5.5%
TOTAL	100%

The "other" expenses included public relations, research, concept development and communications. None of the Fund was used for the solicitation of franchises.

4. Unless your *Cold Stone Creamery* restaurant is located in an enclosed shopping mall or other enclosed structure identified in Section 1.1 of the Franchise Agreement, you will be required to insert a regular (white pages) listing and a classified (yellow pages) telephone directory advertisement in the main telephone directories serving the geographical area in which the restaurant is located, or you must participate in a multiple insertion in the event there is more than one franchise owner in such area. In either case, the telephone directory advertisement must be approved by us in advance (See Exhibit E: Franchise Agreement—Section 10.2).

5. In addition to contributions to the Fund and the telephone directory advertisements, if applicable, described above, we strongly recommend that you spend not less than 2% of your monthly Gross Sales on local advertising (See Exhibit E: Franchise Agreement—Sections 5.3 and 10.2).

6. All advertising by you in any medium must be conducted in a professional manner, must conform to the standards and requirements in our Confidential Manual, and must display our Proprietary Marks only in those forms approved by us. We may make available to you, from time to time, approved advertising, promotional plans and materials for purchase (See Exhibit E: Franchise Agreement—Sections 3.2 and 10.2).

7. You may not maintain a website, software application, an App (application), social media account (including, but not limited to, an account, group or page on Facebook®, Flickr®, Foursquare®, Google+®, Instagram®, LinkedIn®, Pinterest®, Snapchat®, Tumblr®, Twitter®, YouTube®, Vine®, VKontakte or Weibo®), or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with your restaurant without our prior written approval (See Exhibit E: Franchise Agreement – Section 3.4).

8. We will not prevent the formation of franchisee cooperatives. We encourage our franchisees to form and operate Cooperatives. Each Cooperative will coordinate advertising and marketing efforts and programs, and will attempt to maximize the efficient use of local advertising media. If a Cooperative is formed for your region, you must financially contribute to the Cooperative as required by us. Failure to do so will be deemed a breach of the Franchise Agreement and you may also, in Franchisor's sole discretion, lose your right to vote as to Cooperative matters. The membership of the Cooperative is defined by us according to your market area. We are responsible for administering the Cooperative. We may prepare for each Cooperative a statement on the use of advertising collections and expenditures. We reserve

the right at any time, in our sole discretion, to form, change, dissolve, or merge Cooperatives. (See Exhibit E: Franchise Agreement – Section 5.4).

9. We may contribute sums from the Fund to a Cooperative. On our request, you must assist in establishing a Cooperative and in deciding how to allocate contributions from the Fund to your Cooperative. We reserve the right to establish general standards concerning the operation of a Cooperative, advertising agencies the Cooperative retains, and advertising programs the Cooperative conducts. Notwithstanding anything to the contrary, no Cooperative decisions will be made or advertising collections spent without our prior written approval. (See Exhibit E: Franchise Agreement – Section 5.4).

10. We are not, under any circumstances, obligated to contribute any advertising collections to any regional or national advertising account, fund, program, association, or other organization. We are not required to spend any advertising collections on advertising in the area where your restaurant is located. We carry forward any advertising collections not spent in a fiscal year and spend them in the next fiscal year.

Computer System

1. We require you to exclusively use an approved electronic point-of-sale system to record all your sales during the operation of your restaurant, the components of which are identified in the Confidential Manual ("POS System"). Prior to the opening of your restaurant, you will be required to acquire and to exclusively use an approved cash register/computer system POS System during the operation of the Franchised Business. We require that the manufacturer or its authorized representative on an ongoing basis service the POS System, at your cost. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the term of your Franchise Agreement as we may require from time to time. There are no contractual limitations on the frequency or cost for the franchisee to upgrade or update the POS System during the term of the Franchise Agreement. It will be your responsibility to enter into contracts for the maintenance, upgrades and updates to the POS System with an approved supplier of such services identified by us on the list of approved vendors and distributors or other notification to you from us advising of suppliers for your market area. Your POS System cost per restaurant will depend, among other things, on your restaurant's size and configuration, the system options you choose and/or we determine (such as drive-thru needs (if any), and printer needs), and the types of telephone and internet access services available. You may be required to obtain a high-speed/always-on internet connection service for your POS System. This requirement shall be defined by the then-current Confidential Manual, which may change from time to time. If high-speed/always-on internet connection service is not available in your area, dial-up Internet access may be used until high-speed/always-on internet connection service becomes available in your area. You may be required, from time to time, to upgrade the POS System's hardware and/or software, at your sole cost and expense, in order to maintain the POS System in conformity with our then current requirements. You must complete training for the POS System as we require. If you are buying an existing restaurant with an older cash register system, it is a requirement for the transfer that you purchase and install the then current POS System in the restaurant. (See Exhibit E: Franchise Agreement – Section 4.6).

a. We require you to use a POS System that meets our specifications in order to: (i) assist you in the operation of your *Cold Stone Creamery* restaurant; (ii) allow us to monitor your gross sales; (iii) enable us to develop chain-wide statistics that may improve purchasing; (iv) assist us in the development of new authorized products or the removal of

existing unsuccessful authorized products; (v) enable us to refine existing authorized products; (vi) generally improve system-wide understanding of our marketing efforts; and (vii) obtain new types of information. The POS System must be configured so that we have independent and remote access to the information and data stored in it. This access allows us to exchange/collect data and other information on such basis as we shall from time to time communicate to you. There are no contractual limitations on our right to access the information in your POS System. All approved cash registers are capable of recording accumulated sales and cannot be turned back or reset, and must be able to retain data in the event of power loss. You must purchase the approved electronic POS System from an approved vendor, as we have required our approved supplier to make special modifications to their equipment and systems to comply with our requirements (See Exhibit E: Franchise Agreement – Section 4.6). You must also purchase approved software for your restaurant. The cost of purchasing the POS System, including the software, ranges from $4,760 to $14,000. You must also purchase from us POS Help Desk Phone Support Maintenance on both the software and hardware for your POS System, the cost of which will not exceed $60 per month. It is recommended that you also purchase hardware support for all modules for the first year you operate your *Cold Stone Creamery* restaurant. The cost is approximately $150 to $1,300 per year depending on the equipment installed. This cost is subject to change by the supplier.

b. The approved POS System has in its specifications integrated "card swipe" systems that process debit card, credit card, or other non-cash payment systems including our stored value gift cards, loyalty cards, frequency cards, gift certificates, vouchers, and any other similar electronic card and/or payment programs (collectively, the "Gift/Loyalty Card") sponsored by us or our affiliates. You must obtain credit card and gift card processing services from our approved vendors. The charges associated with credit card and gift card transactions are compiled per transaction and therefore will vary from restaurant to restaurant. We estimate that the costs associated with credit card transactions will be between 1% and 4% of your gross sales. Gift card transactions will cost you 11% of the gift card redemption, and may increase at any time with a 30 day notice. The Payment Card Industry ("PCI") requires all companies that process, store, or transmit credit card information to protect the cardholders' information by complying with the PCI Data Security Standard ("PCI DSS"). Therefore, as a franchisee who accepts credit cards, you are required to be PCI compliant by following and adhering to PCI DSS, completing an annual questionnaire and quarterly network PCI scans and installing a network firewall appliance for logging, tracking, reporting, and security assessment. We may require a particular firewall (hardware and/or software). The PCI compliance is mandated by the Payment Card Industry. The cost for the quarterly network security scans, network firewall appliance and annual questionnaire ranges from $150 to $1,300 per year. The cost is subject to change by supplier. You are also required to validate with Kahala that your store is PCI compliant to show validation you must send Kahala your Passing Certificate showing your store is PCI compliant and also verify that you have a PCI compliant firewall appliance installed at your location if you process credit cards via high speed internet connectivity.

c. You must purchase a computer and connect to the Internet so that you can report your gross sales online, so that you can receive online cake orders, so that we can communicate by email, so that you can use Internet and Extranet services, and so that you can receive other electronic information we send. You also must, at your cost, maintain membership in a designated third party network, and maintain an active email account. We may revise our computer specifications. If we do so, we may require you to upgrade or update your computer. There is no contractual limitation on the frequency and cost of this obligation. There may be comparable equivalents on the market for the computer we require, but we have

not yet tested or approved any comparable computer; however, we may do so in the future. You are responsible for backing up and otherwise protecting your data on your computer. You are also responsible for recording and restoring all software license keys. We may require you to upgrade the hardware and software as reasonably necessary to provide reports and information required by us. All Cold Stone Creamery franchisees are required to participate in online ordering and delivery programs, which may in Franchisor's sole discretion require you to pay for certain goods and/or services from Franchisor, Franchisor's affiliate, and/or unaffiliated third-party providers. For example, as of the Disclosure Document's Issuance Date, Franchisees are required to enter into an agreement with and pay corresponding fees to Olo as established by Olo for such goods and/or services. This provider may change, in Franchisor's sole discretion, upon advance notice to you

2. We require that you permit us to poll your sales information on a daily basis, and that you execute a Pre-Authorized Electronic Funds Transfer Form by and payable to Kahala Franchising (which is attached to this Disclosure Document as Exhibit P), permitting us to weekly debit your account for payment of weekly royalty and advertising fees and debit your account as necessary for product purchases from us or our affiliates. (See Exhibit E: Franchise Agreement – Sections 5.2 and 5.3). We may require you to enter weekly inventory information, and if so, would require that you permit us have remote access to that information (See Exhibit E: Franchise Agreement – Section 4.6). We may require you to permit us access to your POS System, restaurant management software, and financial records (or similar tools thereto) to poll your information daily, or more frequently, by electronic or other remote means (See Exhibit E: Franchise Agreement – Section 5.2).

3. The POS System and personal computers contain sales and labor data that can be generated and stored in the systems and that allows for the generation of financial and payroll reports.

ITEM 12: TERRITORY

The franchise is granted only for the location specified in the Franchise Agreement or a location to be approved by us. The specific site of your *Cold Stone Creamery* restaurant is subject to our approval. We will not unreasonably withhold our approval of the location.

You will not receive an exclusive territory. You may face competition from other franchisees, from restaurants that we own, or from other channels of distribution or competitive brands that we control. You will not receive an option, right of first refusal or other rights under the Franchise Agreement to acquire additional franchises. We (and/or our affiliates) may establish other franchised or company-owned *Cold Stone Creamery* restaurants that may compete with your location, including across the street from your location or in the same venue as your location. We (and/or our affiliates) may co-brand *Cold Stone Creamery* with one or more of our other quick service restaurants or allow approved *Cold Stone Creamery* stores to sell additional approved menu items under a trademark license agreement we may have with other third-party restaurant concepts. We presently intend to develop *Cold Stone Creamery* restaurants throughout the United States and internationally. Except as expressly limited in the Franchise Agreement, we (for ourselves, our affiliates and our designees) retain all rights with respect to *Cold Stone Creamery* restaurants, the Service Marks, all confidential and proprietary information, all copyrighted materials and the sale of *Cold Stone Creamery* products anywhere in the world, including, without limitation, the right to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs. One or more

future *Cold Stone Creamery* restaurants may have an adverse effect on the revenues and profitability of existing *Cold Stone Creamery* restaurants, including your *Cold Stone Creamery* restaurant.

In addition, we (and/or our affiliates) may market and/or test, directly or indirectly, *Cold Stone Creamery* products or services through channels of distribution other than *Cold Stone Creamery* restaurants operated by us, our affiliates and franchisees, including through the Internet, catalog sales, telemarketing, grocery stores, movie theaters, limited access highway food facilities, mobile units, off-site sales accounts, electronic mail, converting other chains and other distribution opportunities, or vending machines and similar automated dispensing systems ("Other Channels") which generally are not available for us to franchise to you, and typically involve trademark licensing and/or the sale of our branded products. We may also distribute, sell and/or license other persons or entities to distribute and/or sell products through all Other Channels. Where tests prove to be successful, we may expand our sale of products in similar businesses on a regional, national or international level. We reserve the right to establish Other Channels to make sales that may compete with your location using our principal trademarks. These Other Channels could compete with you in the sale of your products. Kahala Franchising is under no obligation to compensate its franchisees on sales Kahala Franchising makes using Other Channels. Kahala Franchising is under no obligation to compensate franchisees for soliciting or accepting orders in the franchisee's territory as the franchisee is granted no exclusive territory. Franchisees may not use Other Channels, including the Internet, catalog sales or telemarketing to make sales except that the Franchisee may provide catering services anywhere as long as such services comply with the current version of our Confidential Manual. All sales made from catering services must be included in the Franchisee's Gross Sales. We reserve the right, directly or through third parties, to manufacture or sell, or both, anywhere, other products which are the same as or similar to those sold in *Cold Stone Creamery* restaurants, but which bear trademarks that are not confusingly similar to any of the trademarks you are authorized to use under the Franchise Agreement.

We reserve the right, either directly or through affiliated entities, to operate or license others to operate businesses other than *Cold Stone Creamery* restaurants anywhere, including, but not limited to, locations of our other quick service restaurant concepts, and you agree that we or our affiliates may do so anywhere.

The NrGize Lifestyle Cafe brand is a business that we franchise under a different trademark than *Cold Stone Creamery* that sells smoothies similar to those offered by *Cold Stone Creamery*. The Kahala Coffee Traders brand is a business that we franchise under a different trademark than *Cold Stone Creamery* that sells smoothies similar to those offered by *Cold Stone Creamery*. In addition, the Surf City Squeeze brand is a business that we franchise under a different trademark than *Cold Stone Creamery* that also sells smoothies, and the Frullati Cafe & Bakery brand is a business that we franchise under a different trademark than *Cold Stone Creamery* that sells blended fruit and vegetable drinks similar to the smoothies offered by *Cold Stone Creamery*. The Maui Wowi brand is a business that we franchise under a different trademark than *Cold Stone Creamery* that sells smoothies and frappes similar to those offered by *Cold Stone Creamery*. The Tasti D-Lite brand is a business we offer under a different trademark than *Cold Stone Creamery* that sells frozen dessert confections with a variety of mix-ins and toppings, shakes, smoothies and frozen cakes and pies similar to those offered by *Cold Stone Creamery.* The Pinkberry brand is a business we franchise under a different trademark than *Cold Stone Creamery* that sells smoothies similar to those offered by *Cold Stone Creamery*. The sweetFrog brand is a business our affiliate franchises under a different trademark than *Cold Stone Creamery* that sells smoothies similar to those offered by

Cold Stone Creamery. The La Diperie brand is a business our affiliate franchises under a different trademark than *Cold Stone Creamery* that specializes in the retail sale of an ice cream product and various dips and toppings that are similar to those offered by *Cold Stone Creamery*. The Planet Smoothie brand is a business we franchise under a different trademark than *Cold Stone Creamery* that sells smoothies and fruit drinks similar to those offered by *Cold Stone Creamery*. The NrGize Lifestyle Cafe franchises are offered under the NrGize Lifestyle Cafe word and design trademarks, the Kahala Coffee Traders franchises are offered under the Kahala Coffee Traders word and design trademarks the Surf City Squeeze franchises are offered under the Surf City Squeeze word and design trademarks, the Frullati Cafe & Bakery franchises are offered under the Frullati Cafe & Bakery word and design trademarks, the Maui Wowi franchises are offered under the Maui Wowi word and design trademarks, the Tasti D-Lite franchises are offered under the Tasti D-Lite word and design trademarks, the Planet Smoothie franchises are offered under the Planet Smoothie trademark, the Pinkberry franchises are offered under the Pinkberry trademark, sweetFrog franchises are offered by our affiliate under the sweetFrog trademark, and the La Diperie franchises are offered by our affiliate under the La Diperie trademark. The NrGize Lifestyle Cafe stores, The Kahala Coffee Traders stores Surf City Squeeze stores, Frullati Cafe & Bakery stores, Maui Wowi mobile and fixed operating units, Pinkberry stores, Planet Smoothie stores, sweetFrog stores and mobile units, La Diperie stores, Tasti D Lite products are primarily franchised, but may also be operated by one of our affiliates. NrGize Lifestyle Cafe franchises have been offered by us from 2006 until March 2010 under the name of Kahala Franchise Corp. and since August 2010 under the name of Kahala Franchising; The Kahala Coffee Traders franchises have been offered by us from November 2011 under Kahala Franchising; Surf City Squeeze franchises have been offered by us from 1994 until 2004 under the name of Malibu Smoothie Franchise Corp. and Surf City Squeeze Franchise Corp., from 2004 until March 2010 under the name of Kahala Franchise Corp., and since August 2010 under the name of Kahala Franchising; Frullati Cafe & Bakery franchises have been offered by us from 1999 until 2004 under the name of Frullati Franchise Systems, Inc., from 2004 until March 2010 under the name of Kahala Franchise Corp., and since August 2010 under the name of Kahala Franchising, Maui Wowi franchises have been offered by us since November 2015, Tasti D-Lite franchises have been by our affiliate from February 2008 until April 2015 under the name of Tasti D-Lite LLC and by us since June 2016 (but only as a co-brand in a Planet Smoothie), Planet Smoothie franchises have been offered us from June 2015 until April 2016 under the name of Tasti D-Lite LLC, and since May 2016 under the name of Kahala Franchising, and Pinkberry franchises have been offered by our affiliate from July 2008 until April 2015 under the name Pinkberry Ventures, Inc. and by us since June 2016. sweetFrog franchises have been offered by our affiliate since September 2018. La Diperie franchises have been offered by our affiliate since April 2019. A Maui Wowi mobile and/or fixed operating unit, an NrGize Lifestyle Cafe, Kahala Coffee Traders restaurant, Planet Smoothie restaurant, Surf City Squeeze, sweetFrog restaurant and/or mobile unit, La Diperie restaurant, Frullati Cafe & Bakery, Tasti D-Lite restaurant and/or a Pinkberry restaurant may be located within the vicinity of your Cold Stone Creamery restaurant. Franchisees of the NrGize Lifestyle Cafe brand, Kahala Coffee Traders brand, Surf City Squeeze brand, Frullati Cafe & Bakery brand, Maui Wowi brand, Tasti D-Lite brand, Pinkberry and La Diperie brand are not currently given an exclusive territory. Traditional Planet Smoothie franchises do have an exclusive territory pertaining to other traditional Planet Smoothie franchises. Kahala Franchising will provide support to all of its concepts regardless of the vicinity of a concept to another concept that sells similar products. The principal business address of these similar concepts is the same as Kahala Franchising's address. Kahala Franchising and MTY USA do not maintain separate offices or separate training facilities for the similar competing business.

We may merge with, acquire and/or be acquired by any other business, including, without limitation, a business that competes with your *Cold Stone Creamery* restaurant, or acquire and convert any retail stores, including, without limitation, retail stores operated by competitors, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned.

On July 26, 2016, Franchisor's parent company, Kahala Brands, merged with a wholly-owned subsidiary of MTY. MTY's address is 8150 Transcanada Highway, Suite 200, Saint Laurent, Québec H4S 1MF. As described in Item 1, subsequent to the merger, in addition to the concepts franchised by Kahala Franchising or its current or former affiliates, MTY Canada franchises over sixty (60) different restaurant concepts and sub-franchises two (2) other different restaurant concepts.

Certain of the restaurant concepts franchised by MTY offer goods or services that are the same or similar to those that you will offer under the *Cold Stone Creamery* brand. MTY offers the same or similar goods or services under the La Crémière trademark and sub-franchises under the TCBY trademarks. At this time, the La Crémière concept and sub-franchised TCBY concepts are not franchised or sub-franchised by MTY in the United States and are only offered in Canada by MTY subsidiary, MTY Canada, with no plans at this time to expand to the United States. MTY USA also offers La Diperie which specializes in the retail sale of an ice cream product with various dips and toppings under the La Diperie trademark. The TCBY brand is offered in the United States by Famous Brands International, unrelated to Franchisor or MTY.

You must obtain our prior approval to relocate your *Cold Stone Creamery* restaurant. The approval or rejection by us of any proposed relocation shall be in our sole discretion. In order to relocate your restaurant, you must be in compliance with your Franchise Agreement, and you must sign a general release provided by us, the relocation must be for a legitimate business reason, and we must approve the new location. In connection with any relocation, your Cold Stone Creamery restaurant may not be closed for business for more than thirty (30) days.

Your Franchise Agreement is for a specific location only, so you may not open additional *Cold Stone Creamery* restaurants under the same Franchise Agreement. You must obtain our prior approval to purchase and open additional *Cold Stone Creamery* restaurants. The approval or rejection by us shall be in our sole discretion. In order to purchase an additional *Cold Stone Creamery* restaurant(s), you must be in compliance with your existing Franchise Agreement(s), you must qualify to operate additional restaurants, you must enter into our then-current form of Franchise Agreement and pay the Initial Franchise Fee, and we must approve the location.

ITEM 13: TRADEMARKS

We will grant you the non-exclusive right to operate the *Cold Stone Creamery* restaurant specified in your Franchise Agreement or any amendments to your Franchise Agreement under the *Cold Stone Creamery* trademarks. You will also be granted the right to use our other current or future trademarks that we may from time to time designate as being available for use by franchisees in the *Cold Stone Creamery* System. By "trademarks" we mean trade names, trademarks, service marks, logos, Trade Dress (as defined below), and product identifiers used to identify your restaurant. "Trade Dress" is defined as the total appearance and image of the *Cold Stone Creamery* restaurant; the ice cream, cakes, pies, smoothies, shakes, specialty

beverages, soft drinks and other frozen dessert products and related products and packaging; all related features such as size, texture, shape, color or color combinations, and graphics of Cold Stone Creamery restaurants and the ice cream, cakes, pies, smoothies, shakes, specialty beverages, soft drinks and other frozen dessert products and related products and packaging, and all advertising and marketing techniques used to promote the franchise, as well as specifically including all signage, menu boards, product displays, and any color schemes and designs utilized in connection with *Cold Stone Creamery* restaurants' interior walls, counters, table tops, chairs, and floors. You must not directly or indirectly contest our right to our trademarks.

You will not have the exclusive right to use the trademarks, nor will you acquire, by use or otherwise, any right, title or interest in or to the trademarks, other than as expressly contained in, and limited by, the Franchise Agreement. Your right to use the trademarks is limited and temporary. Upon expiration or termination of the Franchise Agreement, you may not, directly or indirectly, use the trademarks in any manner or for any purpose, and you may be required by us to renovate the premises of your *Cold Stone Creamery* restaurant to eliminate the trademarks and de-identify such premises to remove all Trade Dress (including, without limitation, the "cold stone"), returning it to a "vanilla shell," at your expense.

The following trademarks have been registered with the United States Patent and Trademark Office on the Principal Register:

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
IT'S A GREAT DAY FOR ICE CREAM	2,492,521	September 25, 2001
COLD STONE CREAMERY	2,542,783	February 26, 2002
COLD STONE	2,691,919	March 4, 2003
	2,779,570	November 4, 2003
	2,789,528	December 2, 2003
	2,877,683	August 24, 2004
COLD STONE CREAMERY	3,161,605	October 24, 2006
CAKE BATTER ICE CREAM	3,167,072	November 7, 2006
MINE	3,352,116	December 11, 2007

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
OURS	3,352,117	December 11, 2007
EVERYBODY'S	3,356,183	December 18, 2007
10-MINUTE VACATION	3,392,391	March 4, 2008
	3,708,030	November 10, 2009
	3,708,156	November 10, 2009
	3,714,496	November 24, 2009
ULTIMATE ICE CREAM EXPERIENCE	4,535,838	May 27, 2014
COLD STONE EXPRESS	4,719,555	April 14, 2015
MY COLD STONE CLUB	4,719,563	April 14, 2015
	4,749,830	June 2, 2015
LIKE IT	4,815,807	September 22, 2015
LOVE IT	4,815,808	September 22, 2015
GOTTA HAVE IT	4,815,809	September 22, 2015
COLD STONE	5,311,081	October 17, 2017
	5,456,715	May 1, 2018

All affidavits of use required to be filed to maintain these registrations have been filed.

The following application has been filed with the United States Patent and Trademark Office on the Principal Register:

TRADEMARK	APPLICATION NUMBER	FILING DATE
COLD STONE CREAMERY	97321912	March 21, 2022

~~There are no applications pending with the United States Patent and Trademark Office at this time.~~

No one other than us or our affiliates has an ownership interest in the above-referenced trademarks. Kahala Franchising is the sole owner of the above-referenced trademarks and has all right, title, and interest in and to the trademarks and goodwill.

No agreements limit our right to use or license the use of our trademarks. You must follow our rules when you use our trademarks. Use of the service marks or trademarks must be accompanied by the registration (®), service mark (^{SM}), trademark (™) in close proximity to the trademark. You cannot use our trademarks as part of your corporate, partnership, limited liability company or other entity name, or register it as a trade name. You may not use our trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You may not directly or indirectly contest or aid in contesting the validity of the trademarks or the ownership of the trademarks by us, nor may you directly or indirectly apply to register or otherwise seek to use or control our trademarks or any confusingly similar variation or form in the United States or any other country, nor may you assist any others to do so. You must modify or discontinue the use of a trademark if we modify or discontinue it, at your sole cost.

You must immediately notify us of any apparent infringement of, or challenge to your use of, any of our trademarks, or any claim by any person of any rights in any of our trademarks. You must not communicate with any person other than us and our legal counsel in connection with any such infringement, challenge or claim. We will have the sole discretion to take such action as we may deem appropriate to protect our trademarks and the right to exclusively control any litigation, United States Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to our trademarks. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims, but indicates we have the sole discretion to take such action as we may deem appropriate. You must execute such documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in connection with any such litigation or proceeding, or to otherwise protect and maintain our interests in our trademarks.

The Franchise Agreement requires that we will indemnify and hold you harmless for, from and against any and all claims, liabilities, causes of action, demands, obligations, costs and expenses, including reasonable attorneys' fees, arising out of any claim of infringement or unfair competition in connection with your use of our trademarks, provided that such use is in accordance with the provisions of the Franchise Agreement.

We may, in our sole discretion, modify or discontinue use of any of the above-referenced trademarks and/or use one or more additional or substitute service marks or trademarks. If we decide to do so, you must do so also, at your own expense. The Franchise Agreement does not provide you any additional rights if we require you to modify or discontinue using a trademark. However, if we require you to modify or discontinue use of our trademarks and/or use other

trademarks in its place at any time other than upon renewal of the Franchise Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the trademarks infringed upon a third party's rights, we will bear the direct actual and reasonable cost of those modifications or discontinuances.

We do not know of any superior prior rights or infringing uses or effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of this state or of any court, nor do we know of any pending infringement, opposition or cancellation proceeding that could materially affect your use of our trademark. We do not know of any pending material federal or state court litigation regarding our use or ownership rights in the above registered trademarks or pending applications.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own proprietary information and rights in numerous items, such as menu formats, advertising designs, processes, techniques, recipes for *Cold Stone Creamery* ice cream, cakes, pies, smoothies, shakes, specialty beverages or other frozen dessert products, the method of production and storage of products and information contained in the Confidential Manual and related documents. In connection with the operation of the franchise, we may disclose to you certain information in which we claim proprietary rights. For example, our Manual incorporates certain information that we believe is protected under the law of trade secrets, including sales and marketing techniques and restaurant operations. In addition, although we have not registered the copyright with the United States Copyright Office, the Confidential Manual is protected against unauthorized copying under United States Copyright laws for 100 years from the date of creation or 75 years from the date of publication, whichever is shorter. You must use the proprietary information only in the manner required by us and in no other manner. This information is strictly confidential and you may not disclose it to any person, or use any of that information for any purpose, except disclosure to a person who has signed and delivered to us the "Confidentiality Agreement" contained in the Confidential Manual, and you may only use this information as necessary in connection with the operation of your restaurant. In addition, you must fully and strictly comply with all security measures required by us for maintaining the confidentiality of all information designated by us as trade secrets.

No agreements limit our right to use or license the use of our statutory copyright of the Confidential Manual.

If you reproduce any items or materials suitable for copyright protection, you must make sure that each item bears a copyright notice in the form specified by us. You must use the proprietary information only in the manner required by us and in no other manner. This information is strictly confidential and you may not disclose to any person or use any of that information for any purpose, except disclosure to a person who has signed and delivered to us a confidentiality agreement, and use as necessary in connection with the operation of your Franchised Business. In addition, you must fully and strictly comply with all security measures required by us for maintaining the confidentiality of all information designated by us as trade secrets.

You will not have the exclusive right to use the innovations or any of our patents or patent applications, copyrights or proprietary information, nor will you acquire, by use or otherwise, any right, title or interest in or to the innovations, the copyrights or the proprietary information, other than as expressly contained in, and limited by, the Franchise Agreement.

Your right to use the innovations, the claimed subject matter of any patents or patent applications, the copyrights and the proprietary information is limited and temporary. Upon expiration or termination of the Franchise Agreement, you may not, directly or indirectly, use the innovations, the claimed subject matter of any patents or patent applications, the copyrights or the proprietary information in any manner or for any purpose.

You must immediately notify us of any conduct that could constitute infringement of or challenge to the innovations, the patents or patent applications, the copyrights and our proprietary information. We will decide, in our sole discretion, whether to institute any action in connection with infringement of or challenge to the innovations, the patents or patent applications, the copyrights and our proprietary information, and will control all proceedings and litigation. The Franchise Agreement does not require us to take affirmative action when notified of infringement, but indicates we have the sole discretion to take such action as we may deem appropriate. We are not required to protect your right to use the innovations, the patents or patent applications, the copyrights and proprietary information. As indicated in the Franchise Agreement, we will indemnify you for all damages for which you are held liable in any lawsuit arising out of your proper use of the innovations, the patents or patent applications, the copyrights and our proprietary information in compliance with the Franchise Agreement.

We may, in our sole discretion, modify or discontinue use of the innovations, the patents or patent applications, the copyrights and our proprietary information and/or use other information and/or rights in its place. If we decide to do so, you must do so also, at your expense. The Franchise Agreement does not provide you any additional rights if we require you to modify or discontinue use of the innovations, the patents or patent applications, the copyrights and our proprietary information. However, if we require you to modify or discontinue use of the innovations, the patents or patent applications, the copyrights and our proprietary information and/or use other information and/or rights in its place at any time other than upon renewal of the Franchise Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the innovations, the patents or patent applications, the copyrights and the proprietary information infringed upon a third party's rights, we will bear the actual direct and reasonable cost of those modifications or discontinuances. The rights granted in this paragraph are your sole and exclusive remedy for any infringement by any part of the System.

Cold Stone obtained the following design patents from the USPTO:

TITLE	PATENT NUMBER	ISSUANCE DATE
Combined Cake and Ice Cream Dessert	D550,927	September 18, 2007
Combined Cake and Ice Cream Dessert	D571,526	June 24, 2008

One issued design patent (D550,927) relates to ornamental features and the design of the ice cream cake sold under the trademark Midnight Delight®. This patent's term is fourteen years from the issuance date of September 18, 2007. The other issued design patent (D571,526) related to ornamental features and the design of the ice cream cake sold under the trademark Strawberry Passion™. This patent's term is fourteen years from the issuance date of June 24, 2008.

We have no pending patent applications that are material to the franchise. We do not know of any current material determinations of the United States Patent and Trademark Office, United States Copyright Office, or of any court, nor do we know of any effective determinations or any material proceedings pending in the United States Patent and Trademark Office or of any

court regarding the patent application. We do not know of any patent or copyright infringement that could materially affect the franchisee.

ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

While the Franchise Agreement does not specifically require you or your principals to personally participate in the direct operation of the franchise, it is our intention to select as *Cold Stone Creamery* franchisees only those who plan to actively participate in the direct operation and daily affairs of the *Cold Stone Creamery* restaurant. The franchise must be personally managed with on-premises supervision and directly operated by you or another partner, shareholder or member of your business organization, or a manager who must have successfully completed the Training Program.

If you are an individual and married, your spouse must: sign the Guaranty of Franchise Agreement in which your spouse agrees to perform, and guarantees, all of the franchisee's obligations to us and our affiliates contained in the Franchise Agreement (see Exhibit F-1) and a Non-Disclosure and Non-Competition Agreement (see Exhibit F-2); if applicable; sign the Guaranty of Sublease in which your spouse agrees to perform, and guarantees, all of the sublessee's obligations to us and our affiliates contained in the Sublease (see Exhibit O); and, if you purchase a corporate restaurant, sign the Guaranty of Promissory Note and Security Agreement and Guaranty of Sublease in which your spouse agrees to perform, and guarantees, all of the franchisee's obligations to us and our affiliates contained in the Promissory Note and Security Agreement, and all of the sublessee's obligations to us and our affiliates contained in the Sublease (see Exhibit D: Guaranty of Promissory Note and Security Agreement and Exhibit O: Guaranty of Sublease). Each person, corporation, partnership, limited liability company or other entity that owns, directly or indirectly, an equity interest in the franchised entity ("Principal"), and each executive officer must sign the Personal Acceptance attached to the Franchise Agreement ("Personal Acceptance") in which the Principal agrees to be bound by the restrictive covenants, the confidentiality provisions and certain other provisions contained in the Franchise Agreement. Each Principal (and his/her spouse, if married) must also: sign the Guaranty of Franchise Agreement in which the Principal (and his/her spouse, if married) agree to perform, and guarantee, all of the franchisee's obligations to us and our affiliates contained in the Franchise Agreement; his/her spouse, if married, sign the Non-disclosure and Non-Competition Agreement; if applicable, sign the Guaranty of Sublease in which the Principal (and his/her spouse, if married) agree to perform, and guarantee, all of the sublessee's obligations to us and our affiliates contained in the Sublease; and if purchasing a corporate restaurant, sign the Guaranty of Promissory Note and Security Agreement and Guaranty of Sublease in which each Principal (and his or her spouse, if married) agrees to perform, and guarantees, all of the franchisee's obligations to us and our affiliates contained in the Promissory Note and Security Agreement and all of the sublessee's obligations to us and our affiliates contained in the Sublease. In the event that any person who has not signed an appropriate guaranty becomes your spouse or the holder of any class or your stock or ownership interests or a spouse of such holder, at any time after the execution of the respective agreement as referenced above, you must cause such person(s) to immediately execute and deliver the required guaranty to us.

We are not seeking to license you to operate a *Cold Stone Creamery* restaurant if your Principals are merely seeking a passive investment.

We strongly recommend that you devote a substantial amount of time to your *Cold Stone Creamery* restaurant, whether or not you hire a manager. Franchisees that do not devote their full time efforts to the establishment and operation of their restaurants may have lower gross sales, higher operating costs and lesser name recognition in their areas than those franchisees that do devote their full efforts to the business. Examples of the types of functions that you might perform include training and supervision of employees, inventory checks, review of sales and food costs, local store marketing, bookkeeping and all reasonable efforts to ensure smooth and efficient operations.

Additionally, you must employ on a full time basis at least one on-premises supervisor (the "Manager") for the restaurant. The Manager of the restaurant must at all times be a person who meets our criteria as a qualified restaurant operator. The Manager is not required to have any equity interest in the Franchised Business. The Manager must devote his or her entire time during normal business hours to the management, operation and development of the Franchised Business and must maintain the confidentiality of the trade secrets and proprietary information, comply with the use of the proprietary marks, conform with the covenants not to compete, and conform with the operating standards in the Franchise Agreement and Confidential Manual. The Manager is required to sign the Confidentiality Agreement.

In the interest of safe and efficient job performance, business operation and public health and safety, you must have a Manager on each shift who is able to read and understand our written materials and communicate with your employees and customers in the English language. This requirement will not restrict the Manager or your employees from speaking in any other language with you, other employees or customers, and shall not apply to any employee while on personal time or breaks.

All personnel employed by you in connection with the operation of your *Cold Stone Creamery* restaurant must maintain standards of sanitation, cleanliness and demeanor as may be established by us. All personnel must wear a uniform or other clothing approved by us. In addition, you must ensure that all employees whose duties include customer service have sufficient literacy and fluency in the English language (or such other language that is the primary language in your market) to adequately serve the public at your *Cold Stone Creamery* restaurant.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that your business is solely that of a *Cold Stone Creamery* restaurant, and you may not conduct any other business or activity at the site of the restaurant without our prior written approval. For traditional restaurants, you must offer the full menu prescribed by us, subject to change from time to time in our sole discretion. Non-traditional restaurants may offer a more limited menu than the traditional restaurant, as detailed in the Confidential Manual. We have the right to require you to sell additional authorized products and services from time to time that we believe will be successful. You will be obligated to offer and sell those new products and to participate in all local, regional, seasonal and promotional programs, initiatives and campaigns adopted by us in which we require you to participate. We reserve the right to designate which of our franchisees may, or will be required to, participate in new product or service tests, new or modified product or service offerings and other programs and initiatives that we may periodically develop. If we designate you for participation in any such program, initiative or campaign, you must participate when and as required by us. There are no limits on our right to require you to offer and sell those new products or to participate in those programs, initiatives and campaigns. You may not add any item to your menu unless it is first researched

and tested through our research and development center and approved by us in writing. In addition, you may not offer or sell any products or services specified by us in any configuration, form or manner (including items for resale) other than those specifically approved by us. You may not market your Cold Stone Creamery restaurant or use the Service Marks on the Internet without our prior approval. You are prohibited from offering or selling any products or services not authorized or approved by us. You may only use products, materials, ingredients, supplies, paper goods, uniforms, fixtures, furnishings, signs, equipment, POS System, debit and credit card and Gift/Loyalty Card processing service, and methods of product preparation and delivery that meet our requirements as specified in the Confidential Manual.

If we believe in good faith that any product offered by you may be unhealthy, unsafe or unsanitary, and we request that you discard that product, you must do so immediately. In addition, we may require you to close your *Cold Stone Creamery r*estaurant until we are satisfied that any unhealthy, unsafe or unsanitary condition has been completely corrected.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the Term of the Franchise	Section 1.3	If you are purchasing a new or existing non-operating *Cold Stone Creamery* Restaurant, the term is (i) 10 years from the date the restaurant opens to the public if you own the property, or enter into a lease directly with the landlord or other third party, or (ii) the term of the sublease if you enter into a sublease with a Kahala Franchising affiliate, excluding any extensions and renewal options. If you are purchasing an existing and operating *Cold Stone Creamery* restaurant, the term is (i) 10 years from the effective date of the franchise agreement if you own the property, or enter into a lease directly with the landlord or other third party, or (ii) the term of the sublease if you enter into a sublease with a Kahala Franchising affiliate, excluding any extensions or renewal options. If you are purchasing a *Cold Stone Creamery* Restaurant that will be co-branded into another Kahala-brand Restaurant, the term of your franchise agreement for this brand will equal the remaining term of the existing franchise agreement for the store which this brand will be co-branded into, so both franchise agreements will expire concurrently. If you are entering into a renewal agreement for your *Cold Stone Creamery* Restaurant, the term is five

Provision	Section in Franchise Agreement	Summary
		years from the effective date of your renewal Franchise Agreement.
b-1. Renewal or extension of the Term	Section 13 (New & Transfer)	If you are not in default and satisfy certain conditions, you may renew for a single renewal term of five years, with no further right to renew at the end of the renewal term.
c-1. Requirements for you to renew or extend	Section 13 (New & Transfer)	"Renewal" means to sign a renewal Franchise Agreement (which will be in the form of the Franchise Agreement then customarily used by us in renewing franchises) and all other agreements then customarily used by us in the granting of franchises. The renewal Franchise Agreement may have materially different terms and conditions than the original Franchise Agreement, including higher royalty and advertising fees. If offered, you must: give at least 120 days' notice prior to the expiration date of the term; not be in default; be in compliance with the terms of the Franchise Agreement and Confidential Manual; not have received more than 3 notices of default or breach of the Franchise Agreement during its term, nor more than 2 such notices during the 5 years immediately before the proposed renewal date; have a premises; sign a new Franchise Agreement which may have materially different terms and conditions than the original Franchise Agreement; pay a renewal franchise fee; remodel or refurbish if necessary; and be current on all financial obligations to us. You must also sign the General Release in form attached to the Disclosure Document as Exhibit Q.
b-2. Successor Term	Section 13 (Renewal)	If at the end of your renewal term, you are not in default and satisfy certain conditions, you may apply for a successor term.
c-2 Requirements for you to obtain a successor term	Section 13 (Renewal)	Applying for and entering into a "successor" term means to sign a new Franchise Agreement (which will be in the form of the Franchise Agreement then customarily used by us in entering into new franchises) and all other agreements then customarily used by us in the granting of franchises. The successor term Franchise Agreement may have materially different terms and conditions than the original Franchise Agreement, including higher royalty and advertising fees. In the event you desire to apply to us to extend your rights to operate the Franchised Business for a successor term, you must: give at least 120 days' notice prior to the expiration date of the renewal term; not be in default; be in compliance with the terms of the Franchise

Provision	Section in Franchise Agreement	Summary
		Agreement and Confidential Manual; not have received more than 3 notices of default or breach of the Franchise Agreement during its term, nor more than 2 such notices during the 5 years immediately before the proposed successor term effective date; have a premises; sign a Franchise Agreement which may have materially different terms and conditions than the original Franchise Agreement; pay an initial franchise fee; remodel or refurbish if necessary; and be current on all financial obligations to us. You must also sign the General Release in form attached to the Disclosure Document as Exhibit Q We reserve the right to reject your application for a successor term, at our sole discretion, for any reason, without limitation, failure to meet our then-current standards or requirements for new franchisees. If we decide to reject your application for a successor term to operate the Franchise Business, we will give you a notice to that effect within sixty (60) days after you deliver to us your notice of intent to apply for a successor term.
d. Termination by you	Not Applicable	----------
e. Termination by us without cause	Not Applicable	----------
f. Termination by us with cause	Sections 3.1 (New and Transfer) and 14.1	We can terminate only if you are in default under the Franchise Agreement or any other Franchise Agreements or other agreements between You and us.
g. "Cause" defined—defaults that can be cured	Sections 14.1 and 14.2	You have an immediate cure period of less than 24 hours to cure defaults of your violation of our social media policy regarding posting content containing inappropriate public displays of affection, confidential information, violations of health or safety standards, foul or obscene language, or images that have not been consented to. You have 24 hours to cure defaults of your violation of (i) any law, regulation, or order; (ii) our standards relating to health, sanitation, or safety; (iii) our policy regarding posting defamatory or offensive comments on social media sites; or (iv) you cease to operate your store for a period of 48 hours without our consent. You have 48 hours to cure defaults of your violation of our social media policy where you have a social media site in connection with your franchised business without approval or hold out your social media site to be an official site of *Cold Stone Creamery*, or if you fail to participate in any limited time product offering, value

Provision	Section in Franchise Agreement	Summary
		offering, contest, promotion or charity event. You have 7 days to cure defaults of failure to (i) pay us or any Advertising Fund (inclusive of a Cooperative) monies owing; or (ii) maintain insurance. You have 14 days to cure other defaults, except those which have no cure period. If a statute in the state or municipality in which the restaurant is located requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than the cure period listed in the Franchise Agreement, the statutory cure period will apply.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined— defaults that cannot be cured	Sections 12.1, 14.1 and 14.2	Non-curable defaults: failure to open your restaurant within the time period listed in your Franchise Agreement; non-compliance with applicable laws and regulations, failure to adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, involvement in any business practice which may be injurious to the System or goodwill associated with the Proprietary Marks; defaulting on your lease or sublease and failure to cure such default, lease or sublease is terminated due to your default, or location is lost for failure to comply with lease or sublease; you, or any owner, co-owner or principal of the franchise, is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the System, the goodwill associated therewith, or our interest therein; closing or relocating your restaurant, without our express advance written consent; transferring or attempting to transfer your Franchise Agreement or restaurant to a third party without our express advance written consent; bankruptcy, insolvency and similar events; conviction of felony; making any false representations or warranties; repeated defaults even if previously cured; abandonment; trademark misuse; unauthorized use of any of the components of the System; materially impair the goodwill or reputation of the System; breach of confidentiality or non-competition covenants; fraud with respect to obligations under the Franchise Agreement; you or any of your owners, officers, directors, managers, members, or partners violate any anti-bribery, corruption, or similar law or appear on a “blocked” persons list, or receive funding from any embargoed country; falsify financial data; failure to promptly provide upon request financial data and records specified in the Franchise Agreement; and intentionally underreporting weekly Gross Sales.
i. Your obligations on termination/non-renewal	Sections 14.5, 14.6, 14.7 and14.9	Obligations include cessation of your operation of the franchised business in all matters, complete de-identification, payment of amounts due us (also see “r” below) including early termination damages if any, transfer of telephone numbers, maintenance of records, and compliance with any confidentiality requirements and covenants not to compete.
j. Assignment of contract by us	Section 12.5	No restriction on our right to assign.
k. "Transfer" by you—	Section 12.1	Any voluntary, involuntary (including by operation of

Provision	Section in Franchise Agreement	Summary
definition		law), direct or indirect assignment, sale, gift or other transfer by you.
l. Our approval of transfer by franchise owner	Section 12.1	We have the right to approve all transfers, but we will not unreasonably withhold approval.
m. Conditions for our approval of transfer	Section 12.3	New franchise owner qualifies, no existing defaults, transfer franchise fee paid, all obligations under the Franchise Agreement are fully paid and satisfied, any local store marketing funds used that were not yet contributed by current franchisee to be reimbursed to us, new franchisee completes training, remodels or refurbishes if necessary, and keeps existing store telephone number, release signed by you, new agreements signed.
n. Our right of first refusal to acquire your business	Section 12.2	We can match any offer.
o. Our option to purchase your business	Section 12.2	We can match any offer.
p. Your death or disability	Section 12.4	If representative of franchisee wants the restaurant to continue operating, it must be transferred within 90 days to an approved buyer. Upon non-compliance, all of franchisee's rights under the Franchise Agreement will be automatically terminated.
q. Non-competition covenants during the term of the franchise	Section 14.6	No involvement in any competing business.
r. Non-competition covenants after the Franchise Agreement is terminated or expires	Section 14.6	No competing business for 2 years, within 10 miles of another *Cold Stone Creamery* restaurant.
s. Modification of the Agreement	Sections 4.5 and 16.13	Confidential Manual subject to change at any time; otherwise no modifications unless in writing and signed by both parties.
t. Integration/merger clause	Section 16.14	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 16.3	Any dispute that cannot be resolved by, or is not subject to, mediation shall be settled by arbitration administered by the American Arbitration Association in Maricopa County, Arizona. This does not apply to a dispute where we bring an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Kahala Franchising's goodwill, the proprietary information, the trademarks or other property or for fraudulent conduct by franchisee, or if a delay in the mediation process may adversely affect the public. Either party may appeal the arbitrator's final award, if it is over $100,000, to the appropriate U.S. District Court.
v. Choice of forum	Section 16.4	Litigation must be in Maricopa County, Arizona.
w. Choice of law	Section 16.4	Except to the extent governed by the United States trademark laws or the franchise laws of any state, Arizona law applies.

Sublease

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

Provision	Section in Sublease	Summary
1. Term of the Sublease	2.1	Ends one day before expiration of Master Lease, including any renewals of Master Lease.
2. Renewal or extension of the term	2.2 and 2.3	If the Master Lease contains a renewal option, you must notify us to exercise it.
3. Requirements for you to renew or extend	2.2 and 2.3	You must be in good standing and you must notify us of your intent to renew at least 60 (but not more than 90) days before we are required to notify the Master Landlord of intent to renew.
4. Termination by you	Not Applicable	You have no right to terminate the Sublease.
5. Termination by us without cause	Not Applicable	There is no right to terminate the Sublease without cause.
6. Termination by us with cause	15	Our Leasing Affiliate may terminate the Sublease for cause. Our Leasing Affiliate can terminate only if you default under the Master Lease, Sublease or the Franchise Agreement.
7. "Cause" defined – curable defaults	15.1	Our Leasing Affiliate can terminate if you default in the: (i) payment of any sums you owe; (ii) performance of any of the terms, covenants, or conditions of the Master Lease or Sublease; or (iii) default under the Franchise Agreement or any other agreement between you or your affiliates and us or our affiliates.

Provision	Section in Sublease	Summary
8. "Cause" defined – defaults that cannot be cured	15.1	Bankruptcy of, or general assignment for the benefit of creditors by, franchisee; defaults under the Master Lease that are not curable
9. Your obligations on termination/ nonrenewal	15	Our Leasing Affiliate may enter and take possession of the premises and all of the furniture, fixtures, equipment, signage, inventory and other items covered by our lien under Section 4.2 of the Sublease; you are not relieved of further obligations under the Sublease.
10. Assignment of agreement by us	22	Our Leasing Affiliate has the right to assign under the Master Lease.
11. "Transfer" by you – defined	9 and 22	Approval of Leasing Affiliate is required.
12. Our approval of transfer by you	9	Approval of Leasing Affiliate, at its sole discretion, and approval of landlord may be required.
13. Conditions for our approval of transfer	9	Our Leasing Affiliate must consent.
14. Our right of first refusal to acquire your business	Not Applicable	None. Our Leasing Affiliate already holds the Master Lease.
15. Our option to purchase your business	Not Applicable	None. Our Leasing Affiliate already holds the Master Lease.
16. Your death or disability	Not Applicable	None
17. Non-competition covenants during the term of the franchise	Not Applicable	None
18. Non-competition covenants after the franchise is terminated or expires	Not Applicable	None
19. Modification of the agreement	Not Applicable	None
20. Integration/merger clause	24	The Sublease, including any exhibits, contains the entire agreement of the parties.
21. Dispute resolution by arbitration or mediation	Not Applicable	None
22. Choice of forum	Not Applicable	None
23. Choice of law	20	Arizona law applies

ITEM 18: PUBLIC FIGURES

We currently do not use any public figure to promote our *Cold Stone Creamery* franchise System.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The average gross sales amounts contained in the table below pertain to the historic performance of all Cold Stone Creamery franchised stores located in the United States that were existing outlets that did not open for the first time during the past fiscal year. The time period measured was December 1, 2021, through November 30, 202~~2~~3

	Average Gross Sales	Median Gross Sales	Number of Stores Measured	Number of stores that met or exceeded the Average Gross Sales	Percentage of stores that met or exceeded the Average Gross Sales	Number of stores that met or exceeded the Median Gross Sales	Percentage of stores that met or exceeded the Median Gross Sales
All franchised outlets	$619,669	$592,426	900	396	44%	450	50%
Top 20% of franchised outlets	$978,978	$919,181	180	70	39%	90	50%
Bottom 20% of franchised outlets	$341,584	$355,645	180	108	60%	90	50%

Notes:

1. As of November 30, 202~~2~~3, there were ~~908~~ 952 franchised stores open in the United States. Of these ~~908~~ 952 outlets, 900 of these outlets were franchised, existing locations that did not open for the first time during the past fiscal year, were located in the United States excluding locations in Guam and were not temporarily closed as of fiscal year end.

2. The information is based upon gross sales, which means the total revenue derived from the sales of goods and services less sales tax, discounts, allowances and returns, of franchised, stores

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

4. The above table and information were prepared from (i) weekly sales reports provided to us by franchisees. We have not audited the information provided by the franchisees.

5. We will provide to you the spreadsheets as written substantiation for the representations made in this Item 19 upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting John Wuycheck, Kahala Franchising, L.L.C., 9311 E. Via De Ventura, Scottsdale, Arizona 85258, (480) 362-4800, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2020~~0~~1 to 2022~~3~~
(United States)

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	879	889	10
	2022	889	908	19
	2023	908	952	44
Company-Owned	2021	3	5	2
	2022	5	4	-1
	2023	4	1	-3
Total Outlets	2021	882	894	12
	2022	894	912	18
	2023	912	953	41

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020~~0~~1 to 2022~~2~~3

Column 1	Column 2	Column 3
State	Year	Number of Transfers
AK	2021	0
	2022	0
	2023	3
AR	2021	2
	2022	0
	2023	0
AZ	2021	6
	2022	4
	2023	1
CA	2021	17
	2022	11
	2023	15
CO	2021	5
	2022	2
	2023	4
CT	2021	2
	2022	0
	2023	0
DC	2021	2
	2022	0
	2023	0
DE	2021	0
	2022	0
	2023	0
FL	2021	4

	2022	5
	2023	2
GA	2021	3
	2022	1
	2023	1
HI	2021	0
	2022	1
	2023	0
IA	2021	1
	2022	0
	2023	0
ID	2021	0
	2022	2
	2023	0
IL	2021	3
	2022	1
	2023	1
IN	2021	3
	2022	4
	2023	3
KS	2021	0
	2022	0
	2023	1
KY	2021	0
	2022	2
	2023	0
LA	2021	1
	2022	0
	2023	0
MA	2021	1
	2022	1
	2023	0
MD	2021	4
	2022	3
	2023	3
MI	2021	1
	2022	0
	2023	1
MN	2021	2
	2022	1

	2023	4
MO	2021	1
	2022	0
	2023	2
MT	2021	0
	2022	2
	2023	0
NC	2021	2
	2022	3
	2023	5
NJ	2021	1
	2022	4
	2023	3
NM	2021	0
	2022	11
	2023	0
NV	2021	1
	2022	0
	2023	0
NY	2021	1
	2022	3
	2023	3
OH	2021	3
	2022	4
	2023	4
OK	2021	0
	2022	0
	2023	1
OR	2021	0
	2022	0
	2023	0
PA	2021	1
	2022	2
	2023	1
SC	2021	1
	2022	0
	2023	0
TN	2021	0
	2022	0
	2023	1

TX	2021	1
	2022	6
	2023	1
UT	2021	3
	2022	1
	2023	2
VA	2021	2
	2022	2
	2023	6
WA	2021	6
	2022	3
	2023	7
WV	2021	0
	2022	1
	2023	0
WI	2021	2
	2022	2
	2023	3
WY	2021	0
	2022	1
	2023	1
Total	2021	82
	2022	83
	2023	79

Table No. 3

Status of Franchised Outlets
For years 2020~~0~~1 to 2022~~3~~3

Col. 1	Col.2	Col.3	Col.4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AL	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3

AK	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
AZ	2021	39	0	0	0	0	0	39
	2022	39	2	0	0	0	0	41
	2023	41	1	0	0	0	0	42
AR	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
CA	2021	185	2	0	0	0	2	185
	2022	185	7	0	0	0	1	191
	2023	191	10	0	1	0	2	198
CO	2021	35	0	0	1	0	0	34
	2022	34	1	0	0	0	0	35
	2023	35	1	0	0	0	0	36
CT	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
DE	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
DC	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
FL	2021	73	7	0	0	0	1	79
	2022	79	2	0	1	0	0	80
	2023	80	11	0	0	0	0	91
GA	2021	21	1	0	0	0	0	22
	2022	22	0	0	1	0	0	21
	2023	21	5	0	0	0	0	26
GU	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
HI	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
ID	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
IL	2021	26	1	0	0	0	0	27

	2022	27	0	0	0	0	0	27
	2023	27	0	0	1	0	0	26
IN	2021	17	0	0	1	0	0	16
	2022	16	0	0	0	0	0	16
	2023	16	0	0	0	0	0	16
IA	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
KS	2021	9	0	0	0	0	0	9
	2022	9	1	0	0	0	0	10
	2023	10	1	0	0	0	1	10
KY	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	1	9
	2023	9	1	0	0	0	0	10
LA	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
MD	2021	29	1	0	0	0	0	30
	2022	30	0	0	1	0	0	29
	2023	29	1	0	0	0	0	30
MA	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
MI	2021	20	0	0	0	0	0	20
	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	0	20
MN	2021	22	0	0	0	2	0	20
	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	0	22
MO	2021	12	1	0	0	0	0	13
	2022	13	1	0	0	0	0	14
	2023	14	0	0	0	0	0	14
MT	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
NC	2021	32	1	0	0	0	0	33
	2022	33	0	0	0	0	0	33
	2023	33	2	0	0	0	0	35
ND	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5

	2023	5	0	0	0	0	0	5
NE	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	1	0	7
	2023	7	1	0	0	0	0	9
NH	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NJ	2021	23	1	0	0	0	0	24
	2022	24	0	0	1	0	0	23
	2023	23	1	0	1	0	0	23
NM	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
NV	2021	11	0	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	0	0	1	0	0	10
NY	2021	26	1	0	1	0	0	26
	2022	26	2	0	0	0	0	28
	2023	28	3	0	0	0	0	31
OH	2021	22	0	0	0	0	0	22
	2022	22	1	0	0	0	1	22
	2023	22	0	0	0	0	0	22
OK	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
OR	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
PA	2021	18	0	0	0	0	0	18
	2022	18	0	0	0	0	1	17
	2023	17	0	0	1	0	0	16
PR	2021	15	0	0	0	0	0	15
	2022	15	1	0	0	0	0	16
	2023	16	0	0	0	0	0	16
RI	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
SC	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10

SD	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
TN	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
TX	2021	23	2	0	0	0	0	25
	2022	25	5	0	0	0	0	30
	2023	30	6	0	0	0	0	36
UT	2021	23	0	0	0	0	0	23
	2022	23	0	0	1	0	0	22
	2023	22	0	0	0	0	0	22
VA	2021	35	0	0	0	0	0	35
	2022	35	2	0	0	0	0	37
	2023	37	4	0	0	0	0	41
WA	2021	20	0	0	0	0	0	20
	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	0	20
WI	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
WV	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
WY	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Total - US	2021	879	18	0	3	2	3	889
	2022	889	27	0	5	1	4	908
	2023	908	49	0	5	0	3	952

Table No. 4

Status of Company Owned Outlets
For years 2020~~0~~1 to 2022~~2~~3

Col. 1	Col.2	Col.3	Col.4	Col. 5	Col. 6	Col. 7	Col. 8

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
AZ	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
MA	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
MN	2021	0	0	2	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	2	0	0	0
NE	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
	2023	1	0	1	0	0	0
NH	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
OR	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	3	0	2	0	0	5
	2022	5	0	1	0	2	4
	2023	4	0	3	0	0	1

Table No. 5

Projected Openings as of November 30, 202~~2~~3

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
AL	2	0	0
AR	3	3	0

AZ	5	2	0
CA	26	9	0
CT	1	0	0
DC	2	0	0
DE	1	0	0
FL	29	4	0
GA	8	3	0
ID	1	0	0
IL	6	2	0
IN	2	2	0
KY	1	0	0
LA	1	0	0
MA	1	1	0
MD	11	2	0
MI	2	1	0
MT	1	0	0
NC	4	1	0
NH	1	1	0
NJ	9	1	0
NM	2	0	0
NV	2	1	0
NY	25	4	0
OR	1	1	0
PA	2	1	0
PR	1	1	0
SC	3	1	0
TN	3	0	0
TX	39	8	0
VA	14	3	0
WI	2	2	0
WA	2	0	0
Total	213	54	0

A list of the names of all franchisees and the address and telephone number of each of their outlets is attached to this Disclosure Document as Exhibit U.

We had 8 franchise owners who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreements during the year ending November 30, 2022~~2~~3 totaling outlets that were terminated, reacquired or closed.

A list of the names of all franchisees and the address and telephone number of each of their outlets is attached to this Disclosure Document as Exhibit U.

Company Name	Owner Names	City	State	Owner Phones
Santa Barbara Dreams, LLC	Edward Colton,Susan Colton	Pasadena	CA	626-221-0707
YL Creamery LLC	Yi Ju Liao	Eatontown	NJ	
Kold Kreation LLP	Bela Shah,Udayan "Dave" Shah	Hoffman Estates	IL	847-359-5358,847-937-9607
Brown, Daniel W.	Dan Brown	Phoenixville	PA	610-952-3338
Deliceous Cream LLC	Mukundamala Tangirala,Sateesh Nivarthi	Newark,San Ramon	CA	510-304-1208,510-304-2571
QUICK PICK, INC	Nageeb Alhaj	Dodge City	KS	620-338-8267
Karr Food & Entertainment, LLC	Audrey Karr,Jonathan Karr	Elko	NV	775-934-8607
A&Z Solutions, Inc.	Ahmad Zia,Noor Zia	Corona,Norco	CA	310.920.3648,951-549-8444

We also had 79 franchise owners who had an outlet transfer during the year ending November 30, 2023 including for outlets not yet open. The name, city and state and current business telephone number, or if unknown, the last known home telephone number, of these franchisees is as follows:

Franchisees who had an outlet transfer during the year ending November 30, 202~~2~~3

Prior Company Name	Prior Franchisee Names	City	State	Prior Franchisee Phone
Chugach Creamery, Inc.	Catharine Persinger,Gregory Persinger	Fairbanks	AK	(907) 308-1195,(907) 952-9357
Chugach Creamery, Inc.	Catharine Persinger,Gregory Persinger	Fairbanks	AK	(907) 308-1195,(907) 952-9357
FAMA Enterprises, LLC	Fabio DeMelo	Salt Lake City	UT	801-910-2892
Rock and Ricky LLC	Ricky Garcia	Mooresville	NC	704.650.2586
CSC Pelandale Enterprise	Sandeep Hans	Ceres	CA	209-505-6000
Cool Creamery Petaluma, Inc	Boo Kay Chan,Gui Mei Cheng	San Francisco	CA	415-292-7286
Doc McCreamy,	Min Wang,Vincent Chao	Fullerton	CA	714-257-9657,714-257-

Inc.				9657 (Home)
Riffle Legendairy Creameries, LLC	Adam Riffle,Andrew Riffle,Jessica Riffle,Kalie Sanders	Ansonia	OH	419-569-0988,937-417-7240,937-545-4000,937-670-2858
SPSTONE, CORP	So Young Yoon	san pedro	ca	213-321-6411
Sinful Mooo, Inc.	Min Wang,Vincent Chao	Fullerton	CA	714-257-9657,714-257-9657 (Home)
Daisy's Ice Cream Bar Inc.	Luz Maria Contreras,Noel Chairez Contreras	San Bernardino,Upland	CA	(909) 988-1881,909-295-1427
A.V. Ice Creamery, Inc.	Lacey Bilbruck,Lory Axtman	Acton	CA	661-726-4661
MGM Transport, Inc.	Maclaine Morris	Otis Orchards	WA	270-823-4115
Chricol, Inc.	Chris Barwick,Colette Hill	San Dimas	CA,California	714-330-4729,909-305-9368
Zaman, Mohd & Sultana	Mohad Zaman,Sultana Zaman	Alta Loma	CA	909-989-0471,909-989-0471 home
MGM Transport, Inc.	Maclaine Morris	Otis Orchards	WA	270-823-4115
RS Creations LLC	Kamaljit Sekhon,Parminder Rai,Rajinder Rai,Taranjit Sekhon	Bothell,Lynnwood	WA	425-343-9984,425-346-5824,425-876-9566,425-876-9770
Cho Hahn Corporation	Byung Cho,Hahn Cho,Kyung Chohahn	Porter Ranch,Valencia	CA,California	,661-288-1525
Scoops N Sweets LLC	David Smith,Lawrena Colombo	Barrington Hills	IL	224-523-5818,847-829-4146
Madeeda, LLC	Hisham Zeinelabdin	Madison	AL	256-658-3043
Abelian, Rafik	Rafik Abelian	Scotts Valley	CA	831-438-8860
SKR Investment, Inc	Balwinder Singh,Harpreet Singh,Raghvir Singh	Mountain View	CA	408-390-5962,408-807-0021
Rehoboth, LLC	Mesfin Alemu,Yemeserach Ketema	Denver	CO	13036532300,303-955-5928

Krishna Delight Inc	Harshaben Sarvaiya,Radhika Pallaganti	Cumming,Johns Creek	GA	678-602-7560,770-476-0376
Stauros Enterprises, Inc.	Karen Shelton	Yakima	WA	
Glazier, Jared & DeWayne	DeWayne Glazier,Jared Glazier	Draper	UT	801-673-4404
Silver Scoop Creamery LLC	Nishantha Vithana,Shermila Vithana	Maple Wood,South Orange	NJ	347-291-7456,646.704.2230
New Americana Inc.	Gabriela Faniagua,Sergio Marmolejo	Maywood	CA	562.396.1341,562-305-4860
DJTT, LLC	David Carter,Jannica Carter,Tiffany Funderburk,Tony Funderburk	Clinton Township,West Bloomfield	MI	248-285-0230,248-469-7148,248-497-5714,248-880-3486
CSC Factoria LLC	Jagdishkumar Patel,Raj Dhrolia	Redmond,Redmond, WA	WA	3603566673,425-614-9686
Sherry Maria Marketing Inc	Mary Khalil,Mounir Abd El Saiad	Eastvale	CA	909-610-0061,909-610-0615
Shah Ventures LLC	Numaan Shah,Syed Saif Ul Islam Shah	Pomfret,White Plains	MD	301-934-4678
Knep Bros., Inc.	Doug Knepper,Scott Knepper	Altoona,Estero	FL,WI	715-563-3311,715-808-0068
Bains LLC	Harvinder Singh,Narinder Singh	Clayton	NC	919-210-2427,919-550-6888
JS2 Services LLC	Jonghwan Kim	Greensboro	NC	901-573-5276
Rehoboth, LLC	Mesfin Alemu,Yemeserach Ketema	Denver	CO	13036532300,303-955-5928
ALK Guild, LLC	Chad Price	Powell	OH	614-537-0410
SKS Norfolk, LLC	Amy Mitchell,Keval Shah,Lucas Mitchell,Sanjay Patel	Newport News,Virginia Beach	VA	757-533-2155,757-592-4930,757-613-7414
Desert Sun Creamery, LLC	B. Lea Stanhope,Kevin Stanhope	Yuma	AZ	(520) 783-2539
CSCreamery Cypress, LLC	Ileana Contreras Garcia,Luis Alberto Ruiz Guerrero	Houston	TX	713.301.2172

Yummy Delights, Inc.	Ravinder Bhatnagar	Chesterfield	MO	330-998-1112
Chugach Creamery, Inc.	Catharine Persinger,Gregory Persinger	Fairbanks	Ak	(907) 308-1195,(907) 952-9357
MAC Mo LLC	Maclaine Morris	Otis Orchards	WA	270-823-4115
Rusvey Corporation	Blanche Harvey,Michael Harvey	Bealeton	VA	540.439.0531,540-439-0531
Hongxia, LLC	Hongxia (Jessie) Cui	Rockville	MD	301-452-2780
Diverse Ventures of Miami, LLC	Minali Patel,Rajan Patel	miami	FL	3054673640,305-803-9332
Jolly Group Valpo, LLC	Candace Jorden,Michael Jorden,Russell Dewes	Crown Point	IN	219-712-2315,219-712-4400,2197416979
Point Creamery LLC	Joseph Lamb	Cedarburg	WI	262-302-0001
Mickelberry Ice Cream 2, LLC	Melissa Batch,Phillip Batch	Agoura Hills,Bremerton	CA,WA	,(818) 983-5884
R D Lucky, LLC	Mingdeng Zhong,Ziyi "Emily" Zhong	Blacklick	OH	614-581-1983,614-935-5870
A&K Ventures LLC	Ahmed Hassan,Omar Elkerdany	Round Rock,Torrance	CA,TX	347-922-4634,405-604-7842
Endeavorinside LLC	Syed Khalid Rizvi,Usman Syed	Easton,Hopewell Junction	CT,NY	203-345-4128,203-556-1941
JMB Holdings, LLC	Dana Bates,James Bates	Williamsburg	VA	757-564-3286
Yummy Delights, Inc.	Ravinder Bhatnagar	Chesterfield	MO	330-998-1112
Point Creamery LLC	Joseph Lamb	Cedarburg	WI	262-302-0001
Grey Man Group LLC	Michael Misun	Grafton	WI	262-483-1333
Rowan, Mary	Mary Rowan	Glassboro	NJ	
Jolly Group, LLC	Candace Jorden,Michael Jorden,Russell Dewes	Crown Point	IN	219-712-2315,219-712-4400,2197416979
Riffle Legendairy Creameries, LLC	Adam Riffle,Andrew Riffle,Jessica Riffle,Kalie	Ansonia	OH	419-569-0988,937-417-7240,937-545-4000,937-670-

	Sanders			2858
P&H Ventures LLC	Heather Houser,Paul Houser	Topeka	KS	785-478-2599
Shia Enterprise, Inc.	Jackie Shia,Tracy Shia	Wheeling	WV	304-242-8799
DCA Treasure, LLC	Jean Kim,John Kim	Dumfries	VA	703-455-4508,703-589-3362
Welch Ventures, LLC	Neville Welch	Dumfries	VA	202-330-3784
Haque, Asif	Asif Haque	Eagan	MN	651-456-5652
Rehoboth, LLC	Mesfin Alemu,Yemeserach Ketema	Denver	CO	13036532300,303-955-5928
Creamery at the Crossing, LLC	Erica Reisberger,Trent Reisberger	Graham	NC	919.452.4102
Chicago Scoops, LLC	Antonio Gracias,Jonathan Shulkin,Kyle Welch,Tim Watkins	Chicago	IL	312-493-5359 (home),312-683-1900
Murali Ramanathan	Murali Ramanathan	Sacramento	CA	916.517.3625
LTC Foods, LLC	Amit K Tikyani	Secaucus	NJ	201-240-2303
Oospecka LLC	Jeremy Yarbrough,Larry Yarbrough	Cortez	CO	970-560-2311,970-759-8409
RCP Investments LLC	Misty Phillips,Rhudy Phillips	St Pauls,St. Pauls	NC	910-425-1424
Doral Creamery,LLC	Rajan Patel	miami	FL	3054673640
GURPAR GROUP INC	Amit K Tikyani	Secaucus	NJ	201-240-2303
Cool Scoops, LLC	Bruce Peltz	St. Cloud	MN	320-230-2310
La Plata Creamery LLC	Numaan Shah,Syed Saif Ul Islam Shah	Pomfret,White Plains	MD	301-934-4678
Syed Shah & Numaan Shah, Individuals	Numaan Shah,Syed Saif Ul Islam Shah	Pomfret,White Plains	MD	301-934-4678
Knep Bros., Inc.	Doug Knepper,Scott Knepper	Altoona,Estero	FL,WI	715-563-3311,715-808-0068

Razai, Mohammed, Ahmed, Mustaque and Hasan, Akm	Akm Masud Hasan,Mohammed Ali Razai,Mustaque Ahmed	Brooklyn,East Elmhurst,Malba	NY	646-752-4350,917-291-5340,917-945-1502
MGM Transport, Inc.	Maclaine Morris	Otis Orchards	WA	270-823-4115

We have not had any franchisees who have not communicated with us for the 10-week period before the date of this Disclosure Document. We had three franchisees who had its Franchise Agreement terminated or canceled during the year ending November 30, 2022 for a restaurant that never opened. The name, city and state and current business telephone number, or if unknown, the last known home telephone number, of this franchisee is as follows:

Franchisee Company Name	**Franchisee Names**	**City**	**State**	**Phone**
Gurpar Foods Inc	Amit K Tikyani	Secaucus	NJ	201-240-2303
	Singh, Komal & Singh, Gagandeep	Prosper	TX	469-888-2794
	Singh, Komal & Singh, Gagandeep	Prosper	TX	(469) 888-1394

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the *Cold Stone Creamery* franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

If you are purchasing a company-owned outlet from one of our affiliates that was previously owned by a franchisee but is now owned and operated corporately by our affiliate, we will provide you with an addendum to this Disclosure Document disclosing additional information for that outlet for the last five fiscal years. A sample form of the addendum is attached to this Disclosure Document as Exhibit X.

We have a trademark-specific franchisee organization associated with the Cold Stone Creamery franchise system; it is an elected council that provides advice and guidance to us. The name of the council is the National Advisory Board ("NAB"). The NAB was created by Cold Stone Creamery, Inc. and is sponsored by us. The NAB members are elected by the franchisees as a whole to serve on the NAB. The members of the NAB can be reached through us at 9311 E. Via de Ventura, Scottsdale, AZ 85258 (480) 362-4800. The email address for the NAB is ColdStoneNAB@kahalamgmt.com. Neither council has a Web address.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit V are the audited consolidated financial statements of Franchisor's parent company, MTY Franchising USA, Inc. ("Guarantor") for the

fiscal years ended November 30, 2022~~23~~, 2021~~12~~, and ~~2020.~~for the fiscal years ended on November 30, 2022, 2021 and 2020~~2020~~.

Guarantor absolutely and unconditionally guarantees to assume the duties and obligations of Franchisor under its franchise registration in each state where the franchise is registered, and under the Franchise Agreement, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns. (See Exhibit W: Performance Guaranty).

ITEM 22: CONTRACTS

Attached to this Disclosure Document are the following franchise-related contracts:

Exhibit D	Asset Purchase Agreement (For Sale of a Corporate Store to a Franchisee) with Promissory Note and Security Agreement and Guaranty (if applicable)
Exhibit E-1	Franchise Agreement (New)
Exhibit E-2	Franchise Agreement (Renewal)
Exhibit E-3	Franchise Agreement (Transfer)
Exhibit F-1	Guaranty of Franchise Agreement
Exhibit F-2	Non-Disclosure and Non-Competition Agreement
Exhibit G	Collateral Assignment and Irrevocable Special Power of Attorney
Exhibit H	Amendment to Franchise Agreement (for non-traditional locations excluding those co-branded with another affiliated brand)
Exhibit H-1	Rocky Mountain Chocolate Factory Addendum to Franchise Disclosure Document and Amendment to Franchise Agreement
Exhibit I	Amendment to Franchise Agreement (for co-branded non-traditional locations)
Exhibit J	In-Store Training Release and Waiver of Liability Agreement
Exhibit K	Addendum to the Franchise Agreement for SBA Loans
Exhibit L	Required Lease Terms (Lease Addendum to Lease Agreement)
Exhibit L -1	RMCF Required Lease Terms (Lease Addendum to Lease Agreement)
Exhibit M	Lease Guaranty Acknowledgment
Exhibit N	Lease Review and/or Negotiation Agreement and Release and State Addenda
Exhibit O-1	Sublease and Guaranty of Sublease (Franchisee pays rent directly to Landlord)
Exhibit O-2	Sublease and Guaranty of Sublease (Franchisor or its affiliate collects rent from Franchisee and pays to Landlord)
Exhibit P	Pre-Authorized Electronic Funds Transfer Form
Exhibit P-1	Participation Agreement
Exhibit Q	General Release for Renewal of Franchise Agreement
Exhibit R-1	Consent to Transfer and Release Agreement (without Sublease)
Exhibit R-2	Consent to Transfer and Release Agreement (with Sublease)

Exhibit S	State Addenda to Franchise Documents
Exhibit W	Performance Guaranty
Exhibit X	Addendum for Sale of Company-Affiliated Owned Stores
Exhibit Y	Receipts

ITEM 23: RECEIPTS

Exhibit Y to this Disclosure Document is a detachable receipt. You are to keep one copy and return the other copy to us.

EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT

Asset Purchase Agreement
(For Sale of a Corporate Store to a Franchisee)
with
Promissory Note and Security Agreement and Guaranty (if applicable)

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT ("Agreement"), dated _____ ("Execution Date") and which will be effective as of the Closing Date as defined in Section 5(a) below is by and between [SELLING ENTITY], a [state] [Corporation/Limited Liability Company, etc.] [LIQUOR LICENSE ENITITY if applicable] ("Seller" or as may be applicable the "seller Parties"), and _____, a [state] [Corporation/Limited Liability Company, etc.] ("Purchaser"). Seller [or as applicable the Seller Parties] and Purchaser may also be referred to in this Agreement each individually as a "Party" and collectively as the "Parties."

Recitals

A. Seller owns certain assets of, maintains certain licenses of, and operates Cold Stone Creamery restaurant no. ____ ("Franchised Business") located at [store address, city and state] ("Premises"). [LIQUOR LICENSE ENITITY if applicable] owns certain assets of and maintains certain licenses of the Franchised Business [and executed a master lease] with respect to the Premises.

B. [LEASING ENTITY,] a(n) _____ affiliated with Seller ("Sublessor"), has executed a lease with respect to the Premises. [MONTH TO MONTH LANGUAGE IF APPLICABLE: Notwithstanding the foregoing, the Lease Agreement is currently on a month-to-month basis, and Purchaser is currently in direct negotiations with the landlord for the Premises to enter into a new lease directly with the landlord. Upon execution of said newly negotiated lease, the Lease Agreement shall be terminated and become null and void.]

C. Seller desires to sell and transfer to Purchaser, and Purchaser desires to purchase and acquire from Seller, substantially all of the assets owned by Seller and to be used in connection with the operation of the Franchised Business.

D. In conjunction with the execution of this Agreement, Purchaser executed a franchise agreement[, as amended,] to be effective as of the Closing Date (collectively, the "Franchise Agreement") with Kahala Franchising, L.L.C., an Arizona limited liability company, affiliated with Seller ("Franchisor").

E. In conjunction with the execution of this Agreement, Purchaser executed a sublease to be effective as of the Closing Date ("Sublease Agreement") with Sublessor and shall comply with all terms and conditions in the Sublease, including but not limited to, paying any additional security deposits, if required. [MONTH TO MONTH LANGUAGE IF APPLICABLE: Notwithstanding the foregoing, the Sublease Agreement is currently on a month-to-month basis and may be terminated by Sublessor with thirty (30) days prior written notice to Purchaser. As stated above, Purchaser is currently in direct negotiations with the landlord for the Premises to enter into a new lease directly with the landlord and upon execution of said newly negotiated lease, the Sublease Agreement shall be terminated and become null and void.]

Agreement

NOW, THEREFORE, in consideration of the foregoing promises and the mutual covenants and

agreements contained herein, the Parties hereby agree as follows:

1. Sale of Assets.

(a) **The Transferred Assets**. On the Closing Date (as defined in Section 5(a), below), Seller shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall purchase and acquire from Seller, all of the furniture, fixtures and equipment and other items owned by Seller and to be used in connection with the Franchised Business (excluding cash, company record books and tax records) (collectively, "Transferred Assets")[, and to Seller's knowledge, free and clear of all liens, claims, charges, encumbrances and security interests of any nature or type whatsoever][**OR**][subject to the terms of the Franchise Agreement]. A list of the Transferred Assets is attached hereto as **Schedule 1** to **Exhibit A**. Seller makes no representation or warranty, express or implied, regarding the merchantability of the Transferred Assets or the condition or quality thereof AND HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE and the Parties hereby agree that the Transferred Assets are being purchased in as "**AS IS**" condition. Each reference in this Agreement to the "Transferred Assets" of the Franchised Business shall mean and refer to the following:

(i) All of the fixtures, equipment, signs and other tangible assets of the Franchised Business ("Equipment") as more fully described on **Schedule 1** attached to this Agreement and incorporated into this Agreement by reference.

(ii) [IF LIQUOR LICENSE: The State of [_____] [State Agency Name] ("_____") liquor license no. [_____] issued on [_____] and maintained by [entity] and used by [entity] in the operation of the Franchised Business ("License"), to the extent that such license is fully transferable or partially transferable in connection with Purchaser securing its own continuing operations permit (or something similar) with the [State Agency Name].

(b) **Excluded Assets.** The following assets shall be excluded from this transaction ("Excluded Assets"):

(i) All cash in any safe located at the Franchised Business or any cash in banks and/or other financial institution accounts associated with the Franchised Business.

(ii) The business records which relate to the operations of the Franchised Business for all periods prior to the date immediately preceding the Closing Date ("Business Records").

(iii) All refunds of federal, state or local income or franchise taxes or worker's compensation insurance premiums due to either Seller Party, as may be applicable, as of the date immediately preceding the Closing Date.

(iv) All intellectual property rights of either Seller Party and/or Franchisor, as applicable.

(c) **Inventory**. The Purchase Price (as defined in Section 2) does not include: (i) consumable inventory including food products, perishables and paper products; or (ii) cash on hand.

2. Purchase Price.

(a) In consideration of the sale of the Transferred Assets, Purchaser shall pay:

[Simultaneously with the execution and delivery of this Agreement, the Purchase Price (as defined in Section 2(b) below) by electronic funds transfer, wire transfer, or cashiers' or certified check of immediately available funds.**]**

[OR]

[Simultaneously with the execution and delivery of this Agreement, the Purchase Price (as defined in Section 2(b) below) payable as set forth in the attached Promissory Note ("Deferred Payment").]

[**OR**

[(i) Simultaneously with the execution and delivery of this Agreement, a non-refundable deposit in the amount of XX Thousand Dollars (**$XX,000**) ("Deposit"), by electronic funds transfer, wire transfer, or cashiers' or certified check of immediately available funds; and

(ii) On the Closing Date, an amount equal to the difference between the Purchase Price (as defined in Section 2(b) below) minus the Deposit (such difference is referred to as "Purchase Price Balance"), by electronic funds transfer, wire transfer, or cashiers' or certified check of immediately available funds. OR On the Closing Date, XX Thousand Dollars (**$XX,000**) ("Deferred Payment"), payable as set forth in the attached Promissory Note.**]**

(b) The "Purchase Price" is XX Thousand Dollars (**$XX,000**), which shall be allocated as follows: [(i) XX Thousand Dollars (**$XX,000**) to the leasehold improvements at the Premises;] [(ii) XX Thousand Dollars (**$XX,000**) to the Transferred Assets, including all furniture, fixtures and equipment, as more fully described in **Schedule 1** to the Bill of Sale, attached hereto as **Exhibit A**, and incorporated herein by reference.]

3. Representations and Warranties.

(a) To induce Purchaser to enter into this Agreement and to perform Purchaser's obligations hereunder, and with full knowledge that Purchaser will rely thereon, Seller represents and warrants as follows:

(i) Seller has title to and rightful possession to the Transferred Assets, and each of the Transferred Assets is and shall, upon the delivery thereof to Purchaser, be free and clear of recorded and publicly available liens, claims, charges, encumbrances and security interests.

(ii) Seller is a limited liability company duly organized, validly existing and in good standing under the law of the State of [State].

(iii) Seller has full right, power and authority to execute and deliver this

Agreement, and to consummate the transactions contemplated hereby.

(iv) This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

(v) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will conflict with, violate or result in a breach of or default under (with or without the giving of notice or the passage of time, or both): (a) any license, instrument, contract or agreement to which Seller is a party or by which Seller is bound, or (b) the articles of incorporation or the bylaws of Seller. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will result in the creation of any lien, claim, charge, encumbrance or security interest of any nature or type whatsoever with respect to the Transferred Assets. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will require any consent or approval of, or any filing with, any governmental entity or other person.

(vi) On the Closing Date, the Transferred Assets are being purchased in "**AS IS**" condition and will comprise all of the assets and property necessary to conduct the Franchised Business in accordance with Franchisor's confidential operations manual ("Confidential Manual").

(vii) The development and/or conduct of the Franchised Business, and the ownership and use of the Transferred Assets in accordance with Franchisor's Confidential Manual, complies, or will (as of the Closing Date) comply, with all applicable federal, foreign, state and local laws, regulations and ordinances; provided, however, that Purchaser may be required to obtain certain licenses and permits in connection with the operation of the Franchised Business.

(b) To induce Seller to enter into this Agreement and to perform Seller's obligations hereunder, and with full knowledge that Seller will rely thereon, Purchaser represents and warrants as follows:

(i) Purchaser is a [type of entity] duly organized, validly existing and in good standing under the law of the State of [state].

(ii) Purchaser has full right, power and authority to execute and deliver this Agreement, and to consummate the transactions contemplated hereby.

(iii) This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms.

(iv) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will conflict with, violate or result in a breach of or default under (with or without the giving of notice or the passage of time, or both): (a) any license, instrument, contract

or agreement to which Purchaser is a party or by which Purchaser is bound, or (b) the certificate of incorporation or the bylaws (or other comparable charter documents) of Purchaser. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will require any consent or approval of, or any filing with, any governmental entity or other person.

(v) Purchaser acknowledges that:

(a) There are several potential locations for the location of Purchaser's Cold Stone Creamery restaurant;

(b) The decision to establish and operate Purchaser's Cold Stone Creamery restaurant at the Premises was made solely by Purchaser, without any reliance upon any information provided (if any), recommendation made (if any) or approval given by Seller, any area representative, Sublessor, or any of their respective shareholders, directors, officers, employees, representatives, agents or affiliates;

(c) Seller's selection and approval of the Premises as a site for a Cold Stone Creamery restaurant provides no assurance or guaranty as to Purchaser's results of operations in connection with its Cold Stone Creamery restaurant at the Premises;

(d) Purchaser has reviewed the lease (including all amendments and addendums) with respect to the Premises and approves of the terms thereof, including rental payment amounts;

(e) Purchaser accepts full responsibility for the consequences of Purchaser's decision to open and operate a Cold Stone Creamery restaurant at the Premises.

4. Interim Period [ONLY IF APPLICABLE].

(a) Between the Execution Date and the Closing Date, as applicable, Seller has operated the Franchised Business, in accordance with Seller's standard operating procedures for operating Cold Stone Creamery restaurants and the Franchised Business is open to the public for business.

(b) Purchaser shall attend Franchisor's training program, if so required by Franchisor in the Franchise Agreement.

5. Closing.

(a) Subject to the conditions set forth in Sections 5(b) and 5(c) hereof, the transactions contemplated by this Agreement shall be consummated on the date that Seller turns over the Franchised Business to Purchaser which is estimated to be on or around _____ ("Closing Date") at an office designated by Seller or at another mutually agreeable location.

(b) The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing Date of the following conditions, any of which may be waived by Seller, in its sole discretion. Purchaser shall use its best efforts to cause each and every one of the following conditions to be satisfied at or before the Closing Date.

[(i) Purchaser shall have delivered to Seller the [Purchase Price] or [Purchase Price Balance], as set forth in Section 2 of this Agreement;**]**

[**OR**]

[(i) Purchaser shall have executed and delivered to Seller the Promissory Note and Security Agreement attached hereto as **Exhibit B** ("Promissory Note") in the amount of the Deferred Payment and any upfront, non-refundable payments due pursuant to Section 2 in the form of cash or by cashiers' or certified check; **]**

(ii) Purchaser shall have executed and delivered to Franchisor the Franchise Agreement and to Sublessor the Sublease with respect to the Premises, in the forms then being executed by new franchisees of Franchisor and sublessees of Sublessor;

(iii) Purchaser shall have delivered to Sublessor the Sublease Security Deposit in the amount of _____ Dollars ($___.__) as defined in the Sublease [and a Lease Security Deposit in the amount of _____ Dollars ($___.__)] as defined in the Sublease in connection with the Premises as contemplated by the Sublease and pursuant to Section 5(d) below, as applicable;

(iv) Purchaser shall have delivered to Franchisor the Initial Franchise Fee in the amount of _____ Dollars ($___.__) as defined in the Franchise Agreement; and

(v) The representations and warranties of Purchaser contained in this Agreement shall be true and correct on and as of the Closing Date, and each and all of the terms, covenants, conditions and agreements to be performed or complied with by Purchaser on or before the Closing Date shall have been performed or complied with. This provision shall be self-executing, and the consummation of the transactions contemplated by this Agreement by Purchaser shall constitute Purchaser's certification of the conditions stated herein.

Assuming that Seller satisfied all of the conditions precedent contained in Section 5(c), if any of the requirements of this Section 5(b) have not been satisfied by the Closing Date, Purchaser shall be in breach of its obligations hereunder.

(c) The obligations of Purchaser to consummate the transactions contemplated by this

Agreement are subject to the satisfaction at or prior to the Closing Date of the following conditions, any of which may be waived by Purchaser, in its sole discretion. Seller shall use its best efforts to cause each and every one of the following conditions to be satisfied at or before the Closing Date.

(i) As of the Closing Date, there shall have been no material adverse change in the Franchised Business, the Transferred Assets or the Premises, or the condition thereof, since the date of this Agreement, other than changes contemplated by Section 5;

(ii) Seller shall have delivered to Purchaser the Bill of Sale executed by Seller; and

(iii) The representations and warranties of Seller contained in this Agreement shall be true and correct on and as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date; and each and all of the terms, covenants, conditions and agreements to be performed or complied with by Seller on or before the Closing Date shall have been performed or complied with. This provision shall be self-executing, and the consummation of the transactions contemplated by this Agreement by Seller shall constitute Seller's certification of the conditions stated herein.

Assuming that Purchaser has satisfied all of the conditions precedent contained in Section 5(b) if any of the requirements of this Section 5(c) (other than the requirement contained in clause (i) if such material adverse change shall be beyond the control of Seller) has not been satisfied by the Closing Date, Seller shall be in breach of its obligations hereunder.

(d) The rent payable pursuant to the lease for the Premises shall be paid by Sublessor for the month in which the Closing Date occurs and Purchaser shall pay to Sublessor (on a per diem basis, based upon a thirty (30)-day month) an amount equal to the rent prepaid by Sublessor with respect to the period on and after the Closing Date, via an EFT, ACH, or other type of debit authorized by Seller or Sublessor, as may be applicable will bill Purchaser for such pro-rated rent amount.

(e) Seller shall be responsible for all compensation to employees of the Franchised Business for the period through the date immediately preceding the Closing Date. Purchaser shall be responsible for all compensation to employees of the Franchised Business for the period on and after the Closing Date. Notwithstanding anything contained in this Agreement to the contrary, Purchaser shall not be obligated to employ any of Seller's employees after the Closing Date.

(f) Seller shall be responsible for all costs, fees and expenses relating to the Franchised Business, including but not limited to CAM reconciliation charges, and property taxes, on a pro-rated basis for the period through the date immediately preceding the Closing Date. Purchaser shall be responsible for all costs, fees and expenses relating to the Franchised Business, including but not limited to, CAM reconciliation charges, property taxes, etc., on a pro-rated basis for the period on and after the Closing Date.

(g) As of and after the Closing Date, Purchaser shall assume, acquire, take over, become responsible for, and promise to pay all contracts, leases, agreements and other liabilities (collectively the "Assumed Liabilities") in connection with the Franchised Business except for those contracts, leases, agreements and other liabilities which are specifically excluded as set forth below:

__[List all contracts, leases, agreements and other liabilities which Purchaser is NOT assuming] OR [List "None"] _

(h) Purchaser shall indemnify, defend and hold Seller free and harmless from and against any and all "Losses" (as defined below), which Seller shall incur or suffer which arise or result from the operation or conduct of the business of the Franchised Business by Purchaser as of and after the Closing Date, including, but not limited to, any Losses arising from any default of Purchaser arising under the Franchise Agreement or Sublease, and from any default of Purchaser with respect to the Assumed Liabilities. "Losses" shall mean any and all obligations, liabilities, costs (including reasonable attorneys' fees), expenses, damages and losses actually incurred by Seller, net of any insurance proceeds and material tax adjustments, benefits, savings or reductions to which Seller is entitled by virtue of such obligations, liabilities, costs, expenses, damages and losses; provided however, that "Losses" exclude all consequential damages of any kind (including, but not limited to, loss of revenue or income, cost of capital or loss of business reputation or opportunity). As of and prior to the Closing Date, Seller shall have good and marketable title to the Transferred Assets, free and clear of any and all liens, claims, judgments, taxes, encumbrances, security interests, debts or other adverse claims or rights of any kind, except as otherwise provided herein. Seller agrees to indemnify Purchaser of any and all liens, claims, judgments, taxes, encumbrances, security interests, debts or other adverse claims or rights of any kind, which accrued up through the date immediately preceding the Closing Date, whether or not known by either Seller or Purchaser. Seller further agrees to indemnify Purchaser of any and all liens, claims, judgments, taxes, encumbrances, security interests, debts or other adverse claims or rights of any kind, which accrued up to the date immediately preceding the Closing Date, even if such liens, claims, judgments, taxes, encumbrances, security interests, debts or other adverse claims or rights of any kind are discovered at any future date. Any and all liens, claims, judgments, taxes, encumbrances, security interests, debts or other adverse claims or rights of any kind which accrue on or after the Closing Date are the sole obligation and responsibility of the Purchaser.

6. Notices. All notices, consents, approvals or other instruments required or permitted to be given by either Party pursuant to this Agreement shall be in writing and given by (a) hand delivery, (b) facsimile, (c) express overnight delivery service or (d) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (i) receipt, if hand-delivered, (ii) transmission, if delivered by facsimile, (iii) the next business day following the date of deposit with the delivery service, if delivered by express overnight delivery service, or (iv) the third business day following the day of deposit of such notice with the United States Postal Service, if sent by

certified or registered mail, return receipt requested. Notices shall be provided to the Parties at the addresses and facsimile numbers specified below:

If to Seller:	[Selling Entity] Attention: Legal Department 9311 East Via De Ventura Scottsdale, Arizona 85258 Telephone Number: (480) 362-4800 Facsimile Number: (480) 362-4819
If to Liquor License Entity (if applicable)	[Liquor License Entity] Attention: Legal Department 9311 East Via De Ventura Scottsdale, Arizona 85258 Telephone Number: (480) 362-4800 Facsimile Number: (480) 362-4819
If to Purchaser:	[Purchaser] [address] Telephone Number: Facsimile Number: OR Email:

Any Party may change its address or facsimile number by giving notice in writing, stating its new address or facsimile number, to the other Party to this Agreement as provided in the foregoing manner.

7. [**USE ONLY IF BROKER INVOLVED WITH SALE, OTHERWISE RESERVE**]**[Brokers' Fees.** Seller has retained Broker Entity ("Broker") as broker in connection with the sale of the Transferred Assets contemplated hereby. The Seller shall be solely responsible for the payment of any fees due Broker in connection with the sale of the Transferred Assets contemplated hereby.]

8. Survival. Each of the representations, warranties and covenants contained herein shall survive the Closing Date, irrespective of any investigation or inquiry made by, or any knowledge of, any Party.

9. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective assigns, legal representatives, executors, heirs and successors.

10. Amendment, Modification or Waiver.

(a) No amendment, modification or waiver of any condition, provision or term of this Agreement shall be valid or of any effect unless made in writing, signed by the Parties and specifying with particularity the nature and extent of the amendment, modification or waiver. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion.

(b) Failure on the part of any Party to complain of any act or failure to act of the other Party or to declare the other Party in default, irrespective of how long the failure continues, shall not constitute a waiver by that Party of its rights under this Agreement.

11. Entire Agreement. This Agreement, including the exhibits hereto, contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the Parties with respect to such subject matter. Each of the exhibits is incorporated in this Agreement by this reference and constitutes a part of this Agreement.

12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

13. Dispute Resolution.

(a) Except as otherwise provided herein, any dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the Parties hereto or the relationship between the Parties, or the entry, making, interpretation, or performance of either Party under this Agreement ("Dispute"), which cannot be resolved by mediation under Section 13(d) below or is not subject to mediation under the terms of this Agreement, shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with it Commercial Arbitration Rules as modified below.

(b) Any arbitration shall take place before a sole arbitrator in Maricopa County, Arizona or, if our headquarters are no longer located in Maricopa County, Arizona, then the arbitration shall take place in the county in which our principal place of business is located at the time the arbitration is commenced. Purchaser agrees to conducting the arbitration where Seller is located is appropriate. The Parties agree that the arbitrator shall be an attorney licensed to practice law in the United States and must have a minimum of five (5) years of experience in franchise law. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorney's fees of the prevailing Party, against the Party who did not prevail. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any other dispute, arbitration proceeding or litigation, except to the extent such issue may have been specifically determined in another proceeding between the Parties. This agreement to arbitrate shall survive any termination or expiration of this Agreement, however effected. The Parties agree that any arbitration shall be solely between them (including any affiliates) and shall not include as a Party, by consolidation, joinder, or in any other manner, any other person or entity, unless both Parties consent in writing. Both Parties shall have the absolute right to refuse such consent. Further, the Parties expressly waive any right to bring and/or participate in any class or other consolidated, joined or multi-party arbitration claim or proceeding, whether or not permissible under the AAA Commercial Arbitration Rules, including, but not limited to, any claim brought on their behalf by an association of which it, he or she is a member. At the request of any Party, the arbitration shall be conducted in a manner that maintains the

confidentiality of the proceedings.

(c) The arbitrator(s) will issue a reasoned award, with findings of fact and conclusions of law. Actions to enforce an express obligation to pay monies may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. The Federal Arbitration Act shall govern, excluding all state arbitration laws. Arizona law will govern all other issues. With respect to discovery, the arbitrator shall require each Party to make a good cause showing before any discovery exceeding that specifically authorized by the AAA Commercial Arbitration Rules will be granted.

(d) Prior to the commencement of an arbitration proceeding, the Parties must first submit any Dispute to non-binding mediation. At the request of any Party, the mediation will be confidential. The mediation shall be conducted in Maricopa County, Arizona or in the county in which our headquarters are located at the time of mediation, unless the Parties shall mutually agree to a different location. The Parties to the mediation will share equally in its costs and expenses, except those costs and expenses incurred separately by each Party, including, without limitation, counsel fees and expenses. The mediation process will be deemed "Completed" when the Parties agree that it has been completed, the mediator declares that any impasse exists or sixty (60) days have elapsed since the date of the initiating Party's notice to the other Party that it is initiating the mediation process, whichever occurs first.

(e) Notwithstanding anything contained in this Agreement to the contrary, the provisions of Sections 13(a), 13(b), 13(c) and 13(d) do not apply to a Dispute where: (i) Seller brings an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to Seller's goodwill, the confidential information, the proprietary marks or for fraudulent conduct by Purchaser; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, Seller may bring an action in any federal or state court having jurisdiction, whether for monetary damages and/or for temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to Seller. Purchaser hereby consents to and waives any objection or defense and agrees not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

(f) Disputes concerning the validity or scope of arbitration, including whether a dispute is subject to arbitration, are beyond the authority of the arbitrator(s) and will be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et seq., as amended from time to time.

(g) Either Party may appeal the final award of the arbitrator, if it is over One Hundred Thousand Dollars ($100,000), to the appropriate U.S. District Court. The Court's review of the arbitrator's findings of fact will be under the clearly erroneous standard, and the Court's review of all legal rulings will be *de novo*. If it should be determined that this provision for federal court review is not enforceable, then either Party may appeal the arbitrator's final award, if it is over One Hundred Thousand Dollars ($100,000), to a panel of three arbitrators chosen under AAA

procedures, which will employ the same standards of review stated immediately above.

14. Applicable Law and Forum; Waiver of Jury; Statute of Limitations.

Except to the extent that the United States Trademark Act of 1946, as amended (15 U.S.C., § 1051 et seq.) or the franchising laws of any state that may be applicable, the laws of the State of Arizona govern all rights and obligations of the Parties under this Agreement. Seller and Purchaser agree, subject to the mandatory mediation and arbitration provisions of Section 13 of this Agreement, that any appropriate state or federal court located in Maricopa County, Arizona has exclusive jurisdiction over any Dispute arising under or in connection with this Agreement and is the proper forum in which to adjudicate the case or controversy. Notwithstanding the foregoing, any action initiated by Seller may, at Seller's election, be brought in any jurisdiction where Purchaser is domiciled or that has jurisdiction over Purchaser. The Parties hereto irrevocably submit to the jurisdiction of, and venue in, any such court, and hereby waive any objection or defense thereto. THE PARTIES AGREE THAT ALL DISPUTES SUBMITTED TO THE COURT PURSUANT TO THIS SECTION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

Notwithstanding anything contained in this Agreement to the contrary, the Parties agree that any claims under, arising out of, or related to, this Agreement must be brought within two (2) years of the date on which the underlying cause of action accrued, and Seller and Purchaser hereby waive any right to bring any such action after such two-year period except for the collection of any unpaid amounts due to Seller or its affiliate.

15. Attorneys' Fees. In the event of any claim, controversy or dispute arising out of or relating to this Agreement, or the breach thereof, the prevailing Party may recover reasonable attorneys' fees incurred in connection with any court or arbitration proceeding.

16. Remedies Cumulative. The remedies of the Parties under this Agreement are cumulative and shall not exclude any other remedies to which any Party may be lawfully entitled.

17. Captions. Captions used throughout this Agreement are for convenience of reference only and shall not be considered in any manner in the construction or interpretation hereof.

18. Additional Actions. Each Party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of this Agreement.

19. Construction. The Parties acknowledge that each Party was represented (or had the opportunity to be represented) by legal counsel in connection with this Agreement, the exhibits hereto and the transactions contemplated by this Agreement and that each of them and its counsel have reviewed this Agreement, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or any exhibits hereto or thereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto, by and through its respective representatives with full rights, power and authority to enter into and bind his or her respective Party without further consent or approval of any kind, has duly executed and delivered this Agreement as of the ~~Effective~~ Execution Date and effective as of the Effective Date.

SELLER:

[SELLING ENTITY,]
a(n) _____

By: _____
[Name,] [Title]

PURCHASER:

[PURCHASER],
a(n) _____

By: _____
[Name, Title]

[Liquor License Entity (if applicable)]:

[ENTITY,]
a(n) _____

By: _____
[Name,] [Title]

By: _____
[Name, Title]

EXHIBIT A
TO ASSET PURCHASE AGREEMENT

(BILL OF SALE)

BILL OF SALE

This BILL OF SALE, dated _____, executed by [SELLING ENTITY], a(n) _____ [IF LIQUOR LICENSE ENTITY] ("Grantor") in favor of [PURCHASER], a(n) _____ ("Grantee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby convey, grant, bargain, sell, transfer, set over, assign, alien, remise, release, deliver and confirm unto Grantee, its successors and assigns forever, free and clear of all liens, security interests, claims, charges or encumbrances of any kind, the assets listed on **Schedule 1** attached hereto (collectively, " Transferred Assets"), TO HAVE AND TO HOLD all of the Assets unto Grantee, its successors and assigns to their own use and behoof forever.

The following are excluded assets and are excluded from **Schedule 1**:

a. Cash deposits, including, but not limited to, any utility and security deposits, banks accounts, certificates of deposit, securities or evidences of indebtedness received prior to and including the date of this Bill of Sale;

b. Credit card or house accounts receivable from sales generated from the Franchised Business and constituting a part thereof, prior to and including the date of this Bill of Sale, any other accounts receivable, or choses of action accruing on or before the Closing Date, as defined in the Asset Purchase Agreement; and

c. Consumable inventory including, but not limited to, food products, perishables, paper products, cash on hand and other goods.

EXECUTED as of the date first set forth above.

[IF LIQUOR LICENSE ENTITY]

GRANTOR:

[SELLING ENTITY],
a(n) _____

By: _____
[Name, Title]

Schedule 1 to Bill of Sale

List of Assets

1. All telephone numbers used in connection with the Franchised Business, including, without limitation, the following:

2. The leaseholdunder the master lease along with all improvements which may be associated with the Franchised Business.

3. All goodwill associated with the Franchised Business.

4. [IF LIQUOR LICENSE: The License maintained by [Entity] as may be transferrable under [applicable State] law.

5. All of Grantor's furniture, fixtures and equipment, appliances and personal property located at the Franchised Business, including, without limitation, the following:

Quantity	**Description**	**Serial Number**

EXHIBIT B
TO ASSET PURCHASE AGREEMENT

(PROMISSORY NOTE AND SECURITY AGREEMENT)

[Attached]

[Not Applicable] [OR] [Applicable only if Purchaser enters into a Promissory Note and Security Agreement]

PROMISSORY NOTE AND SECURITY AGREEMENT

Note Amount: Scottsdale, Arizona
[$AMOUNT] **[DATE]**

1. Promise to Pay. For value received, [NAME], a(n) [_____ corporation / limited liability company / individual] ("Maker"), promises to pay to the order of [Holder Entity], a [state] [Corporation/Limited Liability Company, etc.] ("Holder"), at 9311 East Via De Ventura, Scottsdale, Arizona 85258, or at such other address as Holder may designate at any time by written notice to Maker, in lawful money of the United States of America, the principal sum of XX Thousand Dollars (**$XX,000.00**) together with all then-accrued and unpaid interest and other amounts that are Maker's obligations under this Promissory and Security Agreement ("Note"), if any. Maker and Holder may also be referred to in this Agreement as a "Party" and collectively as "Parties." The Note balance represents the principal amount owing by Maker to Holder for the purchase price of the Store (as defined below) due under the Asset Purchase Agreement in the aggregate amount of XX Thousand Dollars (**$XX,000.00**) [plus the UCC-1 filing fee (as described in Section 7) in the amount of One Hundred Dollars ($100)([collectively,]"Debt") for the Cold Stone Creamery store number ___ at the following location _____ ("Store").

2. Computation of Interest. Except as otherwise set forth in this Note, this Note shall [not bear interest OR bear interest at the rate of ___% per annum] based on a ___ [month/year] amortization schedule.

3. Required Payments; Method of Payment. Principal and interest, if any, shall be repaid to Holder in a total of _____ (XX) [weekly/monthly] installments, consisting of the first _____ (XX) installments in the amount of **_____ AND xx/100 DOLLARS ($_____.__),** and the final installment in the amount of **_____ AND xx/100 DOLLARS ($_____.__)** which installments shall be due on the [day of the week, or date of the month] (X^{xx})of each consecutive [week / month], with the first installment due on [DATE] and the final installment due on [DATE], all as set forth on the Amortization Schedule attached hereto as **EXHIBIT "1"** and incorporated herein by reference. Maker authorizes Holder (or one of its affiliates) to deduct payments owed by Maker (or one of its affiliates) to Holder under this Note out of Maker's bank accounts via electronic funds transfer in the same way Holder (or one of its affiliates) is authorized to collect payment under the Franchise Agreement entered into by and between Holder and Maker dated _____ ___, 20___ or other franchise documents that Maker (or a related entity) entered into with Holder (or one of its affiliates) for the Store (individually and collectively, "Franchise Agreement"). All payments due under this Note shall be deducted by Holder's close of business from Maker's Depository Account (as defined in the Franchise Agreement) on the day they are due (or the preceding banking business day if such date is a holiday or falls on a weekend). Holder shall not be responsible for any interest charges for any overage collected due to Maker's failure to timely authorize payment. Additionally, Holder shall not be responsible for any bank service charges incurred by Maker which result in the withdrawal of funds from Maker's Depository Account. Maker shall pay Holder FIFTY AND 00/100 DOLLARS ($50.00) for each withdrawal attempted from Maker's Depository Account pursuant to this Section 3 that is returned for non-sufficient funds. Maker shall also reimburse Holder for all other costs incurred by Holder in collecting or attempting to collect funds due Holder from the Depository Account (for example, without limitation, charges for non-sufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Depository Account balance in accordance with the terms of the Franchise Agreement). Holder does not have to make or give "presentment, demand, protest or notice" to get paid. Maker hereby waives any right to "presentment, demand, protest and notice"

as set forth in Section 10 below.

4. Application of Payments. All payments and other credits due under this Note shall be applied: [if part of Note balance a non-refundable fee (i) first to the amount of principal allocated to the Initial Franchisee Fee/Renewal Fee/Transfer Fee,] [(i) first][(ii) second,] to fees, costs and expenses payable by Maker under this Note, [(ii) second,][(iii) third,] to accrued and unpaid interest, if any, and [(iii) third][(iv) fourth,] to principal.

5. Collection Costs. If suit, arbitration, or other legal proceeding or any non-judicial foreclosure proceeding is instituted or any other action is taken by Holder to collect all or any part of the indebtedness evidenced hereby or to proceed against the Collateral (as defined below) for any portion of such indebtedness or against any guarantor of the payment of any portion of the indebtedness, Maker promises to pay Holder's attorneys' fees and other costs (to be determined by the court and not by a jury) incurred thereby. Such fees and costs shall be included in any judgment or arbitration award obtained by Holder, and shall bear interest at the default rate set forth in Section 12.

6. Optional Prepayments. Maker shall have the option to prepay this Note, in full or in part, at any time and from time to time, without penalty. Maker shall identify each optional prepayment of principal as such by written notice to Holder at the time of payment, and no such prepayment shall decrease or defer the monthly installment payments required by Section 3 above.

7. Security Interest. The indebtedness evidenced by this Note shall be secured by, and Maker hereby grants to Holder, a security interest in the equipment, inventory, leasehold improvements, and all proceeds thereof, and all increases, additions, accessories, accessions, substitutions, and replacements thereto located at the Store including, without limitation, insurance proceeds ("Collateral"). A description of the Collateral is attached hereto as **EXHIBIT "2"** and incorporated herein by reference. Concurrent with the execution of this Note or at any time after the execution of this Note so long as a balance remains outstanding under this Note, Maker shall execute and deliver to Holder, or alternatively Maker gives Holder permission to file, at Maker's expense, a UCC-1 financing statement, evidencing the security interest granted by this Section 7.

8. Guaranty of Promissory Note and Security Agreement. [If Maker is an individual and married, Maker represents and warrants that Maker's obligations under this Note are guaranteed by Maker's spouse and/or any other individuals requested by Holder as consideration for its agreements herein (together, "Guarantors"), pursuant to the Guaranty of Promissory Note and Security Agreement attached hereto as **EXHIBIT "3**" and incorporated herein by reference.] If Maker is a corporation, limited liability company, or other business entity, Maker represents and warrants that Maker's obligations under this Note are guaranteed by each of the persons who are shareholders, members, or other owners, direct or indirect, of Maker (and their respective spouses, if married); and/or any other individuals requested by Holder as consideration for its agreements herein (together, also "Guarantors"), pursuant to the Guaranty of Promissory Note and Security Agreement attached hereto as **EXHIBIT "3**" and incorporated herein by reference. In the event any person who has not previously signed a Guaranty of Promissory Note and Security Agreement becomes Maker's spouse; person who is a shareholder, member, or other owner, direct or indirect, of Maker (or their respective spouses, if married); and/or any other individual requested by Holder as consideration for its agreements herein, at any time after the execution of this Agreement, Maker must cause such person(s) to immediately execute and deliver a Guaranty of Franchise Agreement to Holder.

9. Maker's Representations and Warranties. Maker represents and warrants the following:

A. Collateral.

(i) Maker will make sure that the Collateral is maintained and in good operating condition, necessary to the conduct of Maker's business. All maintenance must also comply with any legal or regulatory requirements.

(ii) Maker will make sure that Maker has not suffered any material adverse change in Maker's financial condition or operations.

(iii) Maker will protect and preserve the Collateral and Holder's security interest therein, and assist Holder in all ways in enforcing Holder's security interests in the Collateral.

(iv) Maker will not incur any debts beyond Maker's ability to pay such debts as they mature.

(v) Maker will pay, before they become delinquent, all taxes and claims, assessments, charges, and the like, as well as all amounts due under all agreements with third parties.

(vi) Maker will take all actions necessary or appropriate to protect the Collateral that consists of technology and proprietary information. This includes, without limitation, filing all applicable documentation with the United States and foreign patent and trademark offices.

(vii) Holder will give Maker prior notice if Holder, or Holder's agents, want to inspect the Collateral. Holder may inspect the Collateral during regular business hours. Holder will take reasonable steps not to interfere with Maker's business operations during any such inspection. If Holder finds during an inspection that Maker is not complying with this Note or if Maker is otherwise in default under this Note, Maker (and not Holder) will pay Holder's reasonable travel, meals and lodging costs, Holder's salary costs, and Holder's costs and fees and those of Holder's agents for re-inspection. Maker will promptly cure any problems with the Collateral that are discovered during Holder's inspections.

(viii) Maker will use the Collateral only for business purposes. Maker will obey all legal and regulatory requirements in Maker's use of the Collateral and the conduct of Maker's business.

(ix) Maker will make all additions, modifications and improvements to the Collateral to the extent necessary. Otherwise, Maker will not alter the Collateral without Holder's written permission.

(x) Maker will not remove the Collateral from the Store location.

(xi) Maker has and will continue to have good and merchantable title to all of the Collateral, free and clear of all security interests, liens and other encumbrances, with the exception of Holder's lien described in Section 7 above.

(xii) Maker will not convey, assign, sell, mortgage, transfer, encumber, pledge, hypothecate, grant a security interest in, grant options with respect to, lease or otherwise dispose of all or any part of any interest whatsoever in or to any or all of the Collateral, or any interest therein.

B. Insurance.

(i) Until Maker has made all payments to Holder under this Note in full, Maker will keep the Collateral insured. The amount of insurance, the coverage, and the insurance company must be acceptable to Holder.

(ii) If Maker does not provide Holder with written evidence of insurance that is acceptable to Holder, Holder may buy the insurance, at Maker's expense. Maker will promptly pay Holder the cost of this insurance. Holder has no obligation to purchase any insurance. Any insurance that Holder purchases will be Holder's insurance, and not Maker's, and Holder may insure the Collateral beyond the date of satisfaction of the Debt.

(iii) Insurance proceeds may be used to repair or replace damaged or lost Collateral or to pay Holder the present value of the payments described herein.

(iv) Maker appoints Holder as Maker's "attorney-in-fact" to make claims under the insurance policies, to receive payments under the insurance policies, and to endorse Maker's name on all documents, checks or drafts relating to insurance claims for Collateral. Upon request by Maker, Holder will provide Maker with copies of any and all documents signed as Maker's attorney-in-fact. Holder agrees to pay Maker any insurance proceeds received by Holder in excess of the any and all amounts due Holder under this Note.

10. Waivers and Acknowledgments. Maker, and any sureties, endorsers and guarantors of all or any portion of the indebtedness evidenced by this Note waive: (a) demand, notice, diligence, protest, presentment for payment, and notice of extension, dishonor, protest, demand and nonpayment of this Note; and (b) any release or discharge by reason of (i) any release or substitution of, or other change in, any security given for the indebtedness evidenced by this Note or the obligation of any other person or entity who or which is now or may become directly or indirectly liable for all or any portion of the indebtedness evidenced by this Note, or (ii) any extension or other modification of the time or terms of payment of all or any portion of the indebtedness evidenced by this Note. Maker, and any sureties, endorsers and guarantors agree that their liability for the indebtedness evidenced hereby shall be joint and several.

11. Default, Take-Back Rights and Additional Remedies.

A. Default. Maker will be in default if any of the following occurs:

(i) Maker does not pay Holder, within seven (7) days after written notice is received by Maker from Holder, any payment that Maker owes Holder under this Note, the Franchise Agreement (including, but not limited to, royalty and advertising fees) or any other agreement, loan, debt, lease or other financial arrangement that Maker has with Holder or one of its affiliates (each a "Payment Default").

(ii) Any of the financial information that Maker gives Holder is not materially true and complete, or Maker fails to tell Holder anything that would make the financial information not materially misleading.

(iii) Maker does something it is not permitted to do, or Maker fails to do anything that is required of them, under this Note, the Franchise Agreement or any other lease, loan, debt or other financial arrangement that Maker has with Holder and such breach continues uncured for a period of seven (7) days after Holder has given written notice of such default to Maker, provided that such cure period shall not apply to any covenant relating to insurance covering the Collateral described in Section 7.

(iv) An event of default occurs under the Franchise Agreement, or under any other lease, loan, debt or obligation of Maker (or any guarantor) that exceeds Fifty Thousand Dollars ($50,000) in the aggregate that results in the acceleration or mandatory prepayment thereof.

(v) Maker files bankruptcy, or involuntary bankruptcy is filed against Maker or any guarantor and such involuntary bankruptcy is not dismissed within sixty (60) days.

(vi) Maker is subject to any other insolvency proceeding other than bankruptcy (for example, a receivership action or an assignment for the benefit of creditors) and such proceeding that is involuntary is not dismissed within sixty (60) days.

(vii) Without Holder's permission, Maker sells all or a substantial part of Maker's assets, merges or consolidates (other than with an affiliate where Maker is the surviving entity), or a majority of Maker's voting stock or interests (or any guarantor's voting stock or interests) is transferred.

(viii) There is a material adverse change in Maker's financial condition, business or operations.

B. "Take Back Rights." In the event of a Payment Default, Maker hereby grants Holder the following "Take Back Rights" (as defined below in this Section 11.B.) with respect to the Store. Maker shall have seven (7) days after receipt of written notice from Holder to cure any such Payment Default. If Maker does not timely cure the Payment Default, Maker hereby grants Holder the irrevocable right to immediately enter the Store and take possession and full ownership of the Store going forward, and further agrees to execute any and all reasonably necessary documents to transfer ownership of the Store, including all assets located therein, to Holder or its designee and to assign the lease for the premises of the Store to Holder or its designee ("Take Back Rights"). In the event of an uncured Payment Default, Maker further acknowledges and agrees to the following: (i) the Take Back Rights represent Holder's liquidated damages for Maker's Payment Default; (ii) that such damages are reasonable under the circumstances; (iii) that Maker shall have no right to contest, and hereby waives any such rights to contest or appeal, Holder's Take Back Rights, including Holder's entry into the Store and subsequent possession, control; and ownership of the Store thereafter; and (iv) that Maker shall receive no compensation or other monetary consideration from Holder for the Store. For purposes of the Take Back Rights under this Section 11, all notices shall be sent by certified mail, return receipt requested, or via overnight delivery service, to the other Party at the addresses listed in Section 16.

C. Acceleration in the Event of Default. In the event of any default, including

a Payment Default, under this Note which is not cured within seven (7) calendar days after receipt of written notice from Holder, the principal sum hereof, together with all accrued and unpaid interest, shall, at the option of the Holder (and without limiting any remedies available to Holder), become immediately due and payable without further notice or demand by the Holder.

D. Consent to Credit Reports. Maker hereby agrees that upon notice of default or upon an uncured default of this Note, the Franchise Agreement or any other agreement between Maker (or a legal entity thereof) and Holder or its affiliates, and with no prior notice, Maker consents to Holder's (or its affiliates' or third-party contractors') acquisition and use of non-business consumer credit reports on Maker in order to evaluate as necessary the financial condition of Maker as principal(s), member(s), manager(s), franchisee(s), and/or guarantor(s) in connection with the collection of monetary obligations as contemplated by this Note, Maker's Franchise Agreement, the Guaranty of Agreement, or any other agreements between Maker (or a legal entity thereof), and Holder or its affiliates.

E. Acceleration in the Event of the Sale of the Store. In the event Maker sells the Store (as defined in Section 1 above) effective on or before _____, then the entire principal balance (plus all accrued interest) shall become due and payable upon the closing of the transaction of the sale of the Store.

12. Default Interest. After maturity, including maturity upon acceleration as described in Section 11 above, or at any time that Maker is more than seven (7) calendar days delinquent in the payment of money as required by this Note (whether or not Holder has given any notice of default or any cure period has expired), then all amounts outstanding hereunder and any advances thereafter made from the Debt evidenced hereby and any accruing costs and reasonable attorneys' fees which are the obligation of Maker shall thereafter bear interest at the rate of eighteen percent (18%) per annum until paid.

13. Indemnity. Maker shall indemnify, defend and hold Holder harmless for, from and against any and all claims, expenses and reasonable attorneys' fees actually incurred by Holder concerning or arising from the Collateral, this Note, or Maker's breach of any material representation, warranty or covenant. It includes, without limitation, any claims, losses or charges actually incurred concerning, arising out of or in connection with the manufacture, selection, delivery, possession, use, operation or return of the Collateral and any claims, losses or damages actually incurred concerning, arising out of or in connection with this Note. This obligation of Maker's to indemnify Holder continues even after satisfaction of this Note.

14. No Waiver by Holder. Failure of the Holder to exercise any option hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent default or in the event of continuance of any existing default after demand for strict performance thereof.

15. Time of Essence. Time is of the essence of this Note.

16. Notices. All notices required or permitted to be given by either Party pursuant to this Note shall be in writing and given by (a) hand delivery, (b) express overnight delivery service or (c) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (i) receipt, if hand delivered, (ii) the next business day following the date of deposit with the delivery service, if delivered by express overnight delivery service, or (iii) the third business day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be provided to the Parties at the addresses and facsimile numbers specified below:

If to Holder: [Seller Entity]
Attention: Legal Department
9311 East Via De Ventura
Scottsdale, Arizona 85258
Telephone Number: (480) 362-4800
Facsimile Number: (480) 362-4819

If to Maker: _____
_____
_____
_____
Telephone Number:
Facsimile Number:

17. Governing Law. This Note shall be construed according to the substantive laws and judicial decisions of the State of Arizona, without regard to any conflict of laws principles. Any action brought to enforce this Note may be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa. Maker and any sureties, endorsers and guarantors irrevocably consent to jurisdiction and venue in such court for such purposes.

18. RELEASE. IN EXCHANGE FOR HOLDER'S AGREEMENT TO ARRANGE FOR MAKER'S PAYMENT OF THE DEBT, MAKER AND EACH OF ITS CURRENT, PAST AND FUTURE PREDECESSORS, SUCCESSORS AND ASSIGNS, AND EACH OF ITS AND THE FOREGOING ENTITIES' RESPECTIVE PARENTS, SUBSIDIARIES, SHAREHOLDERS, MEMBERS, MANAGERS, OWNERS, PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNS, GUARANTORS, INSURERS, SPOUSES, HEIRS, EXECUTORS, TRUSTEES, AND ESTATES, IF ANY, OF ANY AND ALL SUCH ENTITIES (COLLECTIVELY WITH MAKER "MAKER PARTIES"), HEREBY IRREVOCABLY AND UNCONDITIONALLY RELEASE, REMISE AND FOREVER DISCHARGE HOLDER AND EACH OF ITS CURRENT, PAST AND FUTURE PREDECESORS, SUCESSORS AND ASSIGNS, AND EACH OF ITS AND THE FOREGOING ENTITIES RESPECTIVE PARENTS, SUBSIDIARIES, SHAREHOLDERS, MEMBERS, MANAGERS, OWNERS, PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNS, GUARANTORS, INSURERS, SPOUSES, HEIRS, EXECUTORS, TRUSTEES, AND ESTATES, IF ANY, OF ANY AND ALL SUCH ENTITIES (COLLECTIVELY WITH HOLDER "HOLDER PARTIES"), FROM ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, DEBTS, DUTIES, ACCOUNTS, COVENANTS, CONTRACTS, AGREEMENTS, PROMISES, DAMAGES, JUDGMENTS, TAXES, LIABILITIES AND OBLIGATIONS, BOTH CONTINGENT AND FIXED, KNOWN AND UNKNOWN, NOW EXISTING OR HEREAFTER, OF EVERY KIND AND NATURE WHATSOEVER, IN LAW OR EQUITY, OR OTHERWISE, UNDER LOCAL, STATE, OR FEDERAL LAW OR THE LAW OF ANY OTHER APPLICABLE JURISDICTION, THAT ANY OF THE MAKER PARTIES HAVE AGAINST ANY OF THE HOLDER PARTIES, INCLUDING, WITHOUT LIMITATION, THOSE ARISING FROM, IN CONNECTION WITH OR RELATING TO: (I) THE FRANCHISE AGREEMENT (INCLUDING ANY AMENDMENTS OR MODIFICATIONS THERETO); (II) THE OPERATION, LEASING OR SUBLEASING OF THE STORE; AND (III) THE OFFERING AND SALE OF THE FRANCHISE FOR THE STORE; ARISING FROM AN ACT, OMISSION, CONDUCT OR ACTIVITY OCCURRING BEFORE AND INCLUDING THE DATE OF THIS NOTE WRITTEN ABOVE.

IT IS UNDERSTOOD BY MAKER THAT IF THE FACTS OR LAW WITH RESPECT TO THE FOREGOING RELEASE HEREAFTER TURN OUT TO BE DIFFERENT FROM THE FACTS OR LAW KNOWN TO BE OR BELIEVED BY MAKER TO BE TRUE AT THE TIME OF EXECUTION OF THIS NOTE, THEN MAKER EXPRESSLY ASSUMES THE RISK OF THE FACTS OR LAW TURNING OUT TO BE SO DIFFERENT, AND AGREES THAT THE FOREGOING RELEASE SHALL BE IN ALL RESPECTS EFFECTIVE AND NOT SUBJECT TO TERMINATION OR RESCISSION, IN WHOLE OR IN PART, BASED UPON SUCH DIFFERENCES.

19. Counterparts; Signatures. This Note may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Note and all of which, when taken together, shall be deemed to constitute one and the same Note. The signatures required for execution may be transmitted to the other Party via facsimile or a scanned .pdf file sent via email and such signature shall be deemed a duplicate original, shall be effective upon receipt by the other Party, may be admitted in evidence and shall fully bind the Party and person making such signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Maker, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective Party without further consent or approval of any kind, has duly executed and delivered this Note as of the date first written above.

MAKER:

_____, a(n) _____

By: _____
[Name, Title]

EXHIBIT "1" TO PROMISSORY NOTE

AMORTIZATION SCHEDULE

(Attached)

EXHIBIT "2" TO PROMISSORY NOTE

COLLATERAL

All assets owned by [NAME], a(n) [State] [corporation / limited liability company] ("Borrower"), whether now owned or hereafter acquired by Borrower and located at the following location: [Store Address], including, without limitation, the following properties of Borrower:

(a) All accounts, contract rights, rights to payment, accounts receivable, chattel paper, leases, instruments, notes, securities, documents of title, deposit accounts, certificates of deposit and general intangibles;

(b) All inventory, including, without limitation, raw materials, work-in-process or materials used or consumed in the business of Borrower, whether in the possession of Borrower, warehouseman, bailee or any other person or entity;

(c) All machinery, furniture, fixtures and other equipment;

(d) All negotiable and nonnegotiable documents of title;

(e) All proceeds of any of the above-described property;

(f) All books and records pertaining to any of the above-described property, including, without limitation, any computer readable memory and any computer hardware or software necessary to process such memory:

(g) All rights under contracts of insurance covering any of the above-described property;

(h) All attachments, accessions, tools, parts, supplies, increases and additions to and all replacements of and substitutions for any of the above-described property; and

(i) All products of any of the above-described property.

EXHIBIT "3" TO PROMISSORY NOTE

[GUARANTY OF PROMISSORY NOTE AND SECURITY AGREEMENT] or [NOT APPLICABLE]

GUARANTY OF PROMISSORY NOTE AND SECURITY AGREEMENT

This GUARANTY OF PROMISSORY NOTE AND SECURITY AGREEMENT ("Guaranty") is dated as of [Date] ("Effective Date"), and is executed by each of the undersigned ([individually and collectively,]"Guarantor") in favor of [SELLING ENTITY], a [state] [Corporation/Limited Liability Company, etc.] ("Seller"). To the extent this Guaranty contains terms and conditions that differ from those contained in the Note (as defined in Recital A below), this Guaranty shall control. All capitalized terms not otherwise defined in this Guaranty will have the same meanings ascribed to such terms in the Note.

Recitals

A. As an inducement for Seller to provide debt to [Franchisee], a [State] [corporation/limited liability company], ("Franchisee"), and to perform Seller's obligations under the Promissory Note and Security Agreement dated [Start Date] ("Note") in the amount of _____ Dollars ($_____), Guarantor has agreed to jointly and severally guarantee the obligations of Franchisee under the Note.

B. Franchisee and Kahala Franchising, L.L.C. signed a Franchise Agreement, as amended, with respect to Cold Stone Creamery Store No._____ ("Franchise") dated [Franchise Agreement Date] ("Franchise Agreement").

C. Guarantor is an individual who owns, directly or indirectly, a five percent (5%) or greater equity interest in the Franchise, has agreed to guarantee the Franchisee's obligations pursuant to the Franchise Agreement and Note, or is Franchisee's spouse.

NOW THEREFORE, in consideration of the foregoing, the execution and delivery of the Note by Seller, and the performance of Seller's obligations under the Note, Guarantor agrees, for the benefit of Seller and its affiliates as follows:

Agreement

1. Guarantor unconditionally guarantees and promises to pay to Seller and/or its affiliates and to perform, for the benefit of Seller and/or its affiliates, on demand, any and all obligations and liabilities of Franchisee in connection with, with respect to, or arising out of, the Note and all Schedules entered into in connection therewith ("Obligations").

2. This is a guaranty of payment and not of collection. This Guaranty will remain in full force and effect until all amounts payable by Guarantor have been validly, finally and irrevocably paid-in-full and all Obligations will have been validly, finally and irrevocably satisfied or performed-in-full.

3. Guarantor's Obligations under this Guaranty are joint and several and are independent of the obligations of Franchisee. A separate action or actions may be brought and prosecuted against Guarantor regardless of whether an action is brought against the Franchisee or whether the Franchisee (or, if more than one Guarantor, the other Guarantors) is joined in any such action. Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty or the enforcement of this Guaranty. Guarantor waives its rights under A.R.S. Section 12-1641, *et seq*. and Rule 17(f) of the Arizona Rules of Civil Procedure for the Superior Courts of Arizona, which set forth certain rights and obligations among guarantors, debtors and creditors, if applicable, including the right to require Seller to bring an action against the Franchisee prior to enforcing its rights under this Guaranty. Guarantor waives any right to require Seller to proceed against or exhaust any security interest held in the property of Franchisee or to pursue any other remedies that Seller may have. Guarantor waives all

requirements as to presentment, demand for performance, notice of non-performance, protest, notice of protest, notice of dishonor, and notice of acceptance of this Guaranty and of the existence, creation or incurring of new or additional Obligations or indebtedness.

4. Guarantor authorizes Seller, without notice or demand and without affecting Guarantor's liability under this Guaranty to renew, compromise, modify, extend, accelerate or otherwise change the terms of any present or future Obligations and/or agreements between Franchisee and Seller or Seller's affiliates. Any change in the Obligations and/or agreements will have no effect on Guarantor's liability under this Guaranty. Guarantor will remain liable for the Obligations as set forth in this Guaranty if Franchisee fails to satisfy any of its obligations.

5. If any one or more of the provisions in this Guaranty will be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Guaranty, and this Guaranty will be construed as if such provision had never been contained herein. Notwithstanding the foregoing, if the provision held invalid, illegal or unenforceable is a material part of this Guaranty, as determined by Seller, the Parties shall promptly negotiate a substitute provision consistent with then-current law and the Parties' original intent to replace the provision held to be invalid, illegal or unenforceable.

6. If Seller is required to take any legal action to enforce its rights under this Guaranty, Seller may recover from Guarantor Seller's costs and expenses in connection therewith, including, without limitation, reasonable attorneys' fees, whether or not suit is filed, and all costs of collection, suit, and preparation for suit (whether at the trial or appellate level).

7. Nothing in this Guaranty will constitute a waiver or limitation of any other rights or remedies of Seller or its affiliates against Franchisee or Guarantor. No failure or delay on the part of Seller or its affiliates in exercising its rights under this Guaranty will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any right will be effective unless given in writing, specifying with particularity the nature of the waiver. No waiver of any right will be deemed a waiver of any other right. The rights provided for in this Guaranty are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

8. Guarantor agrees that it will not exercise any rights of subrogation that Guarantor may acquire due to any payment or performance of the Obligations of the Franchisee pursuant to this Guaranty unless and until all amounts payable to Seller or its affiliates, and all Obligations for the benefit of Seller or its affiliates, due under the Note will have been validly, finally and irrevocably paid and performed in full.

9. This Guaranty will be binding upon Guarantor and its respective successors, heirs and assigns, and will inure to the benefit of Seller, its affiliates and their respective successors and assigns.

10. If more than one person signs this Guaranty, each Guarantor's obligations will be joint and several. Guarantor acknowledges and agrees that Seller will materially rely upon Guarantor's promises and obligations under this Guaranty.

11. [The undersigned _____[include name(s) here of each of the undersigned who is not married] each represents that he/she is not married as of the Effective Date.

This Guaranty will be governed by, and construed and enforced in accordance with, the law of the State of Arizona, notwithstanding any conflict of law provisions to the contrary.

Guarantor agrees that any litigation in connection with this Guaranty will be commenced and maintained only in the courts located in Maricopa County, Arizona, and Guarantor consents to the jurisdiction of such courts.

GUARANTOR:

[Name], an individual	[Name], an individual
[Name], an individual	[Name], an individual

EXHIBIT E-1

TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement (New)

COLD STONE CREAMERY

FRANCHISE AGREEMENT
(New)

between

KAHALA FRANCHISING, L.L.C.

and

_____, a(n) _____

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COLD STONE CREAMERY
FRANCHISE AGREEMENT
("Agreement")

PARTIES:

KAHALA FRANCHISING, L.L.C., ("Franchisor")
an Arizona limited liability company
Attn: Legal Department
9311 E. Via De Ventura
Scottsdale, Arizona 85258

_____ ([individually and collectively,] "Franchisee")
a(n) _____
_____
_____
Telephone No.: _____

RESTAURANT NO.: _____

EFFECTIVE DATE: _____ ("Effective Date")

TRADITIONAL RESTAURANT (YES or NO): _____

RESTAURANT DESCRIPTION IF NON-TRADITIONAL: _____

A "traditional" restaurant is a restaurant that is easily accessible by the general public, such as a free-standing building, inline retail shop, shopping mall and street front location. A traditional *Cold Stone Creamery* restaurant normally offers a full menu. A "non-traditional" restaurant is a *Cold Stone Creamery* restaurant that is located in a non-traditional marketplace, as determined by us (in our sole discretion), such as an airport, amusement park, sports or entertainment venue, train station, travel plaza, toll roads, cafeteria, retail store, convenience store, military base, hospital, office building, movie theater, hotel, casino, kiosk, cart, or high school or college campus. A non-traditional restaurant may also be a *Cold Stone Creamery* restaurant that is co-branded into another brand restaurant, at Franchisor's sole discretion. A non-traditional *Cold Stone Creamery* restaurant normally offers a limited version of the full *Cold Stone Creamery* menu.

To simplify the language in this Agreement, the terms "we," "us," "our" and the like may be used to refer to the Franchisor, and the terms "you," "your" and the like may be used to refer to the Franchisee. The term "you" as used herein is applicable to one (1) or more persons, a corporation, partnership, trust, other entity, association or form of organization as the case may be, and the singular usage includes the plural, masculine, neuter, feminine, and possessive usages. Franchisor and Franchisee may individually be referred to as a "party" and collectively referred to as the "parties."

RECITALS:

This Agreement is entered into with reference to the following facts and circumstances:

A. We have, over a period of time and at considerable expense, developed and established a uniform and unique method of operation, customer service, advertising, publicity, processes, recipes, techniques and technical knowledge in connection with the restaurant business, specializing in super-premium ice cream, cakes, pies, smoothies, shakes, specialty beverages, other dessert with frozen confections, and other related beverage and food items. These restaurants do business under the trade name "*Cold Stone Creamery®*". These Cold Stone Creamery recipes, techniques, processes and methods constitute our "Trade Secrets." All of our knowledge, experience, Trade Secrets, processes, methods, specifications, techniques, Proprietary Marks (as defined in Recital B.), System Standards (as defined in *Section 1.4*) and information are referred to in this Agreement as the "System." The System may be changed, supplemented, improved and further developed by us from time to time.

B. We have owned and issued franchises to others for the operation of franchised restaurants in the United States and in other countries. We have registered and applied for proprietary marks with the United States Patent and Trademark Office and with offices in other countries serving similar functions. These proprietary interests, trademarks, service marks, logos, insignias, trade names and trade dress are referred to in this Agreement as the "Proprietary Marks."

C. We are engaged in the business of licensing the right to use the Proprietary Marks in connection with the operation and promotion of the System.

D. You understand and recognize that: (1) our Trade Secrets, Proprietary Marks, developments and other properties as recited above are of considerable value; and (2) it is of importance to us and all of our franchisees to maintain the development of the System in a uniform and distinctive manner, allowing you and our other franchisees to enjoy a public image and reputation greater than most single franchisees could establish.

E. You desire to make use of the "*Cold Stone Creamery®*" trademark and to enjoy the benefits of that mark, the other Proprietary Marks, and the System; and to establish a "*Cold Stone Creamery*" franchise to be operated in accordance with System Standards set forth from time to time by us. System Standards are set forth in, without limitation, the confidential "ops package," which consists of the "operations manual" ("Operations Manual"), "ops toolkit" and related printed and electronic documents, both now existing and hereinafter developed (individually and collectively, "Confidential Manual"). We are willing to grant you the right to do so under the terms, conditions and provisions set forth in this Agreement, which includes any and all appendices, addenda, amendments, attachments and exhibits.

F. You recognize the necessity and desirability of protecting our reputation, goodwill, Trade Secrets, and other confidential business information; and that disclosure of Trade Secrets and confidential business information, including specifics of the System to any third-party, will cause irreparable damage and harm to us.

AGREEMENT:

The parties agree as follows:

ARTICLE 1. GRANT OF FRANCHISE; TERM; SYSTEM STANDARDS

1.1 Franchise Grant.

We hereby grant to you a *Cold Stone Creamery* franchise that includes the right to use the System ("Franchised Business") as provided in this Agreement, at the following location:

Arena, Mall, Facility, or Center Name: _____
(if applicable)

Street Address: _____

City/State/Zip Code: _____ ("Location")

1.2 Location of the Franchised Business; No Exclusive Territory or Other Rights.

You must operate the Franchised Business only from the Location, including any catering services of *Cold Stone Creamery* menu items you provide. You acknowledge that the *Cold Stone Creamery* franchise granted under this Agreement is non-exclusive, that we are not granting you any territorial protection or any other exclusive rights, and that we, directly or through one (1) or more affiliates, reserve the right in our sole discretion, and without compensating you or seeking your prior approval: (i) to establish, and grant to other franchisees or licensees the right to establish, a *Cold Stone Creamery* restaurant or any other business using the Proprietary Marks, the *Cold Stone Creamery* System or any variation thereof, in any location other than the approved Location (including locations in the immediate vicinity of your Location), on any terms and conditions that we deem appropriate; (ii) to establish, and grant to other franchisees or licensees the right to establish, any restaurant concept other than *Cold Stone Creamery* in any location on any terms and conditions that we deem appropriate (including locations in the immediate vicinity of the Location); (iii) to sell products identified by the Proprietary Marks or other trademarks, service marks or commercial symbols in any location through any distribution channels, including grocery stores, convenience stores, supermarkets, club stores, vending machines, delivery services and restaurants other than *Cold Stone Creamery* restaurants; and (iv) to take any other action that we are not expressly prohibited from taking under this Agreement.

We hereby grant to you during the term of this Agreement, a non-exclusive right and license to operate a single restaurant at the Location only, according to the System Standards and subject to the terms, conditions and restrictions contained in this Agreement. This Agreement is limited to the operation of one traditional restaurant, unless otherwise amended, and does not grant you the right to buy, own or operate additional restaurants.

Except as expressly limited in this Agreement, we (for ourselves and our affiliates and designees) retain all rights with respect to all Proprietary Marks and the sale of *Cold Stone Creamery* products anywhere in the world with no compensation or liability to you, including the right to:

a. Establish and operate (or license to any other person or entity the right to establish and operate) *Cold Stone Creamery* restaurants owned or licensed by us at any location;

b. Develop, market, own, operate and participate in any other business under the Proprietary Marks or any other trademarks (including trademarks identified in the Franchise Disclosure Document ("Disclosure Document") and other trademarks we or our affiliates own or have the right to license);

c. Develop, lease and license the use of, at any location, trademarks other than the Proprietary Marks, in connection with the operation of a system that offers products or services that are the same as, or similar to, those offered by us under this Agreement on any terms or conditions that we deem advisable, in our sole discretion;

d. Merge with, acquire or be acquired by any other business, including a business that competes with your Franchised Business, or acquire and convert any retail stores, including retail stores operated by competitors, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporate-owned;

e. Distribute, sell and license other persons or entities to distribute and sell products through all other channels of distribution, including catalog sales, telemarketing, grocery stores, warehouses, big box shops, specialty shops, limited access highway food facilities, vending machines and similar automated dispensing systems, mobile units, off-site sales accounts, electronic mail, Internet sales, and movie theaters (individually and collectively, "Other Channels"); and

f. Implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

1.3 Term of Agreement.

This Agreement will commence on the Effective Date and continue as set forth in either *Section 1.3a*. or *1.3b*. below ("Term").

a. If you are purchasing a new or existing non-operating Franchised Business, the Term will expire on either: (1) the ten (10) year anniversary of the date you open this Franchised Business to the public if you own the property where this Franchised Business is located or if you enter into a lease directly with the landlord or other third-party for the property where this Franchised Business is located; or (2) if you have entered into a sublease with one of our affiliates, the expiration of the term of the sublease for the Location excluding any extensions or renewal options, unless terminated earlier in accordance with *Article 14* or any other provisions of this Agreement, renewed in accordance with *Article 13*, or transferred in accordance with *Article 12*; or

b. If you are purchasing an existing and operating Franchised Business, the Term will expire on either: (1) the ten (10) year anniversary of the Effective Date if you own the property where this Franchised Business is located or if you enter into a lease directly with the landlord or other third-party for the property where this Franchised Business is located; or (2) if you have entered into a sublease with one of our affiliates, the expiration of the term of the sublease for the Location excluding any extensions or renewal options, unless terminated earlier in accordance with *Article 14* or any other provisions of this Agreement, renewed in accordance with *Article 13*, or transferred in accordance with *Article 12*.

1.4 System Standards.

You shall operate the restaurant in accordance with our standards, including the following:

a. restaurant design, maintenance, health and safety and remodeling;

b. types, models, brands and suppliers of required fixtures, furnishings, equipment, signs, materials and supplies;

c. recipes and ingredients, menu items and menu design;

d. cooperation with and participation in sales, marketing, advertising and promotional programs (including loyalty programs, online ordering programs, discount coupons, discount gift cards, special menu promotions, and entering into product and service agreements directly with third-party vendors and service providers as required by us) and materials and media used in those programs, including discontinued use and removal of promotional materials as directed by us;

e. use and display of the Proprietary Marks;

f. restaurant operations, including matters related to the management of the restaurant; training of your employees consistent with the System Standards; and commercial impression of the Franchised Business to the public;

g. cooperation with and participation consistent with our responses and resolutions in response to customer feedback;

h. cooperation with and participation in: (i) market research and testing; and (ii) product and service development programs;

i. acceptance of our stored value gift cards, including gift cards sold at a discount, loyalty cards, frequency cards, gift certificates, vouchers, and any other similar electronic card and payment programs (individually and collectively, "Gift/Loyalty Card"), credit and debit cards, other payment systems, check verification services and use of point of sale computer systems; You agree to enter into a separate participation agreement with the approved vendor for data processing services;

j. bookkeeping, accounting, data processing and record keeping systems; computer hardware and software; connections to the Internet or to proprietary networks; forms, methods, formats, content and frequency of reports to us of Gross Sales (as defined in *Article 5*), financial performance and condition; and providing tax returns and other operating and financial information to us; and

k. conduct and maintain the Franchised Business and Location so as not to distract from or interfere with the integrity of the System (individually and collectively, "System Standards"). We may, in whole or in part, change, improve, update and further develop the System Standards, from time to time during the term. You shall comply with the updated System Standards as directed by us.

The operation and maintenance of your restaurant according to the System Standards are essential to the well-being and vitality of the System and to preserve the goodwill of the Proprietary Marks for us and for all other franchisees operating under the System. It is critical to the *Cold Stone Creamery* System for all restaurants operating under the *Cold Stone Creamery* System to present a uniform and professional image to *Cold Stone Creamery* customers regardless of which location the customer visits. Any information regarding the operation of the restaurant will be considered a mandatory System Standard, unless it is clear from the express language of our communication that the information is merely optional or is intended by us as a suggestion, rather than a requirement.

You agree that System Standards constitute binding provisions of this Agreement as if they were an integral part of this Agreement.

ARTICLE 2. SELECTION OF LOCATION; CONSTRUCTION AND RELOCATION

2.1 Location Selection Procedures.

You must select a Location that satisfies our minimum site requirements (such confirmation will be provided to you by us in writing), for your Franchised Business within ~~one~~ nine (~~9~~1) months~~year~~ from the Effective Date. If you cannot secure an acceptable Location for your Franchised Business within ~~one~~ nine (~~9~~1) months~~year~~ from the Effective Date, then we may terminate this Agreement by giving you notice to that effect. You are ultimately responsible for the selection of the Location. We will not have any liability to you with respect to your selection of the Location, any assistance we provide you in making your selection, our recommendation of any location or a third party to assist you in selecting a location, or our allowing you to move forward on any location. You agree that your selection of the Location will be based on your own independent investigation of the suitability of the Location.

2.2 Lease and Purchase Approval.

If you intend to lease the Location for your Franchised Business, the lease will be subject to our prior limited review and acknowledgment so that we can confirm that certain lease terms are incorporated into the lease. You must provide us, at least thirty (30) days prior to executing the lease, a copy of the lease and details relating to square footage, rent per square foot, the term of the lease, and either confirmation that such other terms as we reasonably require are incorporated into the lease or that you and the landlord agree to incorporate the lease addendum to lease agreement as an exhibit to the lease. You or your attorney shall be responsible for negotiating the terms of the lease, which shall be subject to our final limited review and acknowledgment. If you do not submit all of the required documents to us, we will not allow you to move forward with your lease. We have no liability to you regarding the terms or negotiations of the lease.

If, prior to executing the lease, you or your attorney request a full review of your lease, including any and all exhibits attached thereto, and we or our designated affiliate review your entire lease and exhibits and provide to you or your attorney its review of the entire lease and suggested changes to the lease ("Lease Review"), you must pay a Lease Review Fee (as defined in *Section 5.7*) to compensate for time and effort in reviewing the lease. The Lease Review is optional and only completed by us or our designated affiliate at your or your attorney's request. The Lease Review Fee is due only in the event that you or your attorney request us or our affiliate to complete a Lease Review. Each lease must contain the required lease terms set

forth in the Lease Addendum to Lease Agreement, and must specifically state that we are a third-party beneficiary of the lease. If we cure any default by you under the lease, any amounts that we pay to cure the default will be payable by you to us on demand, together with interest thereon, at the lesser rate of one and one-half percent (1½%) or the maximum rate that does not violate applicable state usury laws ("Default Rate") per month from the date we make such payment.

You acknowledge and agree that on the earlier of thirty (30) days after: (i) you receive a fully executed copy of your lease for the Location of your Franchised Business; or (ii) you open your Franchised Business to the public, you must provide a fully-executed copy of your lease for the Location to us. Failure to timely provide us with a fully-executed copy of the lease will result in a default under this Agreement.

If you intend to purchase the Location for your Franchised Business, the terms of such purchase shall be subject to our prior approval, and you must provide us, at least thirty (30) days prior to executing the purchase agreement, a copy of the purchase agreement and details relating to square footage, price per square foot and such other terms as we reasonably require.

You acknowledge and understand that our confirmation that you may move forward with any specific location, lease or purchase agreement does not in any way guarantee or ensure the success or profitability of the Franchised Business, or the conformity of the Location, lease or purchase agreement to applicable laws, and such confirmations are only for our own benefit.

2.3 Construction.

a. You must, at your sole cost and expense, construct, furnish, make improvements to and equip, if necessary, the Franchised Business at the Location selected by you and meeting our minimum site requirements, in accordance with plans and specifications approved by us or our third-party approved architect, if applicable. Our approval of plans is solely for complying with our System Standards and not for determining compliance with codes, ordinances and other legal requirements, including the Americans with Disabilities Act ("ADA") or any requirements under the lease for your Location. You are solely responsible for ensuring that your Location conforms to all codes and ordinances, including the ADA, and all lease-specific requirements. You must, at your sole cost and expense, use our designated and approved third-party design architect ("Design Architect") to prepare the initial design drawings for any construction, alterations or improvements, as applicable, for your Franchised Business. The Design Architect must provide us with one (1) set of the design drawings, including landscaping and parking spaces if applicable, which are the detailed plans and specifications ("Plans") for your Franchised Business. We will provide you with a copy of the Plans upon our approval of the Plans. You must also, at your sole cost and expense, retain a licensed architect of record to prepare the permitted construction set of drawings for any construction, alterations or improvements. The permitted construction set of drawings must be submitted to us for our files prior to the start of construction, alterations or improvements. In addition, you must obtain the appropriate construction documents and all mechanical, plumbing, electrical and architectural plans must be sealed and stamped, as we may require, even if local laws in the jurisdiction where your restaurant is located do not require same.

b. Any material modifications to the approved Plans must be submitted to us for approval and you will not undertake any construction, alterations or improvements until such modifications have been approved by us. Approval of such modifications does not constitute

any representation by us of compliance with applicable zoning laws, building codes or other laws.

c. You will be solely responsible for the cost and expense of obtaining all necessary governmental construction permits and licenses, and you must, at your sole cost and expense, comply with all laws, zoning ordinances, rules and regulations of any governmental agencies that may govern any construction, alterations or improvements of the Franchised Business in accordance with the approved Plans. We will have the right, but are not required, to meet with the Design Architect and to inspect any construction, alterations or improvements during its course to ensure that the provisions of this *Section 2.3* are being observed; and you agree to allow our authorized representatives, at any and all times while construction, alterations or improvements are in progress, to meet with the licensed architect and general contractor and enter onto the Location for this purpose. If we determine in good faith that the provisions of this *Section 2.3* are not being observed, you will, at your sole cost and expense, immediately take all necessary corrective action.

d. You must, at your sole cost and expense, use a general contractor that is licensed, and if applicable, registered in the state and local jurisdiction where your restaurant is located for any and all construction, alterations and improvements. The general contractor must have prior experience in the construction, alterations and improvement of quick-service restaurants.

e. You acknowledge that the design and appearance of the *Cold Stone Creamery* restaurant is part of the System, and that uniformity is essential to the System. Therefore, you agree that after the restaurant has been constructed, altered or improved, you will not make any material changes to the building plan or design or its appearance without our prior written consent, and you will, at your sole cost and expense, maintain the interior and exterior décor of the restaurant in a first class condition and in such manner as we may reasonably prescribe from time to time. In addition to any remodeling required by us upon the transfer of the Franchised Business and upon the renewal of this Agreement, as set forth in *Articles 12* and *13*, respectively, you will, upon thirty (30) days' prior notice from us, and at your sole cost and expense, remodel and make all alterations and improvements in and to your Franchised Business as reasonably determined by us to reflect the then-current *Cold Stone Creamery* System specifications, standards, format, image and appearance.

f. A certificate of occupancy for your Franchised Business must be submitted to us approximately six (6) days prior to the day you open your Franchised Business to the public and as otherwise requested by us throughout the Term.

2.4 Signage.

You will acquire, repair and replace, as necessary, and maintain in a first class condition throughout the Term, signs for advertising and identifying the Franchised Business as a *Cold Stone Creamery* restaurant. All signs must be in accordance with the System Standards, specifications and any local governing body (i.e., city or county governments), as well as any other applicable laws, including the Americans with Disabilities Act ("ADA"), and exterior signage must be the maximum size allowed by the landlord and local governing body. You acknowledge that quality control is essential to protect and promote our Proprietary Marks, standards, and uniform image, and you shall acquire all signs only from approved suppliers. In addition, you shall prominently display on all communications, forms, advertising, business stationery and business cards, and in a

sign easily visible to consumers at the Franchised Business, the following words: "INDEPENDENTLY OWNED AND OPERATED."

2.5 Relocation.

a. If you desire to relocate the Franchised Business, you may request our consent upon the following conditions:

(i) Not less than sixty (60) days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation, due to a third-party or our request, in which event notice shall be made as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing details respecting any proposed new location.

(ii) Within twenty-one (21) days after receiving your written request, we shall advise you in writing if the proposed new location meets our minimum real estate site requirements as provided in *Section 2.1* and if you have our authorization to proceed with the relocation. In the event of our denial to proceed with the relocation, you may request an alternative proposed new location pursuant to the provisions of this *Section 2.5*.

(iii) The Term will not be extended in connection with the requested relocation.

b. At the time you request to relocate the Franchised Business, you must also meet each of the following requirements:

(i) You must not be in default under this Agreement or any other agreement or note then in effect between us or you and any affiliate of ours, and no event shall have occurred that, with the giving of notice, the passage of time, or both, would constitute a default under this Agreement;

(ii) You must neither have received more than three (3) notices of default or breach during the Term; nor more than two (2) notices of default or breach during the five (5) years immediately preceding the effective date of the proposed relocation;

(iii) The equipment, fixtures and signage used in connection with the operation of the Franchised Business must either meet our then-existing System specifications and System Standards, or you must agree, within a timeframe required by us, to replace or refurbish such items, and otherwise modify the methods of operation of the Franchised Business at your cost and expense, in order to comply with our System specifications and System Standards then applicable to new franchise owners; and

(iv) You shall have paid to us a Relocation Fee (as defined in *Section 5.14)*.

c. If we approve the relocation of your Franchised Business, (i) you and we must execute an amendment to this Agreement indicating the address for your relocated Franchised Business and you must sign a general release provided by us, and (ii) you must open your Franchised Business at the new location within thirty (30) days after you close your Franchised Business at the current Location. Provided that you comply with all of the terms and conditions set forth in this Agreement including this Section 2.5, during the period of time between the

closure of your Franchised Business at the current Location, and the opening of the Franchised Business at the approved relocation address, you will not owe the Royalty Fee (as defined in *Section 5.2*).

2.6 Restricted Use of Restaurant Location.

You may not wholly or partially sublet the Location without our prior written consent. The Location may be used only for the operation of a *Cold Stone Creamery* restaurant in compliance with this Agreement and the System Standards. You shall not conduct other businesses or activities at the Location without our prior written consent.

2.7 Not Applicable.

ARTICLE 3. OPERATIONS

3.1 Commencing Operations.

You agree to start operating your *Cold Stone Creamery* restaurant at the confirmed Location within ~~one~~ eighteen (18) ~~year~~ months from the Effective Date. You acknowledge that before starting operations you must, at your own expense, do the following (in addition to any other requirements set forth in this Agreement):

a. Complete a food safety training program at your sole cost and expense. We will accept the certificate for the required program through your local county or state health department or any other nationally recognized food safety program. You must provide us with a copy of your certificate prior to commencing training;

b. Successfully complete the Training Program described in *Section 4.1*;

c. Purchase, lease or otherwise acquire from the list of approved sources provided by us all the signage, supplies, equipment, fixtures, inventory and other items necessary to operate the *Cold Stone Creamery* Franchised Business; and

d. Obtain liability insurance in accordance with the requirements described in *Section 9.5* and provide to us evidence that such insurance has been obtained.

Prior to opening the Franchised Business, you must notify us that you have satisfied all requirements to begin operations, and provide us with such documents as we may reasonably request that show your compliance with all such requirements. Upon receipt of our acknowledgment that such requirements have been satisfied, you will have five (5) days to begin operations of your *Cold Stone Creamery* restaurant. If you do not begin operations of your restaurant at the confirmed Location before the expiration of the ~~one (1) year~~eighteen (18) month period from the Effective Date, then we may terminate this Agreement by giving you notice to that effect.

3.2 Supplies and Promotional Materials; Rollouts.

You agree to sell only those menu items, products and services authorized under the terms of this Agreement and as specified in the Confidential Manual, and you shall use only supplies and ingredients in making those menu items that are in compliance with the standards as set forth in the Confidential Manual or other documents provided by, or approved by, us as they presently

exist or may exist in the future. You shall purchase all such services, supplies and ingredients only from approved vendors and utilize approved distributor(s) as specified in the documents provided by, or approved by, us as they presently exist or may exist in the future. You must purchase promotional materials containing the Proprietary Marks, including stationery, business cards, promotional and advertising materials and similar items, from suppliers approved by us, except that we must first approve all such promotional and advertising materials before you use them, and all such printed materials containing any of the Proprietary Marks shall be accompanied by the words "INDEPENDENTLY OWNED AND OPERATED." Additionally, during the Term, you agree to participate in any Rollout of new products and suppliers, as defined in *Section 9.3*.

3.3 Fixtures, Furnishings, and Equipment.

Unless otherwise approved by us in writing, you will: (1) acquire, repair and replace, as necessary, and maintain in a first class condition throughout the Term, fixtures, furnishings, and equipment to be used in the operation of your Franchised Business that is in accordance with the System Standards, specifications set forth by us in the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future, and with applicable laws including, without limitation, including the Americans with Disabilities Act ("ADA"); and (2) procure the fixtures, furnishings, and equipment from suppliers or vendors previously approved in writing by us.

3.4 Online Presence.

You may not maintain a website, software application, an App (application), social media account (including an account, group or page on Facebook®, Flickr®, Foursquare®, Google+®, Instagram®, LinkedIn®, Pinterest®, Snapchat®, Tumblr®, Twitter®, YouTube®, Vine®, VKontakte or Weibo®), or otherwise maintain a presence or advertise on the Internet or any other public computer network (individually and collectively, "Site") in connection with the Franchised Business without our prior written approval, which we may withhold in our sole discretion. If we grant you written approval, you agree to submit to us for approval before use, true and correct printouts, of all Site pages you propose to use in connection with the Franchised Business. You understand and agree that our right of approval of all such Site pages is necessitated by the fact that such Site pages will include and be inextricably linked with our Proprietary Marks. If we approve your use of a Site, you may only use Site pages that we have approved. Your Site must conform to all online presence requirements, policies and procedures per our System Standards. You agree to provide all information regarding your online presence that we require. If we grant approval for a Site, you may not use any of the Proprietary Marks on the Site except as we expressly permit. You may not post any of our proprietary, confidential or copyrighted material or information on the Site without our prior written permission. If you wish to modify your approved Site, all proposed modifications must also receive our prior written approval. You explicitly understand that you may not post on any Site (whether yours or someone else's) any material in which a third-party has any direct or indirect ownership interest (including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image which any third-party may claim intellectual property or other rights in). If we grant approval, you agree to list on the Site any website and social media account maintained by us, and any other information we require in the manner we dictate. You agree to obtain our prior written approval for any Internet domain name, home page address and Uniform Resource Locator. The requirement for our prior approval set forth in this *Section 3.4* will apply to all activities on the Internet or other communications network to be conducted by you, except that

you may maintain one (1) or more e-mail addresses and may conduct individual e-mail communications without our prior written approval. You agree to obtain our prior approval as provided above if you propose to send advertising to multiple addressees via e-mail or text messages. You may not use a Site to represent that: (1) the Site is an official account, application, page or group of, or video produced by us; or (2) you are the owner of the *Cold Stone Creamery* brand. On any Site you use in connection with the Franchised Business, you must affirmatively state: (a) that you are a franchisee and the opinion and content being expressed are your own and not that of the *Cold Stone Creamery* brand; and (b) the Location of your Franchised Business.

3.5 Continuing Working Capital Requirement.

You must have Fifteen Thousand Dollars ($15,000) in working capital at the time you open your Franchised Business.

ARTICLE 4. TRAINING, ASSISTANCE AND START-UP MATERIALS

4.1 Training Program.

We will provide up to two (2) natural persons (individually and collectively, "Trainees") with a training program designed to inform the participants as to the fundamentals of operating the Franchised Business prior to your opening of the Franchised Business. At minimum, one (1) of the two (2) natural persons must have an ownership interest in the Franchised Business. The remaining position may be filled by a natural person with an ownership interest in or management responsibility for the Franchised Business. The training program is made up of the "In-Store Training," which is approximately eighty (80) hours, and "New Owner Training," which is approximately forty (40) hours (collectively, "Training Program"). You will be solely responsible for all transportation costs, food, lodging and other personal expenses incurred by you and your employees in connection with the Training Program. The New Owner Training will be conducted either online or in person at our sole discretion. If the New Owner Training is conducted in person, it will be at the Franchisor training and education center in Scottsdale, Arizona or at such other location as we may designate at our sole discretion and the In-Store Training will be conducted at a training store in Arizona or such other location as we may designate at our sole discretion. You acknowledge that adequate knowledge regarding the operation of the Franchised Business is essential to the growth of your franchise and to the promotion of the System. Notwithstanding the foregoing, Franchisor has the right to require Franchisee and/or its manager(s) to attend additional training and pay the Additional Training Fee (as defined below), as provided for in this *Section 4.1* and *Section 5.10*, in the event Franchisee is not operating the Franchised Business pursuant to Franchisor's Systems Standards.

4.2 Employee Training.

You acknowledge that the employees of your *Cold Stone Creamery* Franchised Business are an integral and important part of the Franchised Business, as they will have substantial contact with customers. You alone are responsible, and acknowledge that we have no direct or indirect control and no right or authority, for the hiring, firing, training, supervising, setting the terms and conditions of employment (including employee tasks and work schedules), compensation of your employees, or maintaining employment records, for the safety of your employees and for your employees' compliance with the System Standards. The System

Standards are in place to protect our interests in the System and not for exercising any control over you, your employees or your Franchised Business. You must ensure that your employees who have direct interaction with the public are able to speak and read English and any other language that may be required to adequately meet the public needs in your Franchised Business.

4.3 Additional Programs; Continuing Assistance.

We will provide one (1) of our representatives to come to your restaurant during opening week for up to five (5) days, at our expense, to work with you or your manager on your grand opening, and on operating and marketing your restaurant. We may, in the future, request that Trainees participate in refresher or additional training programs. We may also hold an annual conference to introduce new products, discuss sales and marketing techniques, personnel training, advertising programs, merchandising procedures and other subjects. You may be charged a nominal registration fee for these programs and you will be solely responsible for the cost of transportation, food, lodging and other expenses incurred by Trainees at any such program. Attendance at these additional training programs and conferences is mandatory. They will be held in the metropolitan Phoenix, Arizona area, or at other locations in the United States chosen by us, at our sole discretion.

In addition to the initial training available under *Section 4.1*, we shall provide such periodic evaluations or inspections as we deem appropriate, utilizing our field representatives who may visit the Franchised Business from time to time. The frequency and duration of such visits to a Franchised Business by our representatives shall be in our sole discretion. Any such evaluation or inspection is not intended to exercise any control over your employees or the daily operation of your Franchised Business. In addition, we will be available on an ongoing basis at our offices for consultation and guidance with respect to the operation and management of the Franchised Business. In addition to the Confidential Manual, we may, but are not required to, from time to time provide you with additional materials relating to the Franchised Business.

4.4 Area Representatives.

We may retain the services of an independent third-party area representative ("Area Representative") to represent us in the area in which the restaurant is located and perform some or all of the services we provide under this Agreement. The services the Area Representative may perform could include: (i) assistance in location selection and evaluating and confirming that the Location meets our minimum site requirements; (ii) advice and guidance regarding lease negotiations; (iii) assistance in opening new *Cold Stone Creamery* locations; (iv) assistance with training on the approved POS System (as defined in *Section 4.6a.*); (v) assistance with marketing advice; (vi) periodic Quality Service Cleanliness and Experience ("QSCE") evaluations; (vii) assistance with collection of the various sums due to us from *Cold Stone Creamery* franchisees; and (viii) coordination with other *Cold Stone Creamery* franchisees in your area and general supervision and monitoring of your Franchised Business on our behalf. You agree in advance to our delegation to an Area Representative of some or all of our obligations, and assignment to an Area Representative of some or all of our rights under this Agreement. You agree that we may require you to submit to an Area Representative any reports you are required to submit to us. Upon our request, you will provide the Area Representative with access, inspection and audit rights to the same extent we have those rights under this Agreement. You are not a third-party beneficiary of any agreement between us and any Area Representative. If we have designated an Area Representative for your restaurant as

of the Effective Date, the name and contact information of the Area Representative is shown in *Section 17.3h.* We reserve the right in our sole discretion to remove any Area Representative in your area at any time and to appoint any other Area Representative for your area. We have no obligation to appoint an Area Representative in the area in which your restaurant is located, and we have no obligation to appoint a new Area Representative after we have removed an Area Representative.

You acknowledge that Area Representatives and their owners and employees may not contractually bind us without our express written authorization. You further acknowledge no Area Representative has the authority to: (i) enter into agreements or execute any agreements on our behalf; or (ii) bind us in any way without our prior written consent. Unless expressly authorized and agreed to by us in writing, we disavow any agreements, whether verbal or written, entered into by an Area Representative that in any way attempts to bind us. In any litigation or arbitration proceeding, you agree to waive any claim or defense that an Area Representative is our express or implied agent and such an assertion by you constitutes a material default under this Agreement.

4.5 Confidential Manual.

To protect the reputation and goodwill of the System and to maintain the uniform standards of operation under the Proprietary Marks, you must conduct your business in accordance with our Confidential Manual. The Confidential Manual is confidential and remains our property.

The Operations Manual is available to Franchisee via the Franchisee portal at: https://portal.kahalamgmt.com. In the event Franchisee desires to receive a hard copy of the Operations Manual, then Franchisee shall submit such request in writing to training@kahalamgmt.com. Upon such request, a hard copy of the Operations Manual will be mailed to Franchisee via regular mail within approximately forty-five (45) days thereafter.

So that you may benefit from new knowledge gained by us as to improved techniques in the operation of the Franchised Business, we may from time to time revise, amend, restate or supplement the content of the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future. You will at all times ensure that your copy of the Confidential Manual is kept current and up to date. In the event of a dispute regarding any of the content of the Confidential Manual, the master copies maintained by us at our corporate office will control.

4.6 Computer Systems; Debit and Credit Card Processing.

a. Prior to the opening of your restaurant, you will be required to acquire, to maintain, and to exclusively use an approved cash register/computer system ("POS System") during the operation of the Franchised Business. You and your employees must complete training for the POS System as we require, and you will be required to use the POS System to produce sales reports, keep inventory control and post sales tax, refunds, credits and allowances and submit that information to us immediately upon our request. You are required to obtain high-speed/always-on internet connection service for your POS System. If high-speed/always-on internet is not available in your area, dial-up Internet access may be used until high-speed/always-on service becomes available in your area. The POS System must be configured so that we will have remote access to the information and data stored in the POS

System, which may include inventory information. This access will allow us to exchange/collect data and other information on such bases as we will communicate to you from time to time. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the Term as we may require from time to time. It will be your responsibility to enter into contracts for the maintenance, upgrades and updates to the POS System with an approved supplier of such services identified by us on the list of approved vendors and distributors or other notification to you from us advising of suppliers for your market area. You shall also be required to own a personal computer or similar device with access to the Internet that allows you to report your Gross Sales (as defined in *Section 5.2*) online, send and receive e-mails with us, and receive online orders. All *Cold Stone Creamery* franchisees are required to participate in online ordering and delivery programs, which includes entering into one or more participation agreement(s) with one of our affiliates and/or other approved vendor(s) for remote/online order processing services and delivery services under the terms, conditions, and fees established by such vendor for the purpose of developing, implementing, using, maintaining, supporting, updating and/or upgrading technologies in connection with the franchise system, including web-based and/or mobile applications and websites. We may charge, collect for a third-party or require you to remit to a third-party, amounts used to develop and use technologies within the franchise system. This may include amounts paid to third-party delivery service platforms and aggregators. To provide for the inevitable but unpredictable nature to changes to technological needs and opportunities, you agree and acknowledge that we shall have the right to establish, in writing, new standards and fees for developing, implementing, using, maintaining, supporting, updating and/or upgrading technologies in connection with the franchised system. There is no contractual limitation on the frequency and cost of this obligation. We may require you to upgrade the hardware and software including, but not limited to, your operating system, as reasonably necessary to provide reports and information required by us.

b. You are required to accept debit and credit cards and Gift/Loyalty Cards from consumers at the Franchised Business and participate in any online ordering programs which Franchisor may require. Prior to the opening of your restaurant, you will be required to acquire and maintain an approved debit, credit and Gift/Loyalty Card processing system to use during the operation of the Franchised Business. Additionally, you must utilize our approved third-party Gift/Loyalty payment card processor for processing all such Gift/Loyalty Card transactions, including entering into a Gift Card Participation Agreement with one of our affiliates, or its successors or assigns, or other approved vendor for the Gift/Loyalty Card processing services. The Payment Card Industry ("PCI") requires all companies that process, store, or transmit credit card information to protect the cardholders' information by complying with the PCI Data Security Standard ("PCI DSS"). Therefore, as a franchisee who accepts credit cards, you are required to be PCI compliant by following and adhering to PCI DSS, which includes ensuring that your POS System, back office computer (if supplied), and any other device that is plugged into the network is **only** used for business purposes. You are also required to complete an annual questionnaire and quarterly network PCI scans and install a network firewall appliance for logging, tracking, reporting, and security assessment. You are also required to validate with Franchisor that your store is PCI compliant, and Franchisor may in its sole discretion require you to install a particular type of firewall (hardware and/or software). To show such validation you must send us your Passing Certificate showing your store is PCI compliant. You are also required to verify that you have a PCI compliant firewall appliance installed at your location if you process credit cards via high speed internet connectivity. We require your Franchised Business' POS System, including terminals, computers, and software to be in compliance with the PCI DSS at all times. The PCI DSS is often updated, and you are required to obtain and comply with all updated

standards. You must also be PCI compliant in order to obtain cyber liability/data breach insurance coverage.

ARTICLE 5. FEES AND DEPOSITS

You agree to pay each of the following amounts to us via a lump sum, with each and every amount being non-refundable because of our investment in time and money, in addition to any other benefits conferred upon you, including processing your application, reviewing your documents, and providing you with relevant information, unless otherwise expressly specified below, in accordance with the provisions set forth in this *Article 5*. Notwithstanding your designation to the contrary, we have the sole discretion to apply any of your payments, in part or in whole, to any of your indebtedness to us.

5.1 Initial Franchise Fee.

The initial franchise fee is Twenty Seven Thousand Dollars ($27,000) ("Initial Franchise Fee"). The Initial Franchise Fee will be due and payable by you to us by cashier's check, wire transfer or other form of immediately available funds acceptable to us, upon your execution of this Agreement. You and we agree that our grant of the franchise and your payment of the Initial Franchise Fee provided for in this *Section 5.1* does not give you any rights with respect to other franchises, if any, as we in our sole discretion may elect to make available in the future.

5.2 Royalty Fee and Surcharge.

For the period of time commencing on the later of the Effective Date or the date the Franchised Business opens to the public, and for the duration of the Term, you must pay to us a weekly royalty fee equal to six percent (6%) of total Gross Sales (as defined below) ("Royalty Fee"). If we or the landlord of the Location require you to remodel your Franchised Business in such a way that your Franchised Business (including catering) stops offering items to the public, or if there is a disaster at your Franchised Business, such as a fire, flood or damage caused by an act of God, that requires you to temporarily close your Franchised Business, you are not required to pay the Royalty Fee during the period of time of such temporary closure; provided you provide us or our authorized representative with notice of such temporary closure as soon as reasonably possible, but in no event more than twenty-four (24) hours after such closure begins. Notwithstanding the above, all amounts owed to us under this Agreement prior to the temporary closure shall still be fully due and payable. The temporary closure of your Franchised Business shall not exceed ninety (90) days, but may be extended on a case-by-case basis at our sole discretion and with our prior written approval.

In our sole discretion, we may charge, in addition to the Royalty Fee, a surcharge of up to Ten Dollars ($10) per week if your Franchised Business is located in a state that imposes additional reporting requirements on a franchisor ("Surcharge"). The Royalty Fee and applicable Surcharge shall be due and payable no later than Monday of each week, which day may be modified by us without prior notice to or approval from you, for the week ending on the preceding Tuesday in which applicable Gross Sales (as defined below) were earned from the Franchised Business. The weekly Royalty Fee and applicable Surcharge shall be paid by electronic funds transfer, as detailed below.

For the period of time commencing on the later of the Effective Date or the date the Franchised Business opens to the public, and for the duration of the Term, you are required to

report Gross Sales to our designated accounting office, which as of the Effective Date, is via the Internet at http://franchisee.kahalamgmt.com, as set forth in *Section 5.6*. Nothing herein shall prevent Franchisor from electronically polling Franchisee's POS system, restaurant management software, and financial records (or similar tools thereto) daily, or more frequently, by electronic or other remote means and Franchisee hereby grants Franchisor authority to do so; however, such authority does not negate Franchisee's requirement to ensure all sales are timely and accurately reported each week. You shall be required to establish a Depository Account (as defined in *Section 5.6*) at the time you execute this Agreement as set forth in *Section 5.6*. Payment of the Royalty Fee, Advertising Fee (as defined in *Section 5.3*), and all other fees due under this Agreement to us shall be made via electronic transfer of funds from the Depository Account. To accomplish this electronic transfer of funds from the Depository Account, you must complete, sign and deliver to us, and maintain for the duration of the Term, a current Electronic Funds Transfer Authorization in a form that we provide.

As used in this Agreement, "Gross Sales" means all sales, money or things of value, received or receivable, directly or indirectly, by Franchisee on account of the Franchised Business, less applicable sales taxes and any properly documented refunds, credits and allowances given by you to customers in accordance with the System Standards, but without deducting any of your income taxes, costs and other expenses. All sales made from catering services must be included in the Gross Sales.

5.3 Advertising Fee.

a. You must pay to us, or directly into a national advertising fund or also any regional advertising funds, as designated by us at our sole discretion, (individually and collectively, "Advertising Fund") a weekly advertising fee of three percent (3%) of the Gross Sales for the preceding week ("Advertising Fee"). Upon thirty (30) days' notice by us to you, we may unilaterally increase the Advertising Fee from its current level not to exceed four percent (4%) of your weekly Gross Sales. The Advertising Fee shall be due and payable with the Royalty Fee under *Section 5.2*. The Advertising Fee is our property and may be deposited by us into our general operating account.

b. The Advertising Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* name, System, products and services. We are entitled to deduct, free of charge the following from the Advertising Fund: (i) reimbursement of expenses, overhead, and employee salaries for services provided; and (ii) rent for office space provided to the Advertising Fund. We have no fiduciary obligation to you in connection with the operation of any Advertising Fund. No interest on an unexpended Advertising Fee shall be imputed or otherwise charged for the benefit of, or payable to, you. You understand and agree that the only obligations we have regarding the collection and spending of the Advertising Fee or the administration of the Advertising Fund are the express contractual obligations in this *Section 5.3*. We are not acting as a trustee, fiduciary, agent or in any other special capacity. We do not give any representation or warranty regarding the quality or effectiveness of the advertising and marketing activities funded by the Advertising Fee or of the Advertising Fund, and we will have no liability to you with respect to how these funds are spent.

c. Two percent (2%) of your Gross Sales is deposited into the national Advertising Fund; and, if a cooperative exists where your Franchised Business is located, the remaining one percent (1%) of your Gross Sales is deposited into the regional Advertising Fund for your cooperative, if no cooperative exists where your Franchised Business is located, your

Franchised Business will be considered a "single store" cooperative and you must contribute the remaining one percent (1%) of your Gross Sales to the regional Advertising Fund for your store. Your own local marketing and advertising should be developed to maximize your particular customer base.

5.4 Cooperative Advertising.

a. We encourage the formation and operation of franchisee cooperative advertising associations (each an "Association"). Each Association will help coordinate advertising, marketing efforts and programs, and attempt to maximize the efficient use of local advertising media. If an Association is formed for your region, you must contribute financially to the Association as required by us. Failure to do so will be deemed a breach of this Agreement and you may also, in Franchisor's sole discretion, lose your right to vote as to decisions regarding advertising and marketing efforts and programs.

b. Upon our request, you will assist in establishing an Association or in deciding how to allocate all or part of any Fund contribution we elect to distribute to the Association. We will decide in our sole discretion whether to make contributions from the Fund to an Association and how much to contribute. We reserve the right to establish general standards concerning the operation of an Association, advertising agencies retained by an Association, and advertising programs conducted by an Association. Notwithstanding anything to the contrary, no Association decision will be made or advertising collections spent without our prior written approval.

5.5 Not Applicable.

5.6 Depository Account; Payment Procedures.

You are required to establish, at the time you execute this Agreement, and maintain for the duration of the Term a depository account ("Depository Account") at a bank or other federally insured financial institution ("Depository") under the same name as Franchisee under this Agreement. You will initially deposit no less than Three Thousand Dollars ($3,000) into the Depository Account and are required to maintain a balance of at least Three Thousand Dollars ($3,000) in the Depository Account at all times during the Term by replenishing the Depository Account to at minimum Three Thousand Dollars ($3,000) after any withdrawals. We shall not be responsible for any bank service charges incurred by you which result from the withdrawal of funds from your Depository Account.

On Wednesday of each week, you must submit a report to us regarding the weekly period which ended on the preceding Tuesday, including details on Gross Sales and other statistical data as provided in this Agreement, Confidential Manual, or as otherwise specified from time to time by us. We will withdraw funds electronically on Monday of each week from the Depository Account. The withdrawals are based upon the figures you report and constitute the Royalty Fee and Advertising Fee as described in *Sections 5.2* and *5.3*. If you do not submit a report on any Wednesday, we may estimate the Royalty Fee and Advertising Fee based upon prior reports and withdraw the estimated amounts up to the entire Three Thousand Dollars ($3,000). We will return or credit back to you, in our sole discretion, any overage within thirty (30) days after our receipt of your report(s). We shall not be responsible to you for any interest charges for any overage collected due to your failure to timely report your sales. You shall instruct the Depository to disburse each week to our designated bank, via electronic funds

transfer by the close of business on Monday (or preceding banking business day, if Monday is a bank holiday), the weekly Royalty Fee and Advertising Fee and other fees due for that week, which week shall end on the preceding Sunday. The days of the week specified above may be modified by us without prior notice to or approval from you.

We will also withdraw the monthly POS Help Desk Phone Support Maintenance Fee (as defined in *Section 5.20*) from the Depository Account on the last Thursday of each month. Under no circumstances shall such access to the Depository Account be deemed control or joint control of the Depository Account by us.

Subject to reasonable advance notice for non-recurring payment amounts, we have the right to debit your Depository Account, or any other depository account you have with us, according to the terms of your Electronic Funds Transfer Authorization for any of the payments described in this Agreement. If you do not pay all amounts due by the due date, we may suspend our and our affiliates' services and support until your payment default is cured. Repeated failure to pay all amounts when due, whether or not the defaults are subsequently cured, may be cause for termination under *Article 14*.

You shall pay us Fifty Dollars ($50) for each electronic funds transfer attempted from your Depository Account pursuant to this *Section 5.6* that is returned for non-sufficient funds. You shall also reimburse us for all other costs and expenses incurred by us in collecting or attempting to collect funds due to us from the Depository Account (for example, without limitation, charges for non-sufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Depository Account balance in accordance with the terms hereof). The Depository Account shall be established and maintained solely for the purposes set forth in this *Section 5.6* and any other fees authorized under this Agreement and any other agreements between you and us or any of our affiliates.

5.7 Lease Review Fee.

If you request us or one of our designated affiliates to complete a Lease Review, you are required to pay us or our designated affiliate a lease review fee in the amount of Two Thousand Five Hundred Dollars ($2,500) ("Lease Review Fee") for reviewing and providing comments to your proposed lease.

5.8 Lease Guarantee Fee.

If, in order to obtain the lease agreement for the Location of your Franchised Business, the landlord requires you to obtain a lease guarantee, and we or one of our affiliates agree to serve as such guarantor, you will pay us or our affiliate a fee in the amount of ten percent (10%) of the total amount of the rental obligations being guaranteed under the lease during its term up to a maximum fee of Ten Thousand Dollars ($10,000) ("Lease Guarantee Fee"). The Lease Guarantee Fee will be due and payable upon our or our affiliate's execution of the applicable lease guarantee agreement with the landlord. Neither we nor any of our affiliates are required to serve as a guarantor of your lease for the Location of your Franchised Business; rather, the decision of whether to serve as a guarantor shall be made in our sole discretion. In the event that you request us or our affiliate to either agree to be the tenant under the lease or execute a separate guarantee to the lease, and you pay the required Lease Guarantee Fee, you agree and acknowledge that payment of the Lease Guarantee Fee shall not, in any manner, be deemed as an insurance policy which limits your liability in connection with the Franchised

Business, including any and all financial liability under the sublease or lease related to the Location. You further agree and acknowledge that our or our affiliate's agreement to act as tenant or guarantor under the lease, and your payment of the Lease Guarantee Fee to us or our affiliate, does not result in the assumption or transfer of your liability, in connection with the Franchised Business, by or to us or our affiliate.

5.9 Additional Persons Training Fee.

The training of two (2) individuals is included in the Initial Franchise Fee. If you desire to have more than two (2) people attend the Training Program, you must pay an additional training fee of One Thousand Dollars ($1,000) for each such person to attend the In-Store Training and an additional Seven Hundred Fifty Dollars ($750) for each such person to attend the New Owner Training (individually and collectively, "Additional Persons Training Fee") (see *Section 4.1*).

5.10 Additional Training Fee.

If, after attending the Training Program, you desire to receive additional training, we will provide additional training time to you for a fee of Three Hundred Dollars ($300) per person per day. Such additional training will be at a time reasonably agreed to by you and us, and will be conducted at Franchisor's headquarters, online, or such other location as we may designate in our sole discretion. You will be solely responsible for all transportation costs and expenses, food, lodging and other personal costs and expenses incurred by you and your employees in connection with this additional training.

5.11 Document Administration Fee.

A document administration fee of Five Hundred Dollars ($500) ("Document Administration Fee") is payable to us when we must prepare an amendment to your franchise documents ~~(see *Section 12.3g.*)~~.

5.12 Renewal Franchise Fee.

A renewal franchise fee of fifty percent (50%) of the then-current initial franchise fee not including any discounts or reductions ("Renewal Franchise Fee") is payable to us when you renew this Agreement (see *Section 13.i*).

5.13 Transfer Franchise Fee.

a. Not applicable.

b. A Potential Transferee (as defined in *Section 12.1c*.) receiving this Agreement, as may be amended, in connection with a Full Transfer (as defined in *Section 12.1a.1*.), must pay to us a transfer franchise fee of Seventeen Thousand Five Hundred Dollars ($17,500) ("Transfer Franchise Fee").

5.14 Relocation Fee.

A relocation fee of Five Hundred Dollars ($500) ("Relocation Fee") is payable to us when you sign the amendment to your Franchise Agreement for your relocation (see *Section 2.5*).

5.15 Not Applicable.

5.16 Annual Meeting Registration Fee.

If we hold an annual meeting ("Meeting"), the Meeting may be held at various locations throughout the United States and/or online as we may designate in our sole discretion. Because the planning and funding of the Meeting must be done well in advance and requires a substantial financial commitment, we have the right to debit your Depository Account for up to One Thousand Dollars ($1,000) for the Meeting registration fee at any time sixty (60) to ninety (90) days prior to the first day of the Meeting. This fee may be debited from your account (even if you do not attend the Meeting). You will also be solely responsible for all costs incidental to attending the Meeting. If you do not attend the Meeting, we will make available to you one (1) full set of the substantive materials that were presented at the Meeting.

5.17 Late Report; Interest; Late Charge; Non-Sufficient Funds Fee; Breaching Royalties; Draft Draw Charge.

If you fail to submit to us any financial statements, forms, reports or records required to be provided under this Agreement by its due date, including your weekly Gross Sales report for calculating your Royalty Fee and Advertising Fee, you must pay to us a late report charge of One Hundred Dollars ($100) per week or part thereof.

If any fees or assessments due under this Agreement, including the Royalty Fee and Advertising Fee, are not paid when due, interest shall accrue on the late payment (from the date payment is due until the date payment is made) at the Default Rate, which amount, plus a late charge of five percent (5%) of the unpaid amount, or One Hundred Dollars ($100), whichever is greater, shall be added to each late payment. For any payments made by you to us under this Agreement which are returned for non-sufficient funds of a processed check, you shall be charged a non-sufficient funds fee of Twenty-Five Dollars ($25) per occurrence. Pursuant to *Section 5.6*, for each electronic funds transfer that is attempted from the Depository Account but returned for non-sufficient funds, you shall be charged a Fifty Dollars ($50) non-sufficient funds fee per occurrence.

Franchisor has the absolute right to charge Franchisee the greater of: three (3) times the fixed Royalty Fee; or, if on a percentage Royalty Fee, the Royalty Fee will be increased up to eighteen percent (18%) of Gross Sales, with respect to any period during which Franchisee is in breach or default of its/his/her obligations under this Agreement without providing Franchisee advance notice or right to cure. The Royalty Fees paid or owing to Franchisor with respect to the period during which Franchisee is in breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14) day period, regardless of the length of the actual breach or default.

If you fail to provide us any necessary information or documentation with respect to our practice of drawing drafts against your bank accounts, you must pay us a draft draw charge in the amount of One Hundred Dollars ($100) per day that that failure continues.

If, as a result of your failure to remit payments required under any provision of this Agreement, we retain an attorney or a collection agency to collect such payments, you must pay all collection costs and expenses, including reasonable attorneys' fees and expenses, whether

or not legal proceedings are initiated. Our rights under this *Section 5.17* are in addition to any other rights or remedies that we may have as a result of your default under this Agreement.

5.18 Audit Fees.

For the purpose of this *Section 5.18*, we have the right, at any time during business hours, and with or without prior notice to you, to inspect and audit, or cause to be inspected and audited, the business records, cash control devices, bookkeeping and accounting records, sales and income tax records and returns and other records of the Franchised Business and your entity's books and records.

You hereby grant us access to any computers utilized by you for such purposes and we will have the ability, at all times, via modem, to obtain daily and weekly sales reports and other financial records that the POS System provides. You will fully cooperate with our representatives, the Area Representative, if applicable, and independent accountants hired by us to conduct any such inspection or audit. In addition, in the event such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information, as required herein, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales, resulting in an underpayment of the Royalty Fee or Advertising Fee for the period of any audit (which shall not be for less than one (1) month) is determined by any such audit or inspection to be five percent (5%) or greater, you will pay to us, immediately after receipt of the inspection or audit report, any additional Royalty Fee and Advertising Fee and other amounts due as a result of any such understatement, plus interest at the Default Rate from the date originally due until the date of payment and you must reimburse us for such audit or inspection, including the charges of any independent accountants, and the travel expenses, room, board and compensation of such accountants and our employees.

The remedies in this *Section 5.18* will be in addition to all other remedies and rights available to us under this Agreement or otherwise available.

5.19 Data Fee.

We may require you to pay us or a third-party we designate a data fee of up to Seventy-Five Dollars ($75) per month for polling or collecting data from your POS System.

5.20 POS Help Desk Phone Support Maintenance Service Fee.

You must purchase from us a help desk phone support maintenance service that covers phone support for both the software and hardware of your POS System that is supported by the help desk, the cost of which is currently Sixty Dollars ($60) monthly, and subject to increase upon thirty (30) days' notice ("POS Help Desk Phone Support Maintenance Service Fee"). The POS Help Desk Phone Support Maintenance Service Fee shall be paid by electronic funds transfer, as detailed in *Section 5.6,* and debited from your account on the last Thursday of each month.

5.21 New Supplier Approval Fee.

All requests for approving new or alternative suppliers must be submitted in writing by you or the supplier to our Purchasing Department. Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then-current requirements,

which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge, either to us or to our designee for testing. A charge not to exceed the amounts incurred in connection with the inspection and the test, with such cumulative amount not to exceed Five Thousand Dollars ($5,000), must be paid by the supplier. If approved, in our sole discretion, we will notify you or the supplier in writing within sixty (60) days after our receipt of an approval request. You must not offer or sell in any manner any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier.

5.22 Reserved.

5.23 Non-participation Fee.

You must offer and sell at the Location of the Franchised Business all products designated by us, consistent with our System Standards. In addition, you must immediately incorporate into the Franchised Business all new products and services designated by us and must fully participate in all local, regional, seasonal, promotional and other programs, initiatives and campaigns adopted by us in which we require you to participate. If you fail or refuse to fully participate in any such program, initiative or campaign, you may, in our sole discretion, be required to pay a non-participation fee of One Hundred Dollars ($100) per day that you are not in compliance ("Non-participation Fee").

5.24 Grand Opening Marketing.

Ten Thousand Dollars ($10,000) ("Grand Opening Marketing") is payable to us on the earlier of: (i) prior to you executing a lease for the premises where the Franchised Business will be located; or (ii) prior to construction commencing at the premises where the Franchised Business will be located. We or our designated affiliate will create a marketing plan for (i) a grand opening event at your Franchised Business, and (ii) the initial advertising of your Franchised Business, and will work with you to obtain your input on the marketing plan. We or our designated affiliate will use the Grand Opening Marketing to pay for the grand opening and initial advertising, but may, in our sole discretion, reimburse you for some local store marketing expenses that you pay if you received our prior approval and we receive your reimbursement within six (6) months from the opening of your Franchised Business to the public. The Grand Opening Marketing should be used within six (6) months of the opening of your Franchised Business to the public. However, if a portion of the Grand Opening Marketing is not used within those six (6) months, we may, in our sole discretion, and without prior notice, ~~spend~~ transfer the remaining portion of the Grand Opening Marketing after six (6) months from the opening of your Franchised Business to the public to the National Advertising Fund.

5.25 through 5.35 Not Applicable.

ARTICLE 6. PROPRIETARY MARKS

6.1 Ownership and Right to Use.

We warrant to you that:

a. We are the owner of all right, title and interest in and to the Proprietary Marks;

b. We have granted to you the personal, non-exclusive, limited, revocable right and license to use the Proprietary Marks in connection with the operation of your Franchised Business;

c. We have taken and will take all steps reasonably necessary to preserve and protect our rights in the Proprietary Marks; and

d. We will only permit you to use the Proprietary Marks in accordance with the System Standards.

6.2 Covenants of Franchise Owners.

a. You acknowledge our ownership of the Proprietary Marks, and you agree that during the Term and after its expiration or termination, you will not directly or indirectly contest, or aid in contesting, the validity of the Proprietary Marks or our ownership of the Proprietary Marks, nor will you take any action which might impair or prejudice our ownership of the Proprietary Marks. You shall not, directly or indirectly, apply to register, register or otherwise seek to own or control any of the Proprietary Marks, or any confusingly similar mark thereto, whether in whole or in part, in any place or jurisdiction either within or outside of the United States; nor will you assist any others to do so.

b. You agree that the license granted pursuant to this Agreement authorizes you to use the Proprietary Marks solely in connection with the Franchised Business only at the Location, and for no other purpose. You have no right to license or sublicense any aspect of the System Standards or any of the Proprietary Marks.

c. You agree to use the Proprietary Marks only in the manner and to the extent specifically licensed by this Agreement. You further agree that any unauthorized use or continued use of the Proprietary Marks after the termination or expiration of this Agreement will constitute irreparable harm and is subject to injunctive relief.

d. The license granted by this Agreement includes only the Proprietary Marks, now existing or which may exist in the future. This license does not include the right to use any other trademarks, service marks, trade name or trade dress owned by us or our licensor anywhere in the world. You agree that any and all goodwill associated with and identified by your use of the Proprietary Marks will inure directly and exclusively to our benefit, and that, on the expiration or termination of this Agreement, no monetary amount will be due or payable to you as a result of any goodwill associated with your ownership or operation of the Franchised Business.

6.3 Limitations on Franchisee's Use of Proprietary Marks.

To develop and maintain high and uniform standards of quality and service and thereby protect our reputation and goodwill and that of the System, you agree:

a. To operate and advertise the Franchised Business only under the Proprietary Marks authorized by us;

b. To adopt and use the Proprietary Marks licensed by this Agreement solely in the manner prescribed by us;

c. That your corporate, partnership or other entity name including trade name, will not include any of the Proprietary Marks, in whole or in part, or any terms confusingly similar thereto, unless first authorized by us in writing;

d. To submit all advertising, promotional materials and all printed matter, including stationery, business cards, and any materials to be used on the Internet to us for our written approval before you use any of these items; and

e. That we may from time to time change or modify the System Standards, including modifying existing Proprietary Marks or adopting new marks. You agree, at your own expense, to adopt, use and display any such new or modified Proprietary Marks within ninety (90) days after notification from us. However, if we require you to modify or discontinue use of our proprietary information or use other information or rights in its place at any time other than upon renewal of this Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the proprietary information infringed upon a third-party's rights, we or our affiliate will bear the actual, direct, and reasonable costs of those modifications or discontinuances. The rights granted to Franchisee under this Section shall be Franchisee's sole and exclusive remedy for any infringement by any part of the System.

Upon your abandonment of the Franchised Business (whether voluntary or involuntary), termination or expiration of this Agreement, you must immediately cease to use, in any manner whatsoever, any of the Proprietary Marks or any other marks which, in whole or in part, may be confusingly similar to any of the Proprietary Marks.

6.4 Non-Exclusive License of Proprietary Marks.

You understand and agree that your license to use the Proprietary Marks is non-exclusive; that we, in our sole discretion, can grant to other franchisees the right to use the Proprietary Marks and obtain the benefits of the System Standards, in addition to the licenses and rights granted to you under this Agreement; and that we or our affiliates may develop and license other proprietary marks in conjunction with concepts other than the *Cold Stone Creamery* concept, on any terms and conditions we deem advisable. You will have no right or interest in any such other licenses, proprietary marks or systems.

6.5 Notification of Infringement and Claims.

You agree that you will notify us immediately of any apparent infringement of, or challenge to your use of any of the Proprietary Marks, or any claim by any person of any rights in any of the Proprietary Marks. You agree that you will not communicate with any person, other than us and our legal counsel, in connection with any such infringement, challenge or claim. We will have the sole discretion to take such action as we may deem appropriate to protect the Proprietary Marks and the exclusive right to control any litigation, United States Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge, claim or otherwise relating to any Proprietary Marks. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in connection with any such litigation or proceeding, or to otherwise protect and maintain our interests in the Proprietary Marks.

ARTICLE 7. TRADE SECRETS AND PROPRIETARY INFORMATION

7.1 Innovations.

During the Term, you and your principals, officers, managers and employees may conceive, invent, create, design or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to restaurant operations, business practices or the manufacturing, production, marketing and sale of super-premium ice cream, cakes, pies, smoothies, shakes, specialty beverages, other dessert with frozen confections, and other food and beverage items, and related goods now in existence or later developed, adopted, or improved in connection with the Franchised Business (individually and collectively, "Innovations"). You, without further consideration, hereby assign any and all of your rights, title and interest in the Innovations, including any intellectual property rights, to us, and also agree to cooperate with us and our counsel in the protection of the Innovations, including the perfecting of title thereto in us. In addition, you will require all of your principals, officers, managers and employees to sign an agreement in the form set forth in our System Standards and incorporated herein by reference ("Confidentiality Agreement"), and shall be liable to us for obligating your principals, officers, managers and employees to assign all of their rights, title and interest to the Innovations to us and requiring your principals, officers, managers and employees to cooperate in obtaining, protecting, maintaining and enforcing our right, title and interest in the Innovations.

7.2 Confidentiality Agreement.

a. In connection with the operation of the Franchised Business, you will from time to time receive, have access to, or learn certain information and materials that are proprietary to us or our affiliate. You and any person signing this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*" agree that you will keep confidential, and will not use for your own purposes, nor supply or divulge to any other person, any of our Trade Secrets, including our methods of operation, processes, techniques, formulae and procedures, information a reasonable person would believe to be confidential and any other proprietary information regardless of whether such is expressly marked as confidential ("Confidential Information"). You acknowledge that much of the information imparted to you by us is confidential, constitutes Trade Secrets, are unique to us, and remains our sole exclusive property. Our Confidential Information includes the following:

1. The Confidential Manual and any amendments thereto;

2. Ingredients, recipes, and methods of preparation of food products;

3. Methods of operation of *Cold Stone Creamery* restaurants;

4. Information about products, services, or procedures before they become public knowledge;

5. Information which relates in any manner to our business or the System Standards, whether oral or reduced to writing, and which is not generally known to, or readily ascertainable by, other persons who might derive economic benefit from its disclosure or use; and

6. Any other information which may be imparted to you from time to time and designated by us as confidential.

b. You and any person signing this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*" acknowledge and agree that the Confidential Information and any business goodwill of the Franchised Business is our sole and exclusive property, and that you will preserve the confidentiality thereof. Upon termination or expiration of this Agreement, all items, records or documentation recording or incorporating any Confidential Information, including any copies thereof, will be immediately turned over by you to us or our authorized representative.

c. You agree to take all steps necessary, at your own expense, to protect the Confidential Information, including our Trade Secrets, and to adopt and implement all reasonable procedures prescribed by us from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. We require that all of your executive officers, agents, directors, shareholders, trustees, beneficiaries, partners and managers who may or are likely to obtain knowledge concerning the Proprietary Information (and who do not sign this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*") sign the Confidentiality Agreement binding such person to preserve the confidentiality of the Confidential Information as part of the terms and conditions of such person's employment or association with you. You must obtain a Confidentiality Agreement signed by any such person prior to or at the same time that you begin employment of, or association with, that person. This will be a continuing obligation on your part throughout the Term. You must keep each original signed Confidentiality Agreement and provide us with a copy of each Confidentiality Agreement when requested by us or our authorized representative.

d. Notwithstanding the above, Confidential Information shall not include information which you can reasonably prove: (i) entered the public domain through no breach by you or your affiliate of any duty of confidentiality, or (ii) you received our prior express written consent to disclose in the manner in which you disclosed it.

e. If anyone under a Confidentiality Agreement is legally compelled or required by a regulatory body to disclose any Confidential Information, he/she/it will notify us as soon as possible and will use his/her/its best efforts to obtain, and give us an opportunity to obtain, appropriate assurances of confidential treatment.

f. The requirements under this *Section 7.2* will remain in full force and effect during the Term and after termination or expiration of this Agreement.

ARTICLE 8. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

8.1 Relationship of the Parties.

You and we agree that this Agreement does not create any fiduciary or employment relationship between you, or any of your employees, and us, that you are an independent contractor, and that nothing in this Agreement is intended to make either you or us a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. You shall not enter into any agreement on behalf of or otherwise bind us for any purpose.

Should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of your or your affiliate's employees in any private or government investigation, action, proceeding, arbitration, or other setting, you irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of your employees).

8.2 *Indemnification of Franchisor*.

You agree to indemnify, defend and hold us and our affiliates (including our parent and subsidiary companies, current, past and future predecessors, successors and assigns), and each of our shareholders, owners, directors, officers, members, managers, partners, joint venturers, attorneys, employees, contractors, agents, representatives, guarantors, insurers, spouses, heirs, executors, trustees and estates (collectively with us, "Indemnified Parties") harmless for, from and against any and all claims, liabilities, causes of action, suits, debts, duties, accounts, covenants, contracts, agreements, promises, taxes, demands, obligations, costs and expenses, including reasonable attorneys' fees, damages, judgments, and proceedings, of every kind and nature whatsoever, whether actual or threatened, in law or equity, or otherwise, under local, state or federal law including, without limitation the Americans with Disabilities Act ("ADA"), or the law of any other applicable jurisdiction (individually and collectively, "Claims") suffered or incurred by any of the Indemnified Parties arising out of or relating to your construction, ownership, marketing, Promotions (as defined in Article 10), operation, including your failure to comply with PCI DSS or any law, statute, regulation, order, rule, or ordinance, or management of the Franchised Business, except for Claims held to have resulted solely from our gross negligence or willful misconduct. Notwithstanding the foregoing, we will have the right, at our option, to defend any Claim, but you must reimburse us upon demand for the costs and expenses of such defense. You shall immediately give us notice of any demand, investigation, written inquiry, action, suit, proceeding, or claim in any way related to us or the Cold Stone Creamery brand.

8.3 Indemnification of Franchisee.

We agree to indemnify, defend and hold you and your affiliates, and their shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees harmless for, from and against any and all Claims, arising out of any Claim of infringement or unfair competition in connection with your authorized use of the Proprietary Marks or Confidential Information, provided that such use is in accordance with the provisions of this Agreement. However, if we require you to modify or discontinue use of our Proprietary Marks or Confidential Information or use other information or rights in its place at any time other than upon renewal of this Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the Proprietary Marks or Confidential Information infringed upon a third-party's rights, we will bear the cost of those modifications or discontinuances as set forth in this Agreement.

8.4 Special Power of Attorney.

You agree to cooperate with and assist us as we may request from time to time to obtain, protect, maintain or enforce our intellectual property and Proprietary Marks, including executing documents and appearing as a witness. You hereby appoint us as your attorney-of-fact and hereby grant us an irrevocable Special Power of Attorney, coupled with an interest, with full power and authority for the purpose of executing documents or taking such action as necessary or appropriate as you might or could do if personally present, hereby ratifying all that we, as your attorney-in-fact, shall lawfully do or cause to be done by virtue of this Special Power of Attorney to obtain, protect, maintain or enforce our intellectual property and Proprietary Marks if we are, for any reason, unable to obtain your cooperation or assistance. The Special Power of Attorney granted by this *Section 8.4*, shall survive your dissolution, death, incompetence or disability and the termination or expiration of this Agreement.

ARTICLE 9. OPERATING STANDARDS AND DUTIES OF FRANCHISE OWNER

9.1 Compliance with System Standards and Confidential Manual.

You understand and acknowledge that every detail of the operation of the Franchised Business is important in order to develop and maintain high and uniform standards of quality, cleanliness, appearance, service, facilities and techniques; to increase the demand for the System; and to protect our reputation and goodwill and that of other *Cold Stone Creamery* franchisees. You also acknowledge that the operation of the Franchised Business is your sole responsibility, and that neither we nor our affiliates have any responsibility to obtain customers for you. The System Standards will constitute provisions of this Agreement as if fully set forth herein.

9.2 Authorized Products and Services.

a. You agree that you will not, without our prior written approval, offer at the Location any menu items, beverages, products or services that are not authorized by us for the Franchised Business, as set forth in the System Standards.

b. You have complete discretion in establishing the minimum price you charge for your products. Although we may suggest pricing strategy, you will have the final pricing decision.

c. Notwithstanding the terms of *Section 9.2b.*, we may conduct periodic promotional campaigns during which a specified product or products are promoted at a specified price. During the promotional period, you may not charge your customers more than the specified promotional price, although you may charge less than the promotional price.

d. We may conduct new marketing, research and development, branding and operational program tests, which will generally be conducted with experienced, existing franchisees and may include incentives and other rights that are not available to all franchisees.

e. You hereby consent to third-party vendors, suppliers and distributors sharing with us any and all information, reports, invoices and related documentation covering and otherwise detailing your purchases for the Franchised Business, and to us sharing your contact information with them when we reasonably believe they may offer you a desired benefit.

f. You are required to accept debit and credit cards (including Visa®, MASTERCARD® and AMERICAN EXPRESS®) and Gift/Loyalty Cards from consumers at the Franchised Business. Prior to the opening of your Franchised Business, you are required to acquire, and maintain during the Term, an approved debit, credit and Gift/Loyalty Card processing system ("Card Processing System") to use during the operation of the Franchised Business. Additionally, you must utilize our approved third-party payment card processor, as identified in the System Standards, for processing all Card Processing System transactions.

9.3 Specifications and Standards for Supplies; Approved Suppliers; Rollouts.

a. You must purchase or otherwise acquire certain proprietary or required equipment and supplies utilized in the Franchised Business only from our designated approved distributors or suppliers. If, during the Term, we change designated approved distributors or suppliers for any of the proprietary or required equipment and supplies utilized in the Franchised Business, you shall change to the new designated approved distributor or supplier within sixty (60) days after written notification of such change from us.

You acknowledge Franchisor and/or its affiliates has the right to receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and/or other payments ("Payments") based upon the actual purchases of the foods, beverages, and other products by Franchisor, its affiliates, area developers and franchisees from suppliers. Any such Payments made to Franchisor may be retained by Franchisor or distributed to franchisees in such amounts and using such allocation methods as Franchisor deems appropriate, in its sole discretion. All Payments received from a supplier for a designated purpose (such as participation at an annual convention, etc.) will be spent in accordance with the supplier's designated purpose.

b. If you desire to purchase or otherwise acquire any equipment, supplies or inventory items required by the System Standards but not previously approved by us, or from sources not previously approved by us, you must submit to us sufficient specifications, photographs, drawings and other information sufficient to allow us to determine whether such equipment, supplies or inventory items meet our System Standards. We may require that our representatives be allowed to inspect the facilities of the proposed supplier and revoke its approval upon the supplier's failure to meet any of our then-current minimum System Standards. We may also require that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing. A charge not to exceed the reasonable cost and expense of the inspection and the actual cost and expense of the test must be paid to us either by you or by the proposed supplier. We will notify you within sixty (60) days after your request of our approval or disapproval of the proposed product or supplier, with such determination to be made at our sole discretion. You acknowledge and agree that our approval of any item or supplier of equipment, supplies or inventory not previously approved by us will not, in and of itself, make the supplier of that item an approved supplier for other *Cold Stone Creamery* franchise owners in the System. We may, in our sole discretion, at any time and from time to time, re-inspect the facilities and products of any approved supplier and revoke its approval upon the supplier's failure to meet any of our then-current System Standards. If you receive a notice of revocation from us, you must immediately stop selling disapproved products and purchasing from the disapproved supplier.

c. We will provide to you a list of all recommended and required items of equipment, fixtures, supplies, smallwares and interior decor. This list will be included in the System Standards.

d. At any time and from time to time, we may in our sole option engage in new product rollouts to add to or change the menu items offered for sale in the Franchised Business and the ingredients or supplier of ingredients utilized in the preparation of the menu items sold in the Franchised Business ("Rollout"). If we engage in a Rollout, you shall participate in the changes that are the subject of such Rollout, including offering the new menu items, changing the menu items, changing to the new supplier of the ingredients utilized in the preparation of the menu items, and changing to the new ingredients utilized in the preparation of the menu items. If we engage in a Rollout, we will notify you of the details of the Rollout and provide you sixty (60) days from said notification to take the applicable actions required by the Rollout.

9.4 Compliance with Legal Requirements and Good Business Practices.

You must, at your sole expense, operate the Franchised Business in full compliance with all applicable Federal, state and local statutes, laws, ordinances and regulations, including health and safety regulations, food and drug laws, disability laws, labor and employment laws and data privacy laws, as may be amended, supplemented or enacted from time to time. You must pay all costs and expenses incurred by, and in the conduct of, the Franchised Business, including all rent, salaries, taxes (excluding our income taxes), disbursements, license or permit fees, insurance premiums, traveling expenses and any other business expenses when they become due. If you receive any demand, action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Franchised Business, you must immediately notify us, and in no event, later than three (3) days after your receipt. Any such notice must be accompanied by a copy of the demand, complaint, order, writ, injunction, award, decree or other similar document. You must, in all dealings with your employees, customers, suppliers, the public and us adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business practice that may be injurious to the System or the goodwill associated with the Proprietary Marks.

9.5 Maintenance of Insurance.

At all times during the Term, you must maintain in full force and effect at least the minimum types and amounts of insurance coverage that we require, .

under one (1) or more policies of insurance (each of which shall be primary coverage and shall not be contributory or secondary to any other coverage maintained by us), insured under the particular name of the Franchisee and for the particular address of the Franchised Business. .

Such insurance policies must be issued by insurers acceptable to us having an A.M. Best's financial strength rating of at minimum "A-VIII," and grant us authority to obtain copies of your certificate of insurance directly from the carrier or your agent/broker. The particular requirements of our minimum insurance coverage will be made available to you throughout your term. Currently, the general liability insurance required by this Agreement must: (i) name Kahala Franchising, L.L.C. as the certificate holder; (ii) name Kahala Franchising, L.L.C. and MTY Franchising USA, Inc. and their parents, subsidiaries, affiliates, officers, directors, and

employees as additional insureds; (iii) contain a waiver by the insurance carrier of all subrogation rights against us and our affiliates and our affiliates' respective officers, directors and employees for casualty losses; (iv) indicate the address of the Franchised Business being insured; and (v) provide that we will receive a copy, via an endorsement, thirty (30) days' prior notice of cancellation of any such policy. Additional minimum insurance coverage requirements (subject to increase or otherwise change in our sole discretion) are as follows:

TYPE OF COVERAGE	LIMITS/SPECIFICATIONS
General Liability	$1,000,000 Bodily Injury/Property Damage Per Occurrence / $2,000,000 Aggregate
Building Improvements and Betterments	100% of Full Replacement Cost – No Coinsurance (minimum of $100,000)
Business Personal Property	100% of Full Replacement Cost – No Coinsurance – Special Form or equivalent (minimum of $100,000)
Spoilage	$5,000
Flood, Earthquake and Volcanic Eruption	Subject to Territory Limitations – required if in a designated Flood Zone
Workers' Compensation and Employer's Liability Insurance	As required by law
Employment Practices Liability Insurance with Franchisor Defense coverage	$1,000,000
Hired and Non-Owned Automobile Liability	$1,000,000 Combined Single Limit per accident

You need to evaluate if your particular business will require greater coverage or other types of insurance. For example, we strongly recommend that you consult with an insurance broker to discuss whether your particular lease/situation requires and/or should obtain additional common types of insurance (including without limitation, umbrella insurance, and cyber liability/data breach insurance coverage). Such insurance may significantly increase your premiums, but may also save you money in the long run.

You are responsible for maintaining insurance coverage and limits as required by us, at minimum, pursuant to this *Section 9.5*, provided, if your landlord requires additional coverage, higher limits, or any other requirements not required by us, then you are responsible for maintaining such additional items as well. You must always keep the required insurance coverage in force at all times during the operation of the Franchised Business, and you must comply with any changes we make periodically to our insurance requirements. Upon 30 days' notice to you, we may require you to increase and/or otherwise change the minimum coverage of the insurance referred to above, including to reflect identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

Subject to *Section 3.1*, before you may open your restaurant, annually thereafter at least ten (10) days prior to renewal of your insurance coverage, and at any other time on our request, you must provide us with certificates of insurance or copies of insurance policies showing that you are in compliance with our insurance requirements, as well as proof that you have paid the premiums you owe for the insurance we require. You will pay your insurance premiums to your insurance broker or to the insurance company issuing the policy. We or our affiliate may, at our option and in addition to our other rights and remedies under this Agreement, obtain such

insurance coverage on your behalf, and you must promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs, expenses and premiums (in whole or part) incurred by us. Your obligation to obtain and maintain the insurance described above will not be limited in any way by reason of any insurance maintained by us, nor will your performance of such obligations relieve you of any obligations under *Section 8.2*.

9.6 Management of the Franchised Business.

You are directly responsible for all aspects of operating the Franchised Business, and you agree that you will, at all times, operate the Franchised Business and use your best efforts to enhance your Franchised Business and the System. The Franchised Business must be personally managed and directly operated by either you or another partner, shareholder or member of your business organization, or a manager.

9.7 Inspections by Franchisor.

For the purpose of this *Section 9.7*, you must make available to us or our authorized representatives such financial and other information concerning the Franchised Business, and you must permit us or our authorized representatives to have full and free access to such information at your Franchised Business Location during regular business hours without prior notice. We and our authorized representatives will have the right to communicate freely with your employees, and make extracts from, and copies of, all such information. Our authorized representative may make announced or unannounced inspections of your Franchised Business to ensure compliance with all of the requirements of this Agreement.

9.8 Personal Guaranty~~; Non-Disclosure and Non-Competition Agreement~~.

If you are an individual and married, your spouse must execute and deliver to us a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ at the same time that you sign the Agreement unless your spouse is also ~~singing~~ signing the Agreement as an individual.

If you are a corporation, limited liability company, or other business entity, each of your shareholders, members, or other owners, whether direct or indirect (and their respective spouses, if married) must execute and deliver to us a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ at the same time that you sign this Agreement.

In the event any person who has not previously signed a Guaranty of Franchise Agreement ~~or a Non-Disclosure and Non-Competition Agreement~~ becomes your spouse or shareholder, member, or other owner, direct or indirect or a spouse of such shareholders, members, or other owner, at any time after the execution of this Agreement, you must cause such person(s) to immediately execute and deliver a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ to us.

Failure to provide a Guaranty of Franchise Agreement ~~or a Non-Disclosure and Non-Competition Agreement~~ to us may, in our sole discretion, be grounds for termination of this Agreement as set forth in *Section 14.2a*.

9.9 Not Applicable.

ARTICLE 10. ADVERTISING AND PROMOTION

10.1 Advertising by Franchisor.

We (or at our election a third-party which may be an affiliate of ours) will administer the Advertising Fund that will include your Advertising Fee and those of other franchise owners in the System. If an affiliate of ours administers the Advertising Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third-parties for comparable services. Unless required by applicable law, we will have no obligation to create a trust account, escrow account or other special account for the Advertising Fund, and the monies comprising the Advertising Fund may be placed in our general account. We may also reserve the Advertising Fee for use in a subsequent year.

We will direct all advertising and promotional programs. We will have sole discretion over all creative concepts, materials and media used in such programs and the placement and allocation of such programs. The Advertising Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* trade name, System, products and services. We are entitled to deduct, free of charge, the following from the Advertising Fund: reimbursement of expenses, overhead, and employee salaries for services provided; and rent for office space provided to the Advertising Fund. We are not required to use any specific amounts from the Advertising Fund in your market. However, we in our sole discretion, may use some amounts contributed by you to any Advertising Fund, if any (see *Section 5.3*), in the same geographic area in which your Franchised Business is located.

10.2 Advertising by Franchisee.

In addition to your Advertising Fee, if applicable, and your grand opening promotional advertising program required under *Section 5.24*, and unless your Franchised Business is located in an enclosed shopping mall or other enclosed structure identified in *Section 1.1*, you agree to pay for a regular (white pages) and classified (yellow pages) telephone directory advertisement in the main directory distributed in the area where your Franchised Business is located, in such directory categories as we specify, utilizing forms of listing and classified directory advertisements approved by us. We also recommend that, in addition to your Advertising Fee, you spend at least two percent (2%) of your monthly Gross Sales on local advertising.

Your own local marketing and advertising plan should be developed to maximize your particular customer base. You should not rely upon a marketing program or plan by us as the sole means of obtaining customers. All marketing and advertising materials must be reviewed by the marketing department for look and feel. The marketing department's review is not for determining compliance with federal, state and local laws.

All advertising by you in any medium must be conducted in a professional manner and must conform to the System Standards. We may make available to you, from time to time, advertising, promotional plans and materials for purchase.

Under no circumstances may you use, without limitation, the name, image, or voice of a celebrity, public figure, character or other person in connection with the Proprietary Marks or the Franchised Business without our prior written consent. We retain the sole and exclusive right to use, without limitation, the name, services or image of any celebrity, public figure, character or other person in advertising, endorsing or recommending the System.

ARTICLE 11. ACCOUNTING PROCEDURES AND REPORTS

11.1 Maintenance of Records.

You shall keep full, complete, and accurate books and accounts in accordance with generally accepted accounting principles, and in the form and manner indicated below or as from time to time further required by us. You agree to submit reports and data to us electronically if we advise you to do so. You agree:

a. to submit to us electronically the weekly Gross Sales as set forth in *Section 5.6*;

b. to submit to us, on or before the thirtieth (30th) day of each month, commencing with the opening of the Franchised Business, in a format and method approved by us (including through a third-party vendor that franchisee may be required to pay for), a profit and loss statement of the Franchised Business for the preceding calendar month prepared in accordance with generally accepted accounting principles;

c. to submit to us, within ninety (90) days after the end of each calendar year, commencing with the opening of the Franchised Business, in a format approved by us, a profit and loss statement and balance sheet (including a statement of retained earnings or partnership account) for the preceding calendar year;

d. to submit to us, at the times required, such other periodic forms, reports and information as may from time to be time be required by us;

e. to preserve, in the English language and for the time periods set forth below, all accounting records and supporting documents related to the Franchised Business (individually and collectively, "Records"), including:

1. daily cash reports;

2. cash receipts journal and general ledger;

3. cash disbursements journal and weekly payroll register;

4. monthly bank statements, daily deposit slips and canceled checks;

5. all tax returns, including your personal returns and those of your officers, shareholders, partners and members;

6. suppliers invoices (paid and unpaid);

7. dated cash register tapes (detailed and summary);

8. semi-annual balance sheets and monthly profit and loss statements;

9. daily production, throwaway and finishing records and weekly inventories;

10. records of promotion and coupon redemptions;

11. records of all outside sales; and

12. such other records as we may from time to time request.

f. to record all sales on cash registers approved by us, as specified in the Confidential Manual;

g. to file all of your federal and state tax returns on a timely basis and to provide copies of them to us. We may, where applicable, require that tax returns from all of your shareholders, members or partners be provided to us, if you are other than an individual;

h. During the Term, you shall preserve the Records for at least the current fiscal year and for the three (3) immediately preceding fiscal years. For three (3) years after the date of any transfer of an interest in this Agreement, the transferor of such interest will preserve the Records for its last three (3) fiscal years of operation under this Agreement. For three (3) years after the expiration of the Term (or after any earlier termination), you shall preserve the Records for the last three (3) fiscal years of operation of the Franchised Business; and

i. In connection with our efforts to attract additional franchise owners to the System, we will have the right to use (without identifying you, except as required or allowed by law) any financial statements, sales reports, profit and loss statements or balance sheets provided by you and, in connection therewith, you authorize us to disclose any information contained on such financial reports as may be required by any federal or state registration or disclosure law.

11.2 Audit by Franchisor.

We will have the right, at any time during business hours, and with or without prior notice to you, to inspect and audit, or cause to be inspected and audited, the Records and cash control devices of the Franchised Business, and your corporate, partnership or limited liability company books and records (if you are a corporation, partnership, limited liability company, or other entity). You agree that we may access any computers utilized by you for such purposes.

You will fully cooperate with our authorized representatives and independent accountants hired by us to conduct any such inspection or audit. In the event any such inspection or audit discloses an understatement of your Gross Sales for any period in question, you will pay to us, immediately after receipt of the inspection or audit report, any additional Royalty Fee or Advertising Fee due as a result of any such understatement, plus interest at the Default Rate from the date originally due until the date such understatement is paid in full.

In addition, in the event such inspection or audit is made necessary by your failure to timely furnish Records, or if an understatement of the Royalty Fee or Advertising Fee for the period of any audit (which period shall not be for less than one (1) month) is determined by any such audit or inspection to be five percent (5%) or greater, you must reimburse us all amounts incurred in connection with such audit or inspection including our employee costs and expenses, any independent accountants' and attorneys' fees, transportation, room, and meal expenses.

The remedies in this *Section 11.2* will be in addition to all our other remedies and rights under this Agreement or under applicable law.

ARTICLE 12. TRANSFER

Sections 12.1 through *12.4* apply to all transfers, except transfers by us, which are described in *Section 12.5*.

12.1 Prior Consent of Franchisor.

a. As used in this Agreement, "Transfer" means any voluntary, involuntary (including by operation of law), direct or indirect assignment, sale, gift or other transfer by you, including:

1. "Full Transfer," which is any act or circumstance, except those set forth in *Section 12.1.a.2.*, by which fifty percent (50%) or more of the ownership or control is shifted from any individual or corporation, partnership or other business entity (individually and collectively, "Entity") to another, including:

(i) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement;

(ii) Transfer of an interest in you, if you are an Entity;

(iii) Merger, consolidation or issuance of additional ownership interests or redemption of ownership interests in you, if you are an Entity; or

(iv) Transfer of an interest in any other Entity holding an interest in this Agreement or you, if you are an Entity.

2. "Affiliate Transfer," which includes:

(i) Transfer in a separation or divorce, regardless of how much of the ownership or control is shifted from any individual or Entity to another;

(ii) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement from your name as an individual(s) to your Entity name in which you are the sole owner(s) of the Entity;

(iii) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement, from your Entity name in which you are the sole owner(s) to your name as an individual(s);

(iv) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement from one Entity name to another Entity name in which the owners of the entities are the same;

(v) Removing an owner from the Franchisee (unless the person has a fifty percent (50%) or more ownership interest);

(vi) Adding an owner to the Franchisee (unless the person has a fifty percent (50%) or more ownership interest); or

(vii) Transfer by which less than fifty percent (50%) of the ownership or control is shifted from any individual or entity to another for any act or circumstance listed in *Section 12.1.a.1.*

b. We are entering into this Agreement based upon our knowledge of and faith in your ability. Therefore, the Franchised Business and all the rights granted by this Agreement are personal to you and you may not Transfer without our prior written consent. Any attempted Transfer without our prior written consent will be null and void, and will give us the right to terminate this Agreement and your rights under it, in addition to any remedies which we may have for the breach of this covenant by reason of an attempted Transfer.

c. We shall not unreasonably withhold or delay our consent to a Transfer, so long as it is shown to our satisfaction that the potential transferee ("Potential Transferee") can perform a franchisee's obligations under the then-current form of franchise agreement and all other agreements, legal instruments and documents required of new franchisees.

12.2 Advance Notice of Proposed Terms and Right of First Refusal.

a. If you, or any of your shareholders, members or partners, have received and desire to accept a signed bona fide written offer from a third-party to Transfer, you shall notify us and provide us with a complete copy of the offer (letter of intent) which must include the name, address and telephone number for every Potential Transferee. You must also include information as to the identity of all who will own an interest in this Agreement or in the Franchised Business after the completion of the Transfer, their respective interests, and the proposed terms and conditions of sale and payment.

b. We shall have the right and option, exercisable within thirty (30) days after the date we receive a copy of the offer, to purchase the interest proposed to be transferred, at the price and upon the same terms and conditions specified in the notice.

c. If we do not exercise our option, and the terms of the unaccepted offer are altered, you must, in each such instance, notify us of the changed offer; and we will again have thirty (30) days to exercise our right to purchase on the altered terms. If we do not exercise our option, then the Transfer may take place on the terms and price set forth in the notice; provided: (i) we give our written consent; (ii) the Transfer takes place no later than six (6) months from receipt of our written refusal to exercise our option to purchase; and (iii) all the conditions set forth in *Section 12.3* are satisfied.

12.3 Requirement for Consent to Transfer.

If a Transfer is proposed and we do not exercise our right of first refusal pursuant to *Section 12.2*, then we will consent to the Transfer, provided that:

a. All your obligations under this Agreement are fully paid and satisfied, including the Royalty Fee and Advertising Fee; you are not in default under any provisions of this Agreement or any other agreement, legal instrument or document with us or any of our affiliates; and you enter into written agreements with us, including (except where prohibited by law) a general release by you of all claims against us;

b. Potential Transferee provides to us a completed application and financial documents, is financially acceptable, is not associated with any of our competitors, is of good moral character and reputation, and meets our criteria, which includes: work experience and aptitude; ability to devote time and best efforts to the Franchised Business; equity interest in the Franchised Business; ability to speak and read English sufficient in our opinion to communicate with employees, customers and suppliers and to satisfactorily complete our training; no conflicting interests; and other criteria and conditions that we apply to new franchisees;

c. Potential Transferee provides us with copies of all governing documents of Potential Transferee (e.g., certificate of incorporation or organization, by-laws, stock certificates, operating agreement, membership certificates (if any)) which must be reasonably satisfactory to us in our sole discretion;

d. You provide to us a copy of the purchase and sale agreement, if a Full Transfer, or other documentation evidencing the Transfer, if an Affiliate Transfer, and following our analysis of the terms and conditions of the proposed Transfer, we, in our sole discretion, conclude that such terms and conditions will not interfere with the financial feasibility of the future operation of the Franchised Business;

e. Potential Transferee enters into all agreements, legal instruments and other documents, whether our then-current agreements, legal instruments and documents or a transfer of this Agreement and related legal instruments and documents, as determined by us (individually and collectively, "Transfer Documents"). The terms of the Transfer Documents may vary materially from the current agreements used by us, including the payment of a higher Royalty Fee and Advertising Fee;

f. Not applicable;

g. Potential Transferee pays to us the transfer franchise fee set forth in the Transfer Documents, if a Full Transfer; or Potential Transferee pays us the Document Administration Fee, if an Affiliate Transfer; Franchisee shall be liable to the Franchisor for the transfer franchise fee or Document Administration Fee in the event the Potential Transferee fails to pay such fee that is owing in full;

h. Not applicable;

i. Potential Transferee successfully completes the training program required by the Transfer Documents, if a Full Transfer;

j. Potential Transferee agrees to complete all remodeling and improvements as required by us, and must upgrade the POS System to the then-current required POS System, within the time period specified by us, if a Full Transfer;

k. You and Potential Transferee agree not to assert any security interest, lien, right or claim now or in the future, in the Franchised Business. Any security interest, lien, claim or right asserted with respect to any personal property at the Location must not include any after-acquired property and must be subject, junior and subordinate to any security interest, lien, right or claim now or in the future, asserted by us, our successors or assigns; and

l. You agree to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to Potential Transferee so that Potential Transferee may keep the existing telephone number when the store is transferred to Potential Transferee.

12.4 Death or Incapacity of Individual Franchisee; Change in Entity.

a. Death or incapacity of Franchisee when Franchisee is an individual:

(i) In the event of your death or incapacity, your legal representative may, for a period of ninety (90) days from the date of death or incapacitation, continue to operate the Franchised Business, provided that the operation is conducted in accordance with this Agreement and any other agreements with us.

(ii) If your representative desires to continue the operation of the Franchised Business beyond the ninety (90) day period, then, prior to the expiration of this period, your legal representative must apply in writing for the right to transfer the Franchised Business to the person or persons (whether spouse, heir, devisee, purchaser, or any other person), as the legal representative may specify. The application for transfer will be treated in the same manner as any other proposed Transfer under this Agreement.

(iii) If your legal representative does not comply with the provisions of the preceding paragraph, or does not propose a Potential Transferee acceptable to us under the standards set forth in this Agreement, all rights licensed to you under this Agreement will terminate immediately and automatically revert to us. We shall have the right and option, in our sole discretion, exercisable upon such termination, to purchase all removable furniture, fixtures, signs, equipment and other chattels, but not leasehold improvements, at a price to be agreed upon by the parties or, if no agreement as to price is reached by the parties, at such price as may be determined by a qualified appraiser, approved by both parties, such approval not to be unreasonably withheld. We shall give notice of our intent to exercise the option no later than twenty-one (21) days prior to termination.

b. Death or incapacity of any shareholder, partner, or member in Franchisee when Franchisee is a business entity:

(i) In the event of the death or incapacity of any of your shareholders, partners, or members, the surviving shareholders, partners, or members may, for a period of ninety (90) days from the date of death or incapacitation, continue to operate the Franchised Business, provided that the operation is conducted in accordance with this Agreement and any other agreements with us.

(ii) If your shareholders, partners or members desire to continue the operation of the Franchised Business beyond the ninety (90) day period, then, prior to the expiration of this period, your shareholders, partners, or members must apply jointly with all surviving shareholders, partners or members in writing, for the right to transfer the Franchised Business (or the interest of the deceased or incapacitated shareholder, partner, or member in the Franchised Business), to the person or business entity as the surviving shareholders, partners, or members may specify. The application for transfer will be treated in the same manner as any other proposed Transfer under this Agreement.

(iii) If all surviving shareholders, partners or members do not comply with the provisions of the preceding paragraph, or do not propose a Potential Transferee acceptable to us under the standards set forth in this Agreement, all rights licensed to you under this Agreement will terminate immediately and automatically revert to us. We shall have the right and option, in our sole discretion, exercisable upon such termination, to purchase all removable furniture, fixtures, signs, equipment and other chattels, but not leasehold improvements, at a price to be agreed upon by the parties or, if no agreement as to price is reached by the parties, at such price as may be determined by a qualified appraiser, approved by both parties, such approval not to be unreasonably withheld. We shall give notice of our intent to exercise the option no later than twenty-one (21) days prior to termination.

12.5 Assignment by Franchisor.

You agree and affirm that we may, without your prior consent, sell our business, our assets, or our System, in whole or in part, to a third-party; may issue a public offering of our securities; may engage in private placement of some or all of our securities; may merge with or acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. You further agree and affirm that we have the right, now and in the future, without your prior consent, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of such franchise network, chain or business, which you acknowledge may be proximate to your Franchised Business, and to operate, franchise or license such franchise networks, chains or businesses operating under the Proprietary Marks or any other marks following our purchase, merger, acquisition or affiliation. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages against us arising from or related to the loss of your rights to use the System as authorized under this Agreement.

This Agreement will inure to the benefit of our successors and assigns. In conjunction with one (1) or more of the transactions contemplated above, or as otherwise determined by us, we have the right to assign our rights and obligations under this Agreement to any person or entity, without your prior consent. Upon such assignment, we will be relieved of all obligations or liabilities then existing or thereafter able to be asserted under this Agreement.

12.6 Restrictions on Security Interests and Subfranchising.

Except as otherwise set forth in this *Section 12.6*, you shall not have any rights to pledge, encumber, hypothecate or otherwise give any third-party a security interest in this Agreement in any manner whatsoever, nor subfranchise or otherwise transfer, or attempt to subfranchise or transfer the Franchised Business, in whole or in part, so long as it is operated as the Franchised Business, without our express prior written permission, which permission may be withheld for any reason whatsoever in our sole discretion. Notwithstanding anything contained herein to the contrary, you shall have the right to pledge your accounts receivable, net of royalties and rent, without our prior written consent for the sole purpose of obtaining financing for the operation of the Franchised Business, provided you are in full compliance with this Agreement and any other agreement, arrangement or understanding with us.

ARTICLE 13. RENEWAL

Subject to the terms and conditions described below, you will have the right to renew your license to operate the Franchised Business for an additional term of five (5) years. In the event you desire to renew your license, you must give us notice to that effect at least one hundred twenty (120) days prior to the expiration date of the Term. In addition to giving the notice of renewal referred to above in a timely manner, in order to have the right to renew the license to operate the Franchised Business for an additional term, you must also meet each of the following requirements:

a. You must not then be in default under this Agreement or any other agreement, legal instrument or document with us or any of our affiliates, and no event shall have occurred that, with the giving of notice, the passage of time, or both, would constitute a default under this Agreement, including all financial obligations to us;

b. You must be in complete compliance with the terms of this Agreement, including all financial obligations to us, and the then-current Confidential Manual;

c. You must not have received more than three (3) notices of default or breach of this Agreement during its term, nor more than two (2) notices of default or breach during the five (5) years immediately preceding the effective date of the proposed renewal;

d. You must have the existing right to maintain possession of the Location or you must have secured and developed a suitable substitute location that meets our then-current minimum site requirements (such confirmation will be provided to you by us in writing);

e. You must sign a general release provided by us;

f. You and we must execute all agreements, legal instruments and other documents (individually and collectively, "Renewal Documents") then used by us in the renewal of franchises and then being required of new franchise owners in connection with the System. The Renewal Documents will supersede this Agreement, but will not terminate your liability to perform any obligations which you have not yet performed under this Agreement, or which survive the termination of this Agreement; nor will the Renewal Documents terminate or supersede any Guaranty of Franchise Agreement, Confidentiality Agreement, or Non-Disclosure and Non-Competition Agreement executed pursuant to this Agreement. The terms of the Renewal Documents may vary materially from the current agreements used by us, including the payment of a higher Royalty Fee and Advertising Fee;

g. The equipment, fixtures and signage used in connection with the operation of the Franchised Business must either meet our then-existing System specifications and standards, or you must agree, within a timeframe required by us, to replace or refurbish such items, and otherwise modify the methods of operation of the Franchised Business at your cost and expense, in order to comply with our System specifications and standards then applicable to new franchise owners;

h. You agree to complete all remodeling and improvements as required by us, and must upgrade the POS System to the then-current required POS System, within the time period specified by us; and

i. You shall have paid to us the Renewal Franchise Fee as required under *Section 5.12*.

If you do not meet any of the requirements for renewal, we will give you a notice to that effect which will specify the requirements not met. The notice will be given to you within sixty (60) days after you deliver to us your notice of intent to renew.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Default; Termination.

a. You will be in default under this Agreement:

(i) If: (a) you become insolvent or make an assignment for the benefit of creditors; (b) you file a petition in bankruptcy, or if such a petition is filed against and consented to by you, and such petition is not dismissed within thirty (30) days from the filing date of such petition; (c) you are adjudicated bankrupt; (d) a bill in equity or other proceeding for the appointment of your receiver or other custodian for your business or assets is filed and is consented to by you or is not dismissed within thirty (30) days from the filing date of such bill or other proceeding; (e) a receiver or other custodian is appointed; (f) proceedings for composition with creditors under any state or federal law is instituted by or against you; (g) the real or personal property of the Franchised Business is sold at levy thereupon by any sheriff, marshal or constable, or sold by a secured party under any state's Commercial Code;

(ii) If you fail to pay, perform, observe or comply with any of your duties and obligations under this Agreement or the Confidential Manual, including failure to provide a fully-executed copy of the lease to us when due and failure to pay when due, any sum due to us under this Agreement (including the Royalty Fee and Advertising Fee) or to any Advertising Fund (inclusive of any Association); or if you breach any of your obligations under any lease, sublease, mortgage, equipment agreement, promissory note, vendor account, conditional sales contract or other contract arising from, or in connection with, the Franchised Business, to which you are a party or by which you are bound, whether or not we are a party thereto;

(iii) If your lease or sublease for the Location of the Franchised Business is either: (a) in default and you fail to cure such default as provided in the lease or sublease; (b) is terminated for reason of default by you; or (c) the Location is lost as a result of your failure to comply with the lease or sublease;

(iv) If you fail, within thirty (30) days of the entry of a final judgment against you in an amount exceeding Two Thousand Dollars ($2,000), to discharge, vacate or reverse the judgment or to stay its execution pending appeal, or to discharge any judgment which is not vacated or reversed within thirty (30) days after expiration of the stay of execution;

(v) If we determine that a serious health or safety problem exists at the Franchised Business, in which case, we may require you to immediately correct the problem or cease operating until the problem is corrected;

(vi) If you, or any owner, co-owner or principal of the Franchised Business, is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is

reasonably likely to adversely affect the System, the goodwill associated therewith, or our interest therein;

(vii) Except for any reason provided in *Section 5.2*, if you abandon the Franchised Business, which abandonment shall conclusively be deemed established if the Franchised Business is closed for more than three (3) consecutive days;

(viii) Except for any reason provided in *Section 5.2*, if you close or relocate the Franchised Business, without our express advance written consent;

(ix) If you fail to maintain an independent contractor relationship with us;

(x) If you either negligently or knowingly inaccurately report, or fail to report, any information in your franchise application;

(xi) If you or any owner, co-owner or principal of the Franchised Business commits an act, or permits an act to be committed, that violates any federal, state or local law that adversely impacts the Franchised Business;

(xii) If you fail to participate in any Rollout detailed in *Section 9.3*;

(xiii) If you violate any of the provisions of *Sections 2.3, 3.2, 9.2, 9.3* or *9.4* including the requirement that you: (a) sell or offer for sale only those products and services authorized by us; (b) purchase such authorized products and services only from suppliers or service providers who are approved in writing by us; and (c) utilize or switch to any of our designated approved suppliers, including a supplier who has entered into a national or regional master supplier agreement with us;

(xiv) If you transfer or attempt to transfer any rights or obligations under this Agreement or any other property or assets to any third-party in violation of the provisions of *Article 12*;

(xv) If you or any of your owners, officers, directors, managers, members, or partners (as applicable): (a) become subject to U.S. Executive Order 13224 or are involved in any activity that violates the U.S. Foreign Corrupt Practices Act or any other anti-corruption, bribery or any other laws, orders or governmental notices affecting your ability to conduct business in or with the United States, as may be amended and whether in effect as of the Effective Date or at any time during the Term, (b) are identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specialty Designated National and Blocked Persons list, or (c) receive any funding from any country that is subject to an embargo by the United States, any foreign government or government official, political party; or

(xvi) If you intentionally made any false representations and warranties under *Section 17.1.*

b. Cross-default: A default by you under this Agreement will be deemed a default of all agreements between: (i) you and your principals in his or her individual capacity or any other entity in which your principals are owners, members, managers, shareholders or partners (individually and collectively, "Franchisee Entity"); and (ii) us or any of our affiliates or predecessors (individually and collectively, "Franchisor Entity"). A Franchisee Entity's default of

any other agreement, legal instrument or other document between the Franchisee Entity and a Franchisor Entity will be deemed a default under this Agreement. A default by any guarantor of your obligations under this Agreement or any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be deemed a default of this Agreement.

c. Termination: If you fail to cure any default to our satisfaction, within the applicable period following notice from us, if applicable, or otherwise breach this Agreement, we may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. This termination will be effective immediately upon the giving of notice pursuant to *Article 15*.

d. Cross-termination: If this Agreement is terminated as a result of your default of this Agreement or any other agreement related to the Franchised Business, we may, at our option, elect to terminate any or all other agreements, legal instruments or documents between a Franchisee Entity and a Franchisor Entity. If any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity is terminated as a result of a default by the Franchisee Entity, we may, at our sole discretion, elect to terminate this Agreement. It is agreed that an incurable or uncured default under this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be grounds for termination of this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity, without additional notice or opportunity to cure.

14.2 Opportunity to Cure.

a. Fourteen-Day Cure Period - Except as otherwise provided in this *Section 14.2*, you will have the right to cure your default under this Agreement within fourteen (14) days after notice of default is given by us pursuant to *Article 15*. Notwithstanding the foregoing, the following lesser periods will apply under the circumstances described:

b. Seven-Day Cure Period - A seven (7) day cure period will apply if you fail, refuse, or neglect to pay when due, any monies owing to us (including the Royalty Fee and Advertising Fee), or otherwise to any Advertising Fund (inclusive of any Association), or if you fail to maintain the insurance coverage set forth in this Agreement;

c. 48-Hour Cure Period – A forty-eight (48) hour cure period will apply (1) if you are in default of *Section 3.4* or (2) if you fail to participate in any limited time product offering, value offering, contest, promotion or charity event. You must initiate your participation in such offering, contest, promotion or event within forty-eight (48) hours and fully participate in such offering, contest, promotion or event as soon as reasonably possible, in our sole discretion, thereafter;

d. 24-Hour Cure Period - A twenty-four (24) hour cure period will apply to your violation of any law, regulation, order or our standards relating to health, sanitation or safety; or, except as provided in *Section 5.2*, if you cease to operate the Franchised Business for a period of forty-eight (48) hours without our prior written consent. In addition, a twenty-four (24) hour cure period will apply if you post on any Site or direct others to any site or page, post, blog or other social media site where there are posted any defamatory or offensive comments about: other franchisees; the *Cold Stone Creamery* brand; other brands franchised by us or one of our affiliates; your or other franchisees' customers; any of our, your or franchisees' vendors; us or any of our affiliates; or any of our, your or franchisees' competitors;

e. Immediate Cure Period (less than 24 hours) – An immediate cure period (less than twenty-four (24) hours) will apply if you post any content to a Site in which the content includes any inappropriate public displays of affection, our or others' confidential information or materials, violations of health or safety standards, foul or obscene language, or any images of or information about any persons from whom you did not obtain prior written consent;

f. No Cure Period - No cure period will be available: (1) if you are in default of *Sections 3.1, 7.2, 9.4, 14.1a.(i), 14.1a.(iii), 14.1a.(vi), 14.1a.(vii), 14.1a.(viii)*, *14.1a.(xiv)*, *14.1a.(xv),* or *14.6*; (2) if you intentionally underreport weekly Gross Sales, falsify financial data, fail to promptly provide upon our request financial data and records specified in this Agreement, or otherwise commit an act of fraud with respect to your rights or obligations under this Agreement; (3) if you repeatedly fail to comply with the provisions of this Agreement, whether or not subsequently cured; (4) if you, having twice previously cured a default of this Agreement, commit the default again; (5) if you made any false representations and warranties under *Sections 17.1f., 17.1g., 17.1m.* or *17.1n.*; or (6) if you engage in trademark misuse or otherwise materially misuse or make an unauthorized use of any of the components of the System or commit any other act which does, or can reasonably be expected to, materially impair the goodwill or reputation associated with any aspect of the System;

g. Statutory Cure Period - If a statute in the state or municipality in which the Franchised Business is located requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than any cure period specified in this *Article 14*, the statutory cure period will apply.

14.3 Our Right to Take Over Management.

We have the right (but not the obligation), under the circumstances described below, to enter the Franchised Business and assume the Franchised Business' management for any period of time we feel is appropriate. If we assume the Franchised Business' management, you must pay us, in addition to the Royalty Fee and Advertising Fee, six percent (6%) of the Gross Sales, plus our direct out-of-pocket cost and expenses, for the period of time we assume the Franchised Business' management. If we assume the Franchised Business' management, you acknowledge that our duty is limited to using our reasonable efforts, and we will not be liable to you or your owners for any debts, losses or obligations the Franchised Business incurs, or to any of your creditors for any supplies or services the Franchised Business purchases. We may assume the Franchised Business' management if you abandon the Franchised Business or if you fail to comply with any provision of this Agreement and did not cure the failure within the time period we specify in our notice to you. You agree to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to us upon our request if we assume the Franchised Business' management so that we may keep the existing telephone, facsimile, alarm, and credit card machine numbers (as applicable) in operation under our phone service provider. You also agree to keep the phone, water, gas, electric service (as applicable) turned on and active for one (1) week after we assume the Franchised Business's management to allow us to switch the services over to us or our affiliate. Our exercise of our management rights under this *Section 14.3* will not affect our right to terminate this Agreement.

14.4 Remedies.

a. Interest, Costs and Damages - If you fail to remit when due any payments required under this Agreement, you agree to pay, in addition to the unpaid amounts, all of our

collection costs and expenses, expert fees, reasonable attorneys' fees, and costs and expenses, including all fees, costs and expenses of court, including all appeals, with interest on the unpaid amounts at the Default Rate or the highest permissible rate. If you fail to cure a default, following notice, within the applicable time period set forth in *Section 14.2*, or if this Agreement is terminated as a result of your default, you shall pay to us all damages of any kind and nature whatsoever and all collection costs and expenses, expert fees, reasonable attorneys' fees, and costs and expenses, including all fees, costs and expenses of court, including all appeals, together with interest at the Default Rate or the highest permissible rate. If you fail to report Gross Sales in accordance with *Sections 5.2* and *5.6*, we may estimate your Royalty Fee and Advertising Fee based on prior reports, and may sue for and obtain judgment for such estimates unless you prove, prior to the entry of any default order or judgment, that your Royalty Fee and Advertising Fee are different than the estimates.

b. Waiver of Punitive Damages - Both we and you waive, to the full extent permitted by law, any right they otherwise may have had to claim, pursue, demand or receive any exemplary or punitive damages arising out of or related in any way to this Agreement and its addenda, amendments, appendices, exhibits and attachments.

c. If you breach any of the terms of this Agreement, including if you are in default of this Agreement, we may enforce our rights by injunction, specific performance, or any other remedy available under this Agreement, at law or in equity, including termination. These remedies are cumulative and not exclusive and we may use all remedies available. In addition, we may elect to terminate this Agreement and all your rights under it as set forth in *Section 14.5*.

d. If you breach any of the terms of this Agreement, including if you are in default of this Agreement, we have the right to have a receiver appointed to take possession, manage and control the assets of the Franchised Business, collect the profits, and pay the net income for the operation of the Franchised Business as ordered by a court of competent jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists.

14.5 Effect of Termination or Expiration.

Upon termination or expiration of this Agreement, we can advise all suppliers of *Cold Stone Creamery* proprietary food items and other supplies bearing any of the Proprietary Marks or service marks to cease delivering the items and products to you.

Upon your abandonment of the Franchised Business (whether voluntary or involuntary), any termination of this Agreement (whether pursuant to *Sections 14.1, 14.2, 14.4*, or otherwise), or upon expiration of the Term, you must immediately cease to hold yourself out to the public as a franchise owner of the System, and you must comply with the following:

a. Immediately pay to us or any affiliate of ours all sums owing from you to us or such affiliate, including the Royalty Fee and Advertising Fee, for any period prior to the date of termination, the applicable Early Termination Damages (as defined in Section 14.9 below), and all amounts owed for services, supplies or other items purchased by you from us or any affiliate of ours, or that were financed by us or any affiliate of ours, or which we or any affiliate of ours loaned to you, together with any interest or late fees accrued thereon, together with all other

sums due us under this Agreement, and all damages of any kind or nature whatsoever that may be allowed by law;

b. Immediately cease to use, in any manner whatsoever, including in all advertising, the Proprietary Marks, any Trade Secrets, any Confidential Information, any benefits of the System or any part thereof, any methods associated with the System, any forms, recipes, Confidential Manual, slogans, signs, sign posts, marks, symbols, or devices used in connection with the operation of the Franchised Business; and you must deliver or destroy all of the above-mentioned materials, including any materials containing or referencing any of the foregoing, to us as directed by us. If we do not recover any such items, such items shall be valued at their then-current replacement cost, for purposes of determining the damages owing by you to us for failure to return such items, if we pursue a damage claim as a result thereof;

c. Immediately discontinue all advertising as a franchisee of the System, and thereafter refrain from any advertising that would indicate that you are or ever were a franchisee or licensee of ours, or otherwise were affiliated with us or the System;

d. Immediately take such steps as may be necessary or appropriate to:

(i) delete your listing in all telephone directories, if applicable, and terminate any other listings that indicate that you are or were a franchisee or licensee of ours, or otherwise were affiliated with us or the System; and

(ii) transfer to our designee or us all telephone numbers used by you in connection with the Franchised Business. You acknowledge that between you and us, we have the sole right and interest in all telephone numbers and directory listings associated with any Proprietary Marks, and you authorize us and appoint us and any officer or agent of ours, as your attorney-in-fact, to direct the telephone company and all listings agencies to accept such direction, or this Agreement, as conclusive evidence of our exclusive rights in such telephone numbers and directory listings and our authority to direct their transfer;

e. Immediately take such action as may be required to cancel all fictitious or assumed names, amend any entity name, or dissolve any entity that contains any Proprietary Mark, in whole or in part, regardless of whether the entity name was authorized by us, and amend or cancel any and all equivalent registrations relating to your use of any Proprietary Mark. You acknowledge that between you and us, we have the sole right and interest in all such fictitious or assumed names, entity name, and equivalent registrations, and you authorize us and appoint us and any officer or agent of ours as your attorney-in-fact, to effect the termination or cancellation of such fictitious or assumed names or equivalent registrations should you fail or refuse to do so, and the appropriate federal, state, and local agencies may accept your direction or this Agreement as conclusive evidence of our exclusive rights in such fictitious or assumed names or equivalent registrations, and our authority to direct their termination or cancellation;

f. Comply with the confidentiality requirements and the covenant against competition in this Agreement for the specified period. You acknowledge that you, or (if an entity) your authorized representative, has carefully reviewed the confidentiality requirements and the covenant against competition in this Agreement; and that you have agreed to be bound by all the requirements and covenants; and

g. Maintain at a place made known to us all books, records and reports required under this Agreement for a period of not less than three (3) years after the date of termination or expiration of this Agreement, to allow us to make a final inspection of your books and records for the purpose of verifying that all amounts owing have been paid.

If you fail to do any of the foregoing, we may pursue any remedy available at law or in equity against: (i) you; (ii) any or all guarantors of your obligations under this Agreement; and (iii) you and any or all guarantors of your obligations under this Agreement.

h. Right of First Refusal. We have the right, but not the obligation, to purchase from you any assets or property (but not leasehold improvements) used in the operation of the Franchised Business for an amount equal to the Value (as defined below), as of the expiration date or termination date, as applicable ("RoFR"). If we are required, by law, regulation or court order, to purchase the equipment and other tangible assets used in connection with the Franchised Business, the purchase price will be equal to the Value. For purposes of this Agreement, the term "Value" means, subject to applicable law, an amount equal to your cost for such assets, less depreciation and amortization using a two hundred percent (200%) declining balance method over a five (5) year period. If all, or any portion of, your assets that are being purchased by us or our authorized representative are subject to lien(s), we or our authorized representative may pay, on your behalf, the lienholder(s) that portion of the purchase price for your assets (which may be the entire purchase price) that is necessary to obtain the release of those assets from the lien(s), in lieu of paying you those funds. Further, we may offset any amounts payable to you pursuant to this *Section 14.5.h*, or otherwise pursuant to this Agreement, against any unpaid amounts payable to us or our affiliates pursuant to this Agreement or any agreement executed in connection with this Agreement.

14.6 Covenant Not to Compete; Conflicting Interests.

a. During the Term and for a period of two (2) years after your abandonment of the Franchised Business, expiration of this Agreement, or termination of this Agreement (whether voluntary or involuntary), you shall not engage in any Competing Business (as defined in *Section 14.6c.*) with any *Cold Stone Creamery* restaurant, nor shall you have any Conflicting Interest (as defined in *Section 14.6d.*) in a Competing Business. The provisions of this Agreement bind you in any capacity, including as a franchisee, sole proprietor, partner, limited partner, member, employer, franchisor, shareholder, officer, director or employee.

b. During the Term, and for a period of two (2) years after your abandonment of the Franchised Business, expiration of this Agreement, or termination of this Agreement (whether voluntary or involuntary), you shall not divert or attempt to divert any business, customers, or potential customers of the *Cold Stone Creamery* System to any Competing Business, by direct or indirect inducement or otherwise. In addition, you shall not at any time do or perform any act, directly or indirectly, which harms the goodwill or reputation of us or the System.

c. For purposes of this *Section 14.6*, "Competing Business" means a business which is primarily engaged in the sale of ice cream, along with cakes, cupcakes, pies, smoothies and other dessert products prepared or served with ice cream or as an ingredient, and all variations thereof, within a geographical area consisting of: (1) during the Term, anywhere else; and (2) after abandonment, expiration or termination of this Agreement, within a ten (10) mile radius from the Location or location of any *Cold Stone Creamery* restaurant of ours, our third-party licensees or our third-party franchisees. The term "*Cold Stone Creamery*

restaurant" includes not only the restaurants now in existence, but also those established at a later date. The term of this covenant will be extended by any time consumed in litigation to enforce it in both trial and appellate courts. If a court of competent jurisdiction determines that the restrictions in this paragraph are excessive in time, geographic scope, or otherwise, the court may reduce the restriction to the level that provides the maximum restriction allowed by law.

d. For purposes of this *Section 14.6*, "Conflicting Interest" means an interest by which you, or your executive officers, directors and shareholders (if you are a corporation), or your partners (if you are a partnership), or your members (if you are a limited liability company), or your designated manager, spouses, and/or guarantor(s) directly or indirectly, have a controlling interest in, lend money to, consult with or otherwise assist any Competing Business. If any of the persons named above do not sign this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6 and 14.8,*" then you agree to obtain the execution by such person of a written agreement setting forth the foregoing in a form acceptable to us.

14.7 Continuing Obligations.

All your obligations that expressly survive the expiration or termination of this Agreement, including *Sections 14.5* and *14.6*, or by the implicit nature thereof require performance after the expiration or termination of this Agreement, will continue in full force and effect (subsequent to, and notwithstanding, your abandonment of the Franchised Business (whether voluntary or involuntary) the expiration of the Term, or termination of this Agreement), until they are satisfied in full or by their nature expire. The indemnities and obligations set forth in *Article 8* will continue in full force and effect subsequent to, and notwithstanding, the expiration or termination of this Agreement.

14.8 Remedies.

You acknowledge and agree that the restrictions contained in this Agreement, including in this *Article 14*, are fair and reasonable and necessary for the protection of our legitimate business interests and you intend and agree that such restrictions be enforceable and enforced to their fullest extent. You further understand and agree that, notwithstanding any other provision of this Agreement, your breach of your obligations under this *Article 14*, will cause us irreparable harm for which recovery of monetary damages alone would not be an adequate remedy. Both parties shall be entitled to obtain timely injunctive relief, including a temporary restraining order, preliminary and permanent injunctions, to protect their rights under this Agreement, in addition to and not exclusive of any and all other remedies available to each party.

14.9 Early Termination Damages.

If you discontinue operating your Franchised Business before this Agreement expires, with or without obtaining our prior written consent, or in the event of a termination of this Agreement arising from or related to your default and breach of its provisions, you will become obligated to pay Franchisor early termination damages ("Early Termination Damages"). The Early Termination Damages shall be considered damages and not a penalty, are not in lieu of other damages, and your payment of these damages shall not constitute a release of any other obligation owed to us. Franchisor, Franchisee, each individual signing on behalf of Franchisee, and each guarantor guaranteeing Franchisee's obligations hereunder, hereby acknowledge and

agree that Franchisor's losses due to Franchisee's unilateral closure of the Franchised Business or termination of this Agreement would be highly difficult or impossible to calculate with reasonable certainty and, therefore, have agreed at the outset of this Agreement that the Early Termination Damages, and the formula for calculating these damages, constitutes a reasonable, good faith forecast of Franchisor's estimated losses and damages due to the premature closure of the Franchised Business or termination of this Agreement.

The amount of the Early Termination Damages is calculated as follows:

a. Compute the average monthly Royalty Fee and Advertising Fee due for any consecutive twelve (12) month period within the forty-eight (48) months immediately preceding the date we receive notification of the closure, or if you failed to timely notify us of the closure then the date the Franchise Business closed, or, if the Franchised Business has been open for less than twelve (12) months, the average monthly Royalty Fee and Advertising Fee due since the opening of the Franchised Business ("Monthly Average");

b. Multiply the Monthly Average by the number of months remaining in the Term; and

c. Divide the resulting total computed in b. above by two (2).

For example purposes only: If the average monthly Royalty Fee and Advertising Fee were collectively $1,000 and there were five years (60 months) remaining in the Term, the Early Termination Damages would be $30,000, calculated as follows: $1,000 x 60 months = $60,000 ÷ 2 = $30,000.

If you unilaterally close the Franchised Business and/or unilaterally terminate this Agreement prior to the end of the Term, you must give us ninety (90) days prior notice of the early termination ("Early Termination Notice") ~~.~~ pursuant to the applicable notice requirements as set forth in Article 15 of this Agreement. For avoidance of doubt, sending the Early Termination Notice via facsimile, email or through other electronic means does not constitute proper notice). Within ten (10) days after our receipt of your Early Termination Notice, we will calculate the Early Termination Damages, which will be due and payable thirty (30) days prior to the closure of your Franchised Business. In the event of a closure or termination arising from or related to your default under this Agreement, or that you do not: (i) timely or properly provide us with the Early Termination Notice at least ninety (90) days prior to the early termination of your Franchised Business and this Agreement; (ii) remain open for at least ninety (90) days after providing us with the Early Termination Notice; and (iii) pay the Early Termination Damages in full at least thirty (30) days prior to closing of the Franchised Business, the Early Termination Damages due may, in our sole discretion, be increased as follows: it will be calculated by multiplying the Monthly Average by the number of months remaining in the Term, and will not be divided by two (2).

If you have not paid your Royalty Fee and Advertising Fee for any period(s) within the forty-eight (48) months prior to notifying us of your early closure or termination, or if you have not reported your Gross Sales for any period(s) within the forty-eight (48) months prior to notifying us of your intended early termination, we will estimate the Royalty Fee and Advertising Fee based upon prior reports to calculate the Monthly Average.

ARTICLE 15. NOTICES

Unless otherwise provided in this *Article 15*, all notices specified by this Agreement or required by law must be in writing and given by personal delivery, sent by carrier (i.e., FedEx®, UPS®, etc.), U.S. certified mail, return receipt requested. All notices to us must be given at the address set forth on page 1 of this Agreement or to such other address as we may designate in writing from time to time in accordance with this *Article 15*. All notices to you may be given at the address set forth on page 1 of this Agreement, at the address of the Franchised Business, at any of your franchised restaurants, at your residence (if an individual), or at the residence of your principal shareholder(s), partner(s), or member(s) (if a business entity). Notices will be conclusively deemed to be given, delivered, and effective when sent pre-paid and actually left in the custody of an adult agent, employee or resident at a place of business or residence if given by personal delivery; or if given by carrier, twenty-four (24) hours after deposited with carrier, or if by U.S. certified mail, three (3) days after deposited with the U.S. Postal Service. You have an obligation to promptly notify us pursuant to this *Article 15* whenever your mailing address, phone number or email address change. Notwithstanding the foregoing, ~~we~~ only Franchisor ~~may~~ has the right to give you written notice via email to an email address you provide us regarding all notices specified by this Agreement or required by law, with such email notification to be deemed received by you twenty-four (24) hours after we send it, unless you otherwise earlier acknowledge receipt.

ARTICLE 16. CONSTRUCTION AND ENFORCEMENT; MISCELLANEOUS

16.1 Independent Contractors.

The relationship between you and us is that of independent contractors. You are in no way to be deemed our partner, joint venturer, agent, employee, or servant. You have no authority to bind us to any contractual obligation or incur any liability for or on our behalf. You shall identify yourself as an independent owner of the Franchised Business in all dealings with customers, lessors, contractors, suppliers, public officials, employees, and others.

16.2 Severability and Substitution of Provisions.

Except as provided to the contrary in this Agreement, each article, section, term and provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, or as a result of a final, non-appealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that regulation or ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may otherwise remain valid, and such other portions will continue to be given full force and effect and bind the parties to this Agreement. If the severed provision is material to this Agreement, we shall promptly provide a substitute provision to replace the invalid severed provision consistent with then-current law and the original intent of the parties.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of, or refusal to renew, this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable law, regulation, or court ruling of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice or other action required by such law, regulation, or court ruling will be substituted for

the comparable provisions of this Agreement, and we will have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction, unless we elect to give them greater applicability, and otherwise shall be enforced as originally made and entered into in all other jurisdictions.

16.3 Dispute Resolution.

a. Except as otherwise provided herein, a*ny* dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto or the relationship between the parties, or the entry, making, interpretation, or performance of either party under this Agreement ("Dispute"), which cannot be resolved by mediation under *Section 16.3d.* or is not subject to mediation under the terms of this Agreement, shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules as modified below.

b. Any arbitration shall take place before a sole arbitrator in Maricopa County, Arizona or, if our headquarters are no longer located in Maricopa County, Arizona, then the arbitration shall take place in the county in which our headquarters are located at the time the arbitration is commenced. You agree that conducting the arbitration where we are located is appropriate due to the multiple locations throughout the United States where our franchisees are located. The parties agree that the arbitrator shall be an attorney licensed to practice law in the United States and must have a minimum of five (5) years of experience in franchise law. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs and expenses of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any other dispute, arbitration proceeding or litigation, except to the extent such issue may have been specifically determined in another proceeding between the parties. This agreement to arbitrate shall survive any termination or expiration of this Agreement, however effected. The parties agree that any arbitration shall be solely between them (including any affiliates) and shall not include as a party, by consolidation, joinder, or in any other manner, any other person or entity, unless both parties consent in writing. Both parties shall have the absolute right to refuse such consent. Further, the parties expressly waive any right to bring or participate in any class or other consolidated, joined or multi-party arbitration claim or proceeding, whether or not permissible under the AAA Commercial Arbitration Rules, including any claim brought on their behalf by an association of which it, he or she is a member. At the request of any party, the arbitration shall be conducted in a manner that maintains the confidentiality of the proceedings.

c. The arbitrator will issue a reasoned award, with findings of fact and conclusions of law. Actions to enforce an express obligation to pay monies may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. The Federal Arbitration Act shall govern, excluding all state arbitration laws. Arizona law will govern all other issues. With respect to discovery, the arbitrator shall require each party to make a good cause showing before any discovery exceeding that specifically authorized by the AAA Commercial Arbitration Rules will be granted.

d. Prior to the commencement of an arbitration proceeding, the parties must first submit any Dispute to non-binding mediation. At the request of any party, the mediation will be

confidential. The mediation shall be conducted in Maricopa County, Arizona or in the county in which our headquarters are located at the time of mediation, unless the parties shall mutually agree to a different location. The parties to the mediation will share equally in its costs and expenses, except those costs and expenses incurred separately by each party, including counsel fees and expenses. The mediation process will be deemed "Completed" when the parties agree that it has been completed, the mediator declares that any impasse exists, or sixty (60) days have elapsed since the date of the initiating party's notice to the other party that it is initiating the mediation process, whichever occurs first.

e. Notwithstanding anything contained in this Agreement to the contrary, the provisions of Sections 16.3a., 16.3b., 16.3c. and 16.3d. do not apply to a Dispute where: (i) we bring an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to our goodwill, the Confidential Information, the Proprietary Marks or for fraudulent conduct by you; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, we may bring an action in any federal or state court having jurisdiction, whether for monetary damages, temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to us. You hereby consent to and waive any objection or defense and agree not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

f. Disputes concerning the validity or scope of arbitration, including whether the Dispute is subject to arbitration, are beyond the authority of the arbitrator and will be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq., as amended from time to time.

g. Either party may appeal the final award of the arbitrator, if it is over One Hundred Thousand Dollars ($100,000), to the appropriate U.S. District Court. The Court's review of the arbitrator's findings of fact will be under the clearly erroneous standard, and the Court's review of all legal rulings will be *de novo*. If it should be determined that this provision for federal court review is not enforceable, then either party may appeal the arbitrator's final award, if it is over One Hundred Thousand Dollars ($100,000), to a panel of three (3) arbitrators chosen under AAA Optional Appellate Arbitration Rules , which will employ the same standards of review stated immediately above.

16.4 Applicable Law and Forum; Waiver of Jury; Statute of Limitations.

a. Except to the extent that the United States Trademark Act of 1946, as amended (15 U.S.C., § 1051 et seq.) or the franchising laws of any state that may be applicable, the laws of the State of Arizona govern all rights and obligations of the parties under this Agreement without regard to conflict of law. The parties agree, subject to the mandatory mediation and arbitration provisions of *Section 16.3*, that any appropriate state or federal court located in Maricopa County, Arizona has exclusive jurisdiction over any Dispute arising under or in connection with this Agreement and is the proper forum in which to adjudicate the case or controversy. Notwithstanding the foregoing any action initiated by us may, at our election, be brought in any jurisdiction where you are domiciled or that has jurisdiction over you. The parties hereto irrevocably submit to the jurisdiction of, and venue in, any such court, and hereby waive any objection or defense thereto. THE PARTIES AGREE THAT ALL DISPUTES SUBMITTED TO THE COURT PURSUANT TO THIS SECTION SHALL BE TRIED TO THE COURT

SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

b. Notwithstanding anything contained in this Agreement to the contrary, the parties agree that any claims under, arising out of, or related to, this Agreement must be brought within two (2) years of the date on which the underlying cause of action accrued, and the parties hereby waive any right to bring any such action after such two (2)-year period, except for the collection of any unpaid Royalty Fee, Advertising Fee, and any other amount due to us or our affiliate.

c. **YOU HEREBY WAIVE THE RIGHT TO SEEK OR COLLECT PUNITIVE, MULTIPLE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING ARBITRATION. YOU HEREBY FURTHER WAIVE THE RIGHT, IF ANY, OF ANY ASSOCIATION OR MEMBERSHIP GROUP TO ASSERT CLAIMS ON YOUR BEHALF IN ANY ACTION.**

d. **YOU HEREBY WAIVE THE RIGHT TO ANY DAMAGES IN CONNECTION WITH OR RESULTING FROM THE WRONGFUL ISSUANCE OF AN INJUNCTION.**

e. The parties agree that the maximum damages that you may recover in connection with a wrongful termination of your franchise and this Agreement will be an amount equal to the product of:

(i) the annual net profit (as defined below) multiplied by

(ii) the lesser of:

(a) The number of full years existing between the date on which the franchise and this agreement were wrongfully terminated and the date on which the Term would have otherwise expired; or

(b) Three.

For purposes of this Agreement, the term "net profit" means an amount equal to the net profits of your Franchised Business, as reflected on your tax return filed with the Internal Revenue Service prior to such termination; provided, however, that if such tax return reflects the operations of your Franchised Business for a period less than one (1) year, such net profits will be annualized based upon the net profits reflected in such tax return.

16.5 No Guarantee of Franchisee's Success.

You have been informed of and acknowledge the highly competitive nature of the business involved, and agree that the successful operation of your Franchised Business will depend in part, upon your best efforts, capabilities, management, and efficient operation; as well as the general economic trend and other market conditions.

16.6 Existence of Various Forms of Franchise Agreements.

You acknowledge that our present and future franchisees operate under a number of forms of franchise agreements and consequently, our obligations and rights with respect to our various franchisees may differ materially in certain instances. The existence of different forms or versions

of the franchise agreement does not entitle you to benefit from any such difference; nor does it operate to alter or amend the agreement of the parties set forth in this Agreement.

16.7 Franchise Owner May Not Withhold Payments.

You agree that you will not, on grounds of alleged or actual nonperformance or breach by us of any of our obligations under this Agreement, withhold payment of any Royalty Fee, Advertising Fee, amounts due to us or any of our affiliates for goods or services purchased by you, or any other amounts due to us or any of our affiliates.

16.8 Remedies Are Cumulative.

The rights and remedies of the parties to this Agreement are cumulative and not exclusive, and no exercise or enforcement by either party of any right or remedy under this Agreement shall preclude the exercise or enforcement by such party of any other right or remedy under this Agreement or otherwise available at law or in equity to such party.

16.9 Interpretation.

All the terms and provisions of this Agreement will be binding upon and inure to the benefit of the successors and assigns of the parties. However, nothing in this *Section 16.9* may be construed as our consent to the Transfer of this Agreement or any rights by you.

16.10 Waiver.

Our failure to insist upon the strict performance of any term, covenant or condition contained in this Agreement will not constitute or be construed as a waiver or relinquishment of our right to enforce thereafter any such term, covenant or condition and such term, covenant or condition will continue in full force and effect. For example, Franchisor's acceptance of any payments made, or Franchisor's failure to require any payments, by Franchisee after a breach of this Agreement shall not be, nor be construed as, a waiver by Franchisor of any breach by Franchisee of any term, covenant or condition of this Agreement or of Franchisor's right to later require such payments as a result of such prior breach.

16.11 Litigation Expense.

If an action at law or suit in equity is brought to establish, obtain or enforce any right by either of the parties to this Agreement, the prevailing party in the suit or action, in the trial and appellate courts, will be entitled to recover from the non-prevailing party reasonable attorneys' fees, costs and expenses and disbursements incurred in such suit or action.

16.12 No Third-Party Beneficiaries.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity shall be entitled to any rights hereunder by virtue of so-called "third-party beneficiary rights" or otherwise.

16.13 Binding Effect; Modification.

This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, personal representatives, heirs, permitted assigns and successors in

interest. No amendment, change, or modification of this Agreement shall be binding on any party unless executed in writing by you and us.

16.14 Entire Agreement; Nature and Scope; Construction.

This Agreement, all exhibits, attachments, addendums, and amendments, constitute the entire understanding and agreement between the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. If required to be signed, any state specific addendums are incorporated herein by reference. Any representation not specifically contained in this Agreement made prior to entering into this Agreement does not survive subsequent to the execution of this Agreement. We and you have entered into this Agreement for the sole purpose of authorizing you to use the System licensed by this Agreement in the operation of the Franchised Business during the Term in which those specific items designated by us for sale and use in such locations are offered for sale and use in individual, face-to-face transactions with patrons visiting the Franchised Business (and equivalent telephone or mail transactions accepted as a convenience to that customer group). All consideration being furnished by us to you during the course of performance of this Agreement has been determined based on the limited rights and other limitations expressed herein. No other rights have been bargained for or paid for. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth in this Agreement. The parties further acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

16.15 Terminology.

In addition to the terms defined elsewhere in this Agreement, the following terms defined below are incorporated in this Agreement by reference and shall be deemed to include all persons who succeed to the interest of the original, where applicable:

The term “affiliate” means any person who, directly or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with any person;

The term “Dollars” means United States Dollars and all amounts due under this Agreement shall be paid in United States currency;

The use of the terms “includes” and “including” in any provision of this Agreement followed by specific examples used shall not be construed to limit application of the provision to only the specific examples used;

The term “person” means any natural person, corporation, partnership, trust, other entity, association or form of organization;

The term “will” and “shall” shall be synonymous, and shall be mandatory and not discretionary, unless otherwise specifically provided herein; and

Any references to articles or sections refer to articles and sections in this Agreement unless specified otherwise.

16.16 Counterparts.

This Agreement may be executed in one (1) or more original counterparts, and all of which, when taken together, shall be deemed to be one (1) original Agreement. The signatures required for execution may be transmitted to the other party via facsimile or a scanned .pdf file sent via email and such signature shall be deemed a duplicate original, shall be effective upon receipt by the other party, may be admitted in evidence and shall fully bind the party and person making such signature. A fully-executed copy of this Agreement shall be of the same force and effect as the original.

16.17 Offerings.

If you are a corporation, partnership or other entity, and if you intend to offer securities, partnership interests or other ownership interests in you through any public or private offering, you shall not use any Proprietary Marks in such public or private offering, except to reflect your franchise relationship with us; nor shall you misrepresent your relationship with us by any statement or omission of an essential statement. You shall indemnify and hold us harmless from any liability in connection with such offering. Nothing in the foregoing shall modify the provisions of *Article 12*, and no such offering shall be made without first complying with any applicable provisions of *Article 12*.

16.18 Time.

Time is of the essence of each and every provision of this Agreement.

16.19 Force Majeure.

Neither of the parties will be liable for loss or damage or be deemed to be in breach of this Agreement if the failure to perform the party’s obligations results from: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any government or any department or agency thereof, or (b) acts of God, and in each case being unforeseeable forces which Franchisee could not by the exercise of due diligence have avoided; provided however that Franchisee must: (i) immediately upon the start of the above-mentioned act, provide written notice to Franchisor that it expressly enacts its rights granted under this Section, and (ii) use all commercially reasonable efforts to mitigate the effect of the event of Force Majeure upon its performance and to fulfill its obligations under this Agreement. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that no such cause will excuse payments of amounts owed at the time of such occurrence or payment of the Royalty Fee and all other amounts due to us and our affiliates thereafter, or permit Franchisee to permanently close the Franchised Business.

16.20 Plurals and Captions.

Words in the singular number include the plural when the context requires (and vice-versa). The table of contents and the captions are inserted only for convenience and are not a part of this Agreement or a limitation of the scope of the particular article or section to which each refers.

16.21 Joint and Several Liability.

If you consist of two (2) or more individuals, whether in the form of separate individuals or a business entity controlled by the individuals, then each individual will be jointly and severally liable under the provisions of this Agreement.

16.22 Trademark Notice.

All trademarks referenced in this Agreement are those of their respective owners.

16.23 No Accord or Satisfaction.

If you pay, or we otherwise receive, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt may, in our sole discretion, be applied against the earliest amount due us. In addition, if interest or late fees are owed, we may, in our sole discretion, apply any amounts paid to the late fees and interest before such amounts are applied to the principal amount owed. We may accept any check or other payment in any amount without prejudice to our right to recover the entire balance of the amount due or to pursue any other right or remedy. No endorsement or statement by you on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

ARTICLE 17. ACKNOWLEDGMENTS AND REPRESENTATIONS OF FRANCHISEE

17.1 Certain Representations and Warranties of Franchisee.

You represent and warrant that the following statements are true and complete as of the Effective Date:

a. You do not seek to obtain the Franchised Business for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchised Business except as previously approved by Franchisor and subject and conditioned to Article 12 of this Agreement.

b. You understand and acknowledge the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Confidential Manual and the necessity of operating the Franchised Business under the System Standards. You represent that you have the capabilities, professionally, financially and otherwise, to comply with our System Standards.

c. If you are a corporation, limited liability company, partnership, or other form of entity, you are duly incorporated, organized, or formed and are qualified to do business in the state and any other applicable jurisdiction within which the Franchised Business is located, and you are and shall remain duly organized and in good standing during the Term.

d. You represent and warrant that: (i) if you are an individual, you are; or (ii) if you are an entity, that each of your owners, shareholders, partners, and members are, a United States citizen or a lawful resident alien of the United States.

e. All financial and other information that you have provided to us or otherwise made available to us in connection with your application for this franchise is true, complete, accurate, and not intentionally misleading.

f. The execution of this Agreement by you will not constitute or violate any other agreement or commitment to which you are a party.

g. Any individual executing this Agreement on your behalf is duly authorized to do so and the Agreement shall constitute your valid and binding obligation and, if applicable, all of your partners, members, or shareholders, if you are a partnership, limited liability company, or corporation.

h. You have, or if you are a partnership, corporation or other entity, your partners or principals have, carefully read this Agreement and all other related documents to be executed by you concurrently or in conjunction with the execution hereof; that you have obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement; that you understand the nature of this Agreement and that you intend to comply with and be bound by this Agreement.

i. You have read and understand the information and disclosures made in the Disclosure Document provided to you as acknowledged in *Section 17.3e.* You understand and acknowledge that: (i) estimates for initial start-up expenses are estimates only and there can be additional start-up expenses; and (ii) your sales may differ substantially from any sales provided in Item 19 of the Disclosure Document, and there is no assurance that your sales will meet or exceed any sales listed in Item 19 of the Disclosure Document. You have had the opportunity to and have consulted or elected not to consult with your attorney, accountant and business advisors before entering into this Agreement.

j. You understand and agree that, while not applicable in every case, our past experience indicates that owner-operated restaurants generally perform better than absentee owners with hired managers. The food business is a personal business and is dependent upon your business skill and judgment. This includes your choice of employees. Your skill in hiring the right people to work in your Franchised Business is very important in determining whether people decide to purchase menu items from your Franchised Business or from another restaurant in the same vicinity.

k. You understand and agree that ownership of a franchise and the Franchised Business carries certain risks. These risks include the loss of your initial investment, other continued financial losses such as rent payments due under lease obligations and other contractual obligations, the loss of your time and energy in starting up and running your Franchised Business, and loss of earnings and investment income from your investment in the Franchised Business. You understand and agree that the Franchised Business may make money and may lose money and are entering this business venture with this express understanding. You are not relying upon anything which is not contained within this Agreement or the Disclosure Document in determining and deciding to become a franchisee.

l. Notwithstanding the foregoing, you understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, social trends and other market place variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition or other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer, modifying or substituting entirely the equipment, signage, trade dress, décor, color schemes and uniform System Standards and specifications and all other unit constructions, design, appearance and operation attributes which you are required to observe under this Agreement; and, abandoning, changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations. You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed. Except as provided herein, we shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby.

m. You represent that neither you nor any of your affiliates, officers, directors, managers, members, or partners (as applicable) or funding sources are subject to U.S. Executive Order 13224, identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specially Designated National and Blocked Persons list, or any terrorist list or other blocked persons list. In addition, you represent that you have not received funding from, nor are you owned, controlled, or acting on behalf of the government of any country that is subject to an embargo by the United States, any foreign government official, political party or international organization, and that no foreign government or government official, political party or international organization has any financial interest in the Franchised Business or any monies earned by the Franchised Business.

n. You represent, warrant and agree that you, your officers, directors, managers, members, or partners (as applicable) will each at all times conduct themselves in an ethical manner and avoid any activity that might result in a violation of the U.S. Foreign Corrupt Practices Act, Anti-Terrorism Laws, or any other applicable anti-corruption or bribery laws.

17.2 Additional Information Respecting Franchisee.

a. You have delivered to us or will deliver concurrent herewith, complete and accurate copies of all of your organizational documents, including all partnership agreements, certificates of partnership, articles of organization, operating agreements, articles or certificates of incorporation, by-laws and shareholder agreements, including all amendments, side letters and other items modifying such documents.

b. Reserved.

17.3 Acknowledgements of Franchisee.

a. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that this business venture involves substantial business risks and will largely depend upon your ability. Other than the financial performance representation contained in Item 19 of the Disclosure Document, if any, we expressly disclaim making, and you acknowledge that you have not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the Franchised Business contemplated by this Agreement.

Franchisee Initials _____/_____

b. You hereby certify that none of our employees, no other person speaking on our behalf, and no Area Representative, if applicable, have: (i) made any oral, written, visual, or other representation, agreement, commitment, claim, or statement that stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise other than any financial performance representation contained in Item 19 of the Disclosure Document; or (ii) made any oral, written, visual, or other representation, agreement, commitment, claim, or statement from which any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise might be ascertained, related to a *Cold Stone Creamery* franchise, that is different from, contrary to, or not contained in the *Cold Stone Creamery* Disclosure Document; or (iii) made any representation, agreement, commitment, claim or statement to you that is different from, contrary to, or not contained in, the *Cold Stone Creamery* Disclosure Document. You acknowledge and agree that we do not make or endorse, nor do we allow any of our employees or other persons speaking on our behalf to make or endorse, any additional oral, written, visual, or other representation, agreement, commitment, claim, or statement that states or suggests any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise with respect to a *Cold Stone Creamery* franchise other than any financial performance representation contained in Item 19 of the Disclosure Document.

Franchisee Initials _____/_____

c. You acknowledge that you have received, read and understand this Agreement and the related exhibits, attachments and agreements and that we have afforded you sufficient time and opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

Franchisee Initials _____/_____

d. You understand that this Agreement, including any amendments and exhibits, contains the entire agreement between the parties concerning the Franchised Business, and that any prior oral or written statements that are not set out in this Agreement, including any amendments, exhibits and attachments will not be binding. You acknowledge and agree that we do not permit any representations, agreements, commitments, claims, or statements or approve any changes in this Agreement or any of the amendments, exhibits and attachments to this Agreement, except by means of a written amendment or addendum signed by all parties to this Agreement. You acknowledge that nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document.

Franchisee Initials _____/_____

e. You acknowledge receipt of our Disclosure Document fourteen (14) days prior to the execution of this Agreement or your payment of any monies to us or our agent (or sooner if required by applicable state law).

Franchisee Initials _____/_____

f. You acknowledge that, other than what was previously disclosed to you in our Disclosure Document to which you acknowledge receipt thereof, you have not: (1) received any financial statements for us or any of our parent or affiliated companies; or (2) relied on the financial condition of us or of any of our parent or affiliated companies when making the decision to purchase the Franchised Business.

Franchisee Initials _____/_____

g. You acknowledge, as detailed in *Section 2.3*, that you must, at your own cost and expense, use only our designated and approved Design Architect for the design of your Franchised Business.

Franchisee Initials _____/_____

h. You acknowledge that the following is your Area Representative (if applicable):

_____
_____
_____

Franchisee Initials _____/_____

i. If an Area Representative is identified in *Section 17.3h.*, you make the following representations with respect to the Area Representative:

(i) You have met or spoken to only _____, the Area Representative;

(ii) Other than any financial performance representation contained in Item 19 of the Disclosure Document, at no time did the Area Representative make any promises or statements, or projections or forecasts, or estimates or warranties or representations or other statement or agreement concerning profits or expenses or costs or actual or projected sales of any kind directly or by implication about *Cold Stone Creamery* restaurants or about the Franchised Business that we desire to develop under this Agreement or about obtaining the confirmed Location or about any other matter other than what is contained in the *Cold Stone Creamery* Disclosure Document or *Cold Stone Creamery* restaurant brochure.

(iii) You acknowledge that you have not received any written materials from us or the Area Representative except for the *Cold Stone Creamery* brochure and Disclosure Document; and

If there are any exceptions to *Sections 17.3i.(i) – (iii)*, identify the item number and list the exception here:

_____

_____

Franchisee Initials _____/_____

j. You acknowledge there have been no other inducements made with any person or entity, including the Identified Area Representative, encouraging you to purchase the Franchised Business, such as a "side deal" or other promise or agreement not included in the Agreement.

Franchisee Initials _____/_____

k. You acknowledge and understand that *Article 6* covers the use of the *Cold Stone Creamery* trademark and prohibition on registration of our Proprietary Marks. You acknowledge the ownership of the Proprietary Marks by us, and you agree that during the Term and after its expiration or termination, you will not, directly or indirectly, apply to register, register or otherwise seek to use or control or in any way use "*Cold Stone Creamery*", or any other of our proprietary marks, or any confusingly similar form or variation, in any place or jurisdiction either within or outside the United States; nor will you assist any others to do so. You further agree that your corporate, partnership or other entity name will not include any of the Proprietary Marks or phrases similar thereto as a part thereof. Furthermore, you acknowledge and understand that you are prohibited from filing applications for the registration of our trade names used in connection with your Franchised Business.

Franchisee Initials _____/_____

l. You acknowledge and understand that in the event you have registered a trade name or entity name containing our trademarks, you will be required to immediately discontinue all further use of the trademark, all Proprietary Marks and any other marks or names confusingly similar thereto in your entity name. Furthermore, you will take such action as may be required to amend your entity name and affirmatively cancel or terminate and dissolve all fictitious or assumed names or other registrations that contain our Proprietary Marks. In the event you do not comply and execute any and all instruments and documents necessary to protect and maintain our interests in the Proprietary Marks, we will then have power of attorney to execute any documents necessary to protect and maintain our interests in the Proprietary Marks.

Franchisee Initials _____/_____

ARTICLE 18. SUBMISSION OF AGREEMENT

The submission of this Agreement to you does not constitute an offer and this Agreement shall become effective only upon the execution thereof by the parties. THIS AGREEMENT SHALL NOT BE BINDING ON US UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY FRANCHISOR.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, has duly executed and delivered this Agreement as of the Effective Date.

FRANCHISEE: _____, a(n) _____

By:_____
[Name, Title]

By:_____
[Name, Title]

FRANCHISOR: KAHALA FRANCHISING, L.L.C., an Arizona limited liability company

By:_____
[Name, Title]

PERSONAL ACCEPTANCE OF SECTIONS 7.1, 7.2, 14.6, AND 14.8

Each of the undersigned individually and personally accepts and agrees to be bound by the provisions of Sections 7.1, 7.2, 14.6, and 14.8 of the foregoing Franchise Agreement.

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

EXHIBIT E-2

TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement (Renewal)

COLD STONE CREAMERY

FRANCHISE AGREEMENT
(Renewal)

between

KAHALA FRANCHISING, L.L.C.

and

_____, a(n) _____

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COLD STONE CREAMERY
FRANCHISE AGREEMENT
("Agreement")

PARTIES:

KAHALA FRANCHISING, L.L.C., ("Franchisor")
an Arizona limited liability company
Attn: Legal Department
9311 E. Via De Ventura
Scottsdale, Arizona 85258

_____ ([individually and collectively,] "Franchisee")
a(n) _____
_____
_____
Telephone No.: _____

RESTAURANT NO.: _____

EFFECTIVE DATE: _____ ("Effective Date")

TRADITIONAL RESTAURANT (YES or NO): _____

RESTAURANT DESCRIPTION IF NON-TRADITIONAL: _____

A "traditional" restaurant is a restaurant that is easily accessible by the general public, such as a free-standing building, inline retail shop, shopping mall and street front location. A traditional *Cold Stone Creamery* restaurant normally offers a full menu. A "non-traditional" restaurant is a *Cold Stone Creamery* restaurant that is located in a non-traditional marketplace, as determined by us (in our sole discretion), such as an airport, amusement park, sports or entertainment venue, train station, travel plaza, toll roads, cafeteria, retail store, convenience store, military base, hospital, office building, movie theater, hotel, casino, kiosk, cart, or high school or college campus. A non-traditional restaurant may also be a *Cold Stone Creamery* restaurant that is co-branded into another brand restaurant, at Franchisor's sole discretion. A non-traditional *Cold Stone Creamery* restaurant normally offers a limited version of the full *Cold Stone Creamery* menu.

To simplify the language in this Agreement, the terms "we," "us," "our" and the like may be used to refer to the Franchisor, and the terms "you," "your" and the like may be used to refer to the Franchisee. The term "you" as used herein is applicable to one (1) or more persons, a corporation, partnership, trust, other entity, association or form of organization as the case may be, and the singular usage includes the plural, masculine, neuter, feminine, and possessive usages. Franchisor and Franchisee may individually be referred to as a "party" and collectively referred to as the "parties."

RECITALS:

This Agreement is entered into with reference to the following facts and circumstances:

A. We have, over a period of time and at considerable expense, developed and established a uniform and unique method of operation, customer service, advertising, publicity, processes, recipes, techniques and technical knowledge in connection with the restaurant business, specializing in super-premium ice cream, cakes, pies, smoothies, shakes, specialty beverages, other dessert with frozen confections, and other related beverage and food items. These restaurants do business under the trade name "*Cold Stone Creamery®*". These Cold Stone Creamery recipes, techniques, processes and methods constitute our "Trade Secrets." All of our knowledge, experience, Trade Secrets, processes, methods, specifications, techniques, Proprietary Marks (as defined in Recital B.), System Standards (as defined in *Section 1.4*) and information are referred to in this Agreement as the "System." The System may be changed, supplemented, improved and further developed by us from time to time.

B. We have owned and issued franchises to others for the operation of franchised restaurants in the United States and in other countries. We have registered and applied for proprietary marks with the United States Patent and Trademark Office and with offices in other countries serving similar functions. These proprietary interests, trademarks, service marks, logos, insignias, trade names and trade dress are referred to in this Agreement as the "Proprietary Marks."

C. We are engaged in the business of licensing the right to use the Proprietary Marks in connection with the operation and promotion of the System.

D. You understand and recognize that: (1) our Trade Secrets, Proprietary Marks, developments and other properties as recited above are of considerable value; and (2) it is of importance to us and all of our franchisees to maintain the development of the System in a uniform and distinctive manner, allowing you and our other franchisees to enjoy a public image and reputation greater than most single franchisees could establish.

E. You desire to make use of the "*Cold Stone Creamery®*" trademark and to enjoy the benefits of that mark, the other Proprietary Marks, and the System; and to establish a "*Cold Stone Creamery*" franchise to be operated in accordance with System Standards set forth from time to time by us. System Standards are set forth in, without limitation, the confidential "ops package," which consists of the "operations manual" ("Operations Manual"), "ops toolkit" and related printed and electronic documents, both now existing and hereinafter developed (individually and collectively, "Confidential Manual"). We are willing to grant you the right to do so under the terms, conditions and provisions set forth in this Agreement, which includes any and all appendices, addenda, amendments, attachments and exhibits.

F. You recognize the necessity and desirability of protecting our reputation, goodwill, Trade Secrets, and other confidential business information; and that disclosure of Trade Secrets and confidential business information, including specifics of the System to any third-party, will cause irreparable damage and harm to us.

AGREEMENT:

The parties agree as follows:

ARTICLE 1. GRANT OF FRANCHISE; TERM; SYSTEM STANDARDS

1.1 Franchise Grant.

We hereby grant to you a *Cold Stone Creamery* franchise that includes the right to use the System ("Franchised Business") as provided in this Agreement, at the following location:

Arena, Mall, Facility, or Center Name: _____
(if applicable)

Street Address: _____

City/State/Zip Code: _____ ("Location")

1.2 Location of the Franchised Business; No Exclusive Territory or Other Rights.

You must operate the Franchised Business only from the Location, including any catering services of *Cold Stone Creamery* menu items you provide. You acknowledge that the *Cold Stone Creamery* franchise granted under this Agreement is non-exclusive, that we are not granting you any territorial protection or any other exclusive rights, and that we, directly or through one (1) or more affiliates, reserve the right in our sole discretion, and without compensating you or seeking your prior approval: (i) to establish, and grant to other franchisees or licensees the right to establish, a *Cold Stone Creamery* restaurant or any other business using the Proprietary Marks, the *Cold Stone Creamery* System or any variation thereof, in any location other than the approved Location (including locations in the immediate vicinity of your Location), on any terms and conditions that we deem appropriate; (ii) to establish, and grant to other franchisees or licensees the right to establish, any restaurant concept other than *Cold Stone Creamery* in any location on any terms and conditions that we deem appropriate (including locations in the immediate vicinity of the Location); (iii) to sell products identified by the Proprietary Marks or other trademarks, service marks or commercial symbols in any location through any distribution channels, including grocery stores, convenience stores, supermarkets, club stores, vending machines, delivery services and restaurants other than *Cold Stone Creamery* restaurants; and (iv) to take any other action that we are not expressly prohibited from taking under this Agreement.

We hereby grant to you during the term of this Agreement, a non-exclusive right and license to operate a single restaurant at the Location only, according to the System Standards and subject to the terms, conditions and restrictions contained in this Agreement. This Agreement is limited to the operation of one traditional restaurant, unless otherwise amended, and does not grant you the right to buy, own or operate additional restaurants.

Except as expressly limited in this Agreement, we (for ourselves and our affiliates and designees) retain all rights with respect to all Proprietary Marks and the sale of *Cold Stone Creamery* products anywhere in the world with no compensation or liability to you, including the right to:

a. Establish and operate (or license to any other person or entity the right to establish and operate) *Cold Stone Creamery* restaurants owned or licensed by us at any location;

b. Develop, market, own, operate and participate in any other business under the Proprietary Marks or any other trademarks (including trademarks identified in the Franchise Disclosure Document ("Disclosure Document") and other trademarks we or our affiliates own or have the right to license);

c. Develop, lease and license the use of, at any location, trademarks other than the Proprietary Marks, in connection with the operation of a system that offers products or services that are the same as, or similar to, those offered by us under this Agreement on any terms or conditions that we deem advisable, in our sole discretion;

d. Merge with, acquire or be acquired by any other business, including a business that competes with your Franchised Business, or acquire and convert any retail stores, including retail stores operated by competitors, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporate-owned;

e. Distribute, sell and license other persons or entities to distribute and sell products through all other channels of distribution, including catalog sales, telemarketing, grocery stores, warehouses, big box shops, specialty shops, limited access highway food facilities, vending machines and similar automated dispensing systems, mobile units, off-site sales accounts, electronic mail, Internet sales, and movie theaters (individually and collectively, "Other Channels"); and

f. Implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

1.3 Term of Agreement.

a. The term for this Agreement is for a single renewal term that will commence on the Effective Date and will expire on the five (5) year anniversary of the Effective Date, unless terminated earlier in accordance with *Article 14* or any other provisions of this Agreement, or transferred in accordance with *Article 12* ("Term").

1.4 System Standards.

You shall operate the restaurant in accordance with our standards, including the following:

a. restaurant design, maintenance, health and safety and remodeling;

b. types, models, brands and suppliers of required fixtures, furnishings, equipment, signs, materials and supplies;

c. recipes and ingredients, menu items and menu design;

d. cooperation with and participation in sales, marketing, advertising and promotional programs (including loyalty programs, online ordering programs, discount coupons, discount gift cards, special menu promotions, and entering into product and service agreements directly with third-party vendors and service providers as required by us) and materials and

media used in those programs, including discontinued use and removal of promotional materials as directed by us;

e. use and display of the Proprietary Marks;

f. restaurant operations, including matters related to the management of the restaurant; training of your employees consistent with the System Standards; and commercial impression of the Franchised Business to the public;

g. cooperation with and participation consistent with our responses and resolutions in response to customer feedback;

h. cooperation with and participation in: (i) market research and testing; and (ii) product and service development programs;

i. acceptance of our stored value gift cards, including gift cards sold at a discount, loyalty cards, frequency cards, gift certificates, vouchers, and any other similar electronic card and payment programs (individually and collectively, "Gift/Loyalty Card"), credit and debit cards, other payment systems, check verification services and use of point of sale computer systems; You agree to enter into a separate participation agreement with the approved vendor for data processing services;

j. bookkeeping, accounting, data processing and record keeping systems; computer hardware and software; connections to the Internet or to proprietary networks; forms, methods, formats, content and frequency of reports to us of Gross Sales (as defined in *Article 5*), financial performance and condition; and providing tax returns and other operating and financial information to us; and

k. conduct and maintain the Franchised Business and Location so as not to distract from or interfere with the integrity of the System (individually and collectively, "System Standards"). We may, in whole or in part, change, improve, update and further develop the System Standards, from time to time during the term. You shall comply with the updated System Standards as directed by us.

The operation and maintenance of your restaurant according to the System Standards are essential to the well-being and vitality of the System and to preserve the goodwill of the Proprietary Marks for us and for all other franchisees operating under the System. It is critical to the *Cold Stone Creamery* System for all restaurants operating under the *Cold Stone Creamery* System to present a uniform and professional image to *Cold Stone Creamery* customers regardless of which location the customer visits. Any information regarding the operation of the restaurant will be considered a mandatory System Standard, unless it is clear from the express language of our communication that the information is merely optional or is intended by us as a suggestion, rather than a requirement.

You agree that System Standards constitute binding provisions of this Agreement as if they were an integral part of this Agreement.

ARTICLE 2. SELECTION OF LOCATION; CONSTRUCTION AND RELOCATION

2.1 Location Selection Procedures.

You must select a Location that satisfies our minimum site requirements (such confirmation will be provided to you by us in writing), for your Franchised Business within ~~one~~ nine (~~9~~1) months~~year~~ from the Effective Date. If you cannot secure an acceptable Location for your Franchised Business within ~~one~~ nine (~~9~~1) months~~year~~ from the Effective Date, then we may terminate this Agreement by giving you notice to that effect. You are ultimately responsible for the selection of the Location. We will not have any liability to you with respect to your selection of the Location, any assistance we provide you in making your selection, our recommendation of any location or a third party to assist you in selecting a location, or our allowing you to move forward on any location. You agree that your selection of the Location will be based on your own independent investigation of the suitability of the Location.

2.2 Lease and Purchase Approval.

If you intend to lease the Location for your Franchised Business, the lease will be subject to our prior limited review and acknowledgment so that we can confirm that certain lease terms are incorporated into the lease. You must provide us, at least thirty (30) days prior to executing the lease, a copy of the lease and details relating to square footage, rent per square foot, the term of the lease, and either confirmation that such other terms as we reasonably require are incorporated into the lease or that you and the landlord agree to incorporate the lease addendum to lease agreement as an exhibit to the lease. You or your attorney shall be responsible for negotiating the terms of the lease, which shall be subject to our final limited review and acknowledgment. If you do not submit all of the required documents to us, we will not allow you to move forward with your lease. We have no liability to you regarding the terms or negotiations of the lease.

If, prior to executing the lease, you or your attorney request a full review of your lease, including any and all exhibits attached thereto, and we or our designated affiliate review your entire lease and exhibits and provide to you or your attorney its review of the entire lease and suggested changes to the lease ("Lease Review"), you must pay a Lease Review Fee (as defined in *Section 5.7*) to compensate for time and effort in reviewing the lease. The Lease Review is optional and only completed by us or our designated affiliate at your or your attorney's request. The Lease Review Fee is due only in the event that you or your attorney request us or our affiliate to complete a Lease Review. Each lease must contain the required lease terms set forth in the Lease Addendum to Lease Agreement, and must specifically state that we are a third-party beneficiary of the lease. If we cure any default by you under the lease, any amounts that we pay to cure the default will be payable by you to us on demand, together with interest thereon, at the lesser rate of one and one-half percent (1½%) or the maximum rate that does not violate applicable state usury laws ("Default Rate") per month from the date we make such payment.

You acknowledge and agree that on the earlier of thirty (30) days after: (i) you receive a fully executed copy of your lease for the Location of your Franchised Business; or (ii) you open your Franchised Business to the public, you must provide a fully-executed copy of your lease for the Location to us. Failure to timely provide us with a fully-executed copy of the lease will result in a default under this Agreement.

If you intend to purchase the Location for your Franchised Business, the terms of such purchase shall be subject to our prior approval, and you must provide us, at least thirty (30) days prior to executing the purchase agreement, a copy of the purchase agreement and details relating to square footage, price per square foot and such other terms as we reasonably require.

You acknowledge and understand that our confirmation that you may move forward with any specific location, lease or purchase agreement does not in any way guarantee or ensure the success or profitability of the Franchised Business, or the conformity of the Location, lease or purchase agreement to applicable laws, and such confirmations are only for our own benefit.

2.3 Construction.

a. You must, at your sole cost and expense, construct, furnish, make improvements to and equip, if necessary, the Franchised Business at the Location selected by you and meeting our minimum site requirements, in accordance with plans and specifications approved by us or our third-party approved architect, if applicable. Our approval of plans is solely for complying with our System Standards and not for determining compliance with codes, ordinances and other legal requirements, including the Americans with Disabilities Act ("ADA") or any requirements under the lease for your Location. You are solely responsible for ensuring that your Location conforms to all codes and ordinances, including the ADA, and all lease-specific requirements. You must, at your sole cost and expense, use our designated and approved third-party design architect ("Design Architect") to prepare the initial design drawings for any construction, alterations or improvements, as applicable, for your Franchised Business. The Design Architect must provide us with one (1) set of the design drawings, including landscaping and parking spaces if applicable, which are the detailed plans and specifications ("Plans") for your Franchised Business. We will provide you with a copy of the Plans upon our approval of the Plans. You must also, at your sole cost and expense, retain a licensed architect of record to prepare the permitted construction set of drawings for any construction, alterations or improvements. The permitted construction set of drawings must be submitted to us for our files prior to the start of construction, alterations or improvements. In addition, you must obtain the appropriate construction documents and all mechanical, plumbing, electrical and architectural plans must be sealed and stamped, as we may require, even if local laws in the jurisdiction where your restaurant is located do not require same.

b. Any material modifications to the approved Plans must be submitted to us for approval and you will not undertake any construction, alterations or improvements until such modifications have been approved by us. Approval of such modifications does not constitute any representation by us of compliance with applicable zoning laws, building codes or other laws.

c. You will be solely responsible for the cost and expense of obtaining all necessary governmental construction permits and licenses, and you must, at your sole cost and expense, comply with all laws, zoning ordinances, rules and regulations of any governmental agencies that may govern any construction, alterations or improvements of the Franchised Business in accordance with the approved Plans. We will have the right, but are not required, to meet with the Design Architect and to inspect any construction, alterations or improvements during its course to ensure that the provisions of this *Section 2.3* are being observed; and you agree to allow our authorized representatives, at any and all times while construction, alterations or improvements are in progress, to meet with the licensed architect and general contractor and enter onto the Location for this purpose. If we determine in good faith that the provisions of this

Section 2.3 are not being observed, you will, at your sole cost and expense, immediately take all necessary corrective action.

d. You must, at your sole cost and expense, use a general contractor that is licensed, and if applicable, registered in the state and local jurisdiction where your restaurant is located for any and all construction, alterations and improvements. The general contractor must have prior experience in the construction, alterations and improvement of quick-service restaurants.

e. You acknowledge that the design and appearance of the *Cold Stone Creamery* restaurant is part of the System, and that uniformity is essential to the System. Therefore, you agree that after the restaurant has been constructed, altered or improved, you will not make any material changes to the building plan or design or its appearance without our prior written consent, and you will, at your sole cost and expense, maintain the interior and exterior décor of the restaurant in a first class condition and in such manner as we may reasonably prescribe from time to time. In addition to any remodeling required by us upon the transfer of the Franchised Business and upon the granting of a successor term to operate the Franchised Business, as set forth in *Articles 12* and *13*, respectively, you will, upon thirty (30) days' prior notice from us, and at your sole cost and expense, remodel and make all alterations and improvements in and to your Franchised Business as reasonably determined by us to reflect the then-current *Cold Stone Creamery* System specifications, standards, format, image and appearance.

f. You must submit to us a certificate of occupancy for your Franchised Business at any time upon our request.

2.4 Signage.

You will acquire, repair and replace, as necessary, and maintain in a first class condition throughout the Term, signs for advertising and identifying the Franchised Business as a *Cold Stone Creamery* restaurant. All signs must be in accordance with the System Standards, specifications and any local governing body (i.e., city or county governments), as well as any other applicable laws, including the Americans with Disabilities Act ("ADA"), and exterior signage must be the maximum size allowed by the landlord and local governing body. You acknowledge that quality control is essential to protect and promote our Proprietary Marks, standards, and uniform image, and you shall acquire all signs only from approved suppliers. In addition, you shall prominently display on all communications, forms, advertising, business stationery and business cards, and in a sign easily visible to consumers at the Franchised Business, the following words: "INDEPENDENTLY OWNED AND OPERATED."

2.5 Relocation.

a. If you desire to relocate the Franchised Business, you may request our consent upon the following conditions:

(i) Not less than sixty (60) days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation, due to a third-party or our request, in which event notice shall be made as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing details respecting any proposed new location.

(ii) Within twenty-one (21) days after receiving your written request, we shall advise you in writing if the proposed new location meets our minimum real estate site requirements as provided in *Section 2.1* and if you have our authorization to proceed with the relocation. In the event of our denial to proceed with the relocation, you may request an alternative proposed new location pursuant to the provisions of this *Section 2.5*.

(iii) The Term will not be extended in connection with the requested relocation.

b. At the time you request to relocate the Franchised Business, you must also meet each of the following requirements:

(i) You must not be in default under this Agreement or any other agreement or note then in effect between us or you and any affiliate of ours, and no event shall have occurred that, with the giving of notice, the passage of time, or both, would constitute a default under this Agreement;

(ii) You must neither have received more than three (3) notices of default or breach during the Term; nor more than two (2) notices of default or breach during the five (5) years immediately preceding the effective date of the proposed relocation;

(iii) The equipment, fixtures and signage used in connection with the operation of the Franchised Business must either meet our then-existing System specifications and System Standards, or you must agree, within a timeframe required by us, to replace or refurbish such items, and otherwise modify the methods of operation of the Franchised Business at your cost and expense, in order to comply with our System specifications and System Standards then applicable to new franchise owners; and

(iv) You shall have paid to us a Relocation Fee (as defined in *Section 5.14)*.

c. If we approve the relocation of your Franchised Business, (i) you and we must execute an amendment to this Agreement indicating the address for your relocated Franchised Business and you must sign a general release provided by us, and (ii) you must open your Franchised Business at the new location within thirty (30) days after you close your Franchised Business at the current Location. Provided that you comply with all of the terms and conditions set forth in this Agreement including this Section 2.5, during the period of time between the closure of your Franchised Business at the current Location, and the opening of the Franchised Business at the approved relocation address, you will not owe the Royalty Fee (as defined in *Section 5.2*).

2.6 Restricted Use of Restaurant Location.

You may not wholly or partially sublet the Location without our prior written consent. The Location may be used only for the operation of a *Cold Stone Creamery* restaurant in compliance with this Agreement and the System Standards. You shall not conduct other businesses or activities at the Location without our prior written consent.

2.7 Not Applicable.

ARTICLE 3. OPERATIONS

3.1 Not Applicable.

3.2 Supplies and Promotional Materials; Rollouts.

You agree to sell only those menu items, products and services authorized under the terms of this Agreement and as specified in the Confidential Manual, and you shall use only supplies and ingredients in making those menu items that are in compliance with the standards as set forth in the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future. You shall purchase all such services, supplies and ingredients only from approved vendors and utilize approved distributor(s) as specified in the documents provided by, or approved by, us as they presently exist or may exist in the future. You must purchase promotional materials containing the Proprietary Marks, including stationery, business cards, promotional and advertising materials and similar items, from suppliers approved by us, except that we must first approve all such promotional and advertising materials before you use them, and all such printed materials containing any of the Proprietary Marks shall be accompanied by the words "INDEPENDENTLY OWNED AND OPERATED." Additionally, during the Term, you agree to participate in any Rollout of new products and suppliers, as defined in *Section 9.3*.

3.3 Fixtures, Furnishings, and Equipment.

Unless otherwise approved by us in writing, you will: (1) acquire, repair and replace, as necessary, and maintain in a first class condition throughout the Term, fixtures, furnishings, and equipment to be used in the operation of your Franchised Business that is in accordance with the System Standards, specifications set forth by us in the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future, and with applicable laws including, without limitation, including the Americans with Disabilities Act ("ADA"); and (2) procure the fixtures, furnishings, and equipment from suppliers or vendors previously approved in writing by us.

3.4 Online Presence.

You may not maintain a website, software application, an App (application), social media account (including an account, group or page on Facebook®, Flickr®, Foursquare®, Google+®, Instagram®, LinkedIn®, Pinterest®, Snapchat®, Tumblr®, Twitter®, YouTube®, Vine®, VKontakte or Weibo®), or otherwise maintain a presence or advertise on the Internet or any other public computer network (individually and collectively, "Site") in connection with the Franchised Business without our prior written approval, which we may withhold in our sole discretion. If we grant you written approval, you agree to submit to us for approval before use, true and correct printouts, of all Site pages you propose to use in connection with the Franchised Business. You understand and agree that our right of approval of all such Site pages is necessitated by the fact that such Site pages will include and be inextricably linked with our Proprietary Marks. If we approve your use of a Site, you may only use Site pages that we have approved. Your Site must conform to all online presence requirements, policies and procedures per our System Standards. You agree to provide all information regarding your online presence that we require. If we grant approval for a Site, you may not use any of the Proprietary Marks on the Site except as we expressly permit. You may not post any of our proprietary, confidential or copyrighted material or information on the Site without our prior written permission. If you wish to modify

your approved Site, all proposed modifications must also receive our prior written approval. You explicitly understand that you may not post on any Site (whether yours or someone else's) any material in which a third-party has any direct or indirect ownership interest (including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image which any third-party may claim intellectual property or other rights in). If we grant approval, you agree to list on the Site any website and social media account maintained by us, and any other information we require in the manner we dictate. You agree to obtain our prior written approval for any Internet domain name, home page address and Uniform Resource Locator. The requirement for our prior approval set forth in this *Section 3.4* will apply to all activities on the Internet or other communications network to be conducted by you, except that you may maintain one (1) or more e-mail addresses and may conduct individual e-mail communications without our prior written approval. You agree to obtain our prior approval as provided above if you propose to send advertising to multiple addressees via e-mail or text messages. You may not use a Site to represent that: (1) the Site is an official account, application, page or group of, or video produced by us; or (2) you are the owner of the *Cold Stone Creamery* brand. On any Site you use in connection with the Franchised Business, you must affirmatively state: (a) that you are a franchisee and the opinion and content being expressed are your own and not that of the *Cold Stone Creamery* brand; and (b) the Location of your Franchised Business.

3.5 Continuing Working Capital Requirement.

You must have Fifteen Thousand Dollars ($15,000) in working capital at the time you open your Franchised Business.

ARTICLE 4. TRAINING, ASSISTANCE AND START-UP MATERIALS

4.1 Training Program.

The training program is made up of the "In-Store Training," which is approximately eighty (80) hours, and "New Owner Training," which is approximately forty (40) hours (collectively, "Training Program"). You will be solely responsible for all transportation costs, food, lodging and other personal expenses incurred by you and your employees in connection with the Training Program. The New Owner Training will be conducted either online or in person at our sole discretion. If the New Owner Training is conducted in person, it will be at the Franchisor training and education center in Scottsdale, Arizona or at such other location as we may designate at our sole discretion and the In-Store Training will be conducted at a training store in Arizona or such other location as we may designate at our sole discretion. You acknowledge that adequate knowledge regarding the operation of the Franchised Business is essential to the growth of your franchise and to the promotion of the System. Notwithstanding the foregoing, Franchisor has the right to require Franchisee and/or its manager(s) to attend additional In-Store Training (as defined below), as provided for in this *Section 4.1*, in the event Franchisee is not operating the Franchised Business pursuant to Franchisor's Systems Standards. Notwithstanding the foregoing, because Franchisee has prior experience in the food service industry, and in particular with the operation of a *Cold Stone Creamery* restaurant, Franchisor hereby waives the requirement for Franchisee to attend and successfully complete the Training Program at the time Franchisee executes this Agreement. Franchisor and Franchisee hereby agree that Franchisor has no obligation to provide the Training Program to Franchisee, or any persons who have an ownership interest in the Franchised Business, prior to, or in connection with Franchisee's continuing operations of the Franchised Business. Franchisee understands

and agrees that the foregoing waiver is not a permanent waiver by Franchisor and Franchisor does not waive and hereby reserves the right to require Franchisee to later attend and successfully complete any training as may be prescribed by Franchisor at any time during the Term. Furthermore, Franchisor has the right to require Franchisee and/or its manager(s) to attend additional training and pay the Additional Training Fee (as defined below), as provided for in this *Section 4.1* and *Section 5.10*, in the event Franchisee is not operating the Franchised Business pursuant to Franchisor's Systems Standards.

4.2 Employee Training.

You acknowledge that the employees of your *Cold Stone Creamery* Franchised Business are an integral and important part of the Franchised Business, as they will have substantial contact with customers. You alone are responsible, and acknowledge that we have no direct or indirect control and no right or authority, for the hiring, firing, training, supervising, setting the terms and conditions of employment (including employee tasks and work schedules), compensation of your employees, or maintaining employment records, for the safety of your employees and for your employees' compliance with the System Standards. The System Standards are in place to protect our interests in the System and not for exercising any control over you, your employees or your Franchised Business. You must ensure that your employees who have direct interaction with the public are able to speak and read English and any other language that may be required to adequately meet the public needs in your Franchised Business.

4.3 Additional Programs; Continuing Assistance.

We may, in the future, request that you participate in refresher or additional training programs. We may also hold an annual conference to introduce new products, discuss sales and marketing techniques, personnel training, advertising programs, merchandising procedures and other subjects. You may be charged a nominal registration fee for these programs and you will be solely responsible for the cost of transportation, food, lodging and other expenses incurred by you at any such program. Attendance at these additional training programs and conferences is mandatory. They will be held in the metropolitan Phoenix, Arizona area, or at other locations in the United States chosen by us, at our sole discretion.

We shall provide such periodic evaluations or inspections as we deem appropriate, utilizing our field representatives who may visit the Franchised Business from time to time. The frequency and duration of such visits to a Franchised Business by our representatives shall be in our sole discretion. Any such evaluation or inspection is not intended to exercise any control over your employees or the daily operation of your Franchised Business. In addition, we will be available on an ongoing basis at our offices for consultation and guidance with respect to the operation and management of the Franchised Business. In addition to the Confidential Manual, we may, but are not required to, from time to time provide you with additional materials relating to the Franchised Business.

4.4 Area Representatives.

We may retain the services of an independent third-party area representative ("Area Representative") to represent us in the area in which the restaurant is located and perform some or all of the services we provide under this Agreement. The services the Area Representative may perform could include: (i) assistance in location selection and evaluating

and confirming that the Location meets our minimum site requirements; (ii) advice and guidance regarding lease negotiations; (iii) assistance in opening new *Cold Stone Creamery* locations; (iv) assistance with training on the approved POS System (as defined in *Section 4.6a.*); (v) assistance with marketing advice; (vi) periodic Quality Service Cleanliness and Experience ("QSCE") evaluations; (vii) assistance with collection of the various sums due to us from *Cold Stone Creamery* franchisees; and (viii) coordination with other *Cold Stone Creamery* franchisees in your area and general supervision and monitoring of your Franchised Business on our behalf. You agree in advance to our delegation to an Area Representative of some or all of our obligations, and assignment to an Area Representative of some or all of our rights under this Agreement. You agree that we may require you to submit to an Area Representative any reports you are required to submit to us. Upon our request, you will provide the Area Representative with access, inspection and audit rights to the same extent we have those rights under this Agreement. You are not a third-party beneficiary of any agreement between us and any Area Representative. If we have designated an Area Representative for your restaurant as of the Effective Date, the name and contact information of the Area Representative is shown in *Section 17.3h.* We reserve the right in our sole discretion to remove any Area Representative in your area at any time and to appoint any other Area Representative for your area. We have no obligation to appoint an Area Representative in the area in which your restaurant is located, and we have no obligation to appoint a new Area Representative after we have removed an Area Representative.

You acknowledge that Area Representatives and their owners and employees may not contractually bind us without our express written authorization. You further acknowledge no Area Representative has the authority to: (i) enter into agreements or execute any agreements on our behalf; or (ii) bind us in any way without our prior written consent. Unless expressly authorized and agreed to by us in writing, we disavow any agreements, whether verbal or written, entered into by an Area Representative that in any way attempts to bind us. In any litigation or arbitration proceeding, you agree to waive any claim or defense that an Area Representative is our express or implied agent and such an assertion by you constitutes a material default under this Agreement.

4.5 Confidential Manual.

To protect the reputation and goodwill of the System and to maintain the uniform standards of operation under the Proprietary Marks, you must conduct your business in accordance with our Confidential Manual. The Confidential Manual is confidential and remains our property.

The Operations Manual is available to Franchisee via the Franchisee portal at: https://portal.kahalamgmt.com. In the event Franchisee desires to receive a hard copy of the Operations Manual, then Franchisee shall submit such request in writing to training@kahalamgmt.com. Upon such request, a hard copy of the Operations Manual will be mailed to Franchisee via regular mail within approximately forty-five (45) days thereafter.

So that you may benefit from new knowledge gained by us as to improved techniques in the operation of the Franchised Business, we may from time to time revise, amend, restate or supplement the content of the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future. You will at all times ensure that your copy of the Confidential Manual is kept current and up to date. In the event of a dispute

regarding any of the content of the Confidential Manual, the master copies maintained by us at our corporate office will control.

4.6 Computer Systems; Debit and Credit Card Processing.

a. Prior to the opening of your restaurant, you will be required to acquire, to maintain, and to exclusively use an approved cash register/computer system ("POS System") during the operation of the Franchised Business. You and your employees must complete training for the POS System as we require, and you will be required to use the POS System to produce sales reports, keep inventory control and post sales tax, refunds, credits and allowances and submit that information to us immediately upon our request. You are required to obtain high-speed/always-on internet connection service for your POS System. If high-speed/always-on internet is not available in your area, dial-up Internet access may be used until high-speed/always-on service becomes available in your area. The POS System must be configured so that we will have remote access to the information and data stored in the POS System, which may include inventory information. This access will allow us to exchange/collect data and other information on such bases as we will communicate to you from time to time. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the Term as we may require from time to time. It will be your responsibility to enter into contracts for the maintenance, upgrades and updates to the POS System with an approved supplier of such services identified by us on the list of approved vendors and distributors or other notification to you from us advising of suppliers for your market area. You shall also be required to own a personal computer or similar device with access to the Internet that allows you to report your Gross Sales (as defined in *Section 5.2*) online, send and receive e-mails with us, and receive online orders. All *Cold Stone Creamery* franchisees are required to participate in online ordering and delivery programs, which includes entering into one or more participation agreement(s) with one of our affiliates and/or other approved vendor(s) for remote/online order processing services and delivery services under the terms, conditions, and fees established by such vendor for the purpose of developing, implementing, using, maintaining, supporting, updating and/or upgrading technologies in connection with the franchise system, including web-based and/or mobile applications and websites. We may charge, collect for a third-party or require you to remit to a third-party, amounts used to develop and use technologies within the franchise system. This may include amounts paid to third-party delivery service platforms and aggregators. To provide for the inevitable but unpredictable nature to changes to technological needs and opportunities, you agree and acknowledge that we shall have the right to establish, in writing, new standards and fees for developing, implementing, using, maintaining, supporting, updating and/or upgrading technologies in connection with the franchised system. There is no contractual limitation on the frequency and cost of this obligation. We may require you to upgrade the hardware and software including, but not limited to, your operating system, as reasonably necessary to provide reports and information required by us.

b. You are required to accept debit and credit cards and Gift/Loyalty Cards from consumers at the Franchised Business and participate in any online ordering programs which Franchisor may require. Prior to the opening of your restaurant, you will be required to acquire and maintain an approved debit, credit and Gift/Loyalty Card processing system to use during the operation of the Franchised Business. Additionally, you must utilize our approved third-party Gift/Loyalty payment card processor for processing all such Gift/Loyalty Card transactions, including entering into a Gift Card Participation Agreement with one of our affiliates, or its successors or assigns, or other approved vendor for the Gift/Loyalty Card processing services. The Payment Card Industry ("PCI") requires all companies that process, store, or transmit credit

card information to protect the cardholders' information by complying with the PCI Data Security Standard ("PCI DSS"). Therefore, as a franchisee who accepts credit cards, you are required to be PCI compliant by following and adhering to PCI DSS, which includes ensuring that your POS System, back office computer (if supplied), and any other device that is plugged into the network is **only** used for business purposes. You are also required to complete an annual questionnaire and quarterly network PCI scans and install a network firewall appliance for logging, tracking, reporting, and security assessment. You are also required to validate with Franchisor that your store is PCI compliant, and Franchisor may in its sole discretion require you to install a particular type of firewall (hardware and/or software). To show such validation you must send us your Passing Certificate showing your store is PCI compliant. You are also required to verify that you have a PCI compliant firewall appliance installed at your location if you process credit cards via high speed internet connectivity. We require your Franchised Business' POS System, including terminals, computers, and software to be in compliance with the PCI DSS at all times. The PCI DSS is often updated, and you are required to obtain and comply with all updated standards. You must also be PCI compliant in order to obtain cyber liability/data breach insurance coverage.

ARTICLE 5. FEES AND DEPOSITS

You agree to pay each of the following amounts to us via a lump sum, with each and every amount being non-refundable because of our investment in time and money, in addition to any other benefits conferred upon you, including processing your application, reviewing your documents, and providing you with relevant information, unless otherwise expressly specified below, in accordance with the provisions set forth in this *Article 5*. Notwithstanding your designation to the contrary, we have the sole discretion to apply any of your payments, in part or in whole, to any of your indebtedness to us.

5.1 Not Applicable.

5.2 Royalty Fee and Surcharge.

For the period of time commencing on the later of the Effective Date or the date the Franchised Business opens to the public, and for the duration of the Term, you must pay to us a weekly royalty fee equal to six percent (6%) of total Gross Sales (as defined below) ("Royalty Fee"). If we or the landlord of the Location require you to remodel your Franchised Business in such a way that your Franchised Business (including catering) stops offering items to the public, or if there is a disaster at your Franchised Business, such as a fire, flood or damage caused by an act of God, that requires you to temporarily close your Franchised Business, you are not required to pay the Royalty Fee during the period of time of such temporary closure; provided you provide us or our authorized representative with notice of such temporary closure as soon as reasonably possible, but in no event more than twenty-four (24) hours after such closure begins. Notwithstanding the above, all amounts owed to us under this Agreement prior to the temporary closure shall still be fully due and payable. The temporary closure of your Franchised Business shall not exceed ninety (90) days, but may be extended on a case-by-case basis at our sole discretion and with our prior written approval.

In our sole discretion, we may charge, in addition to the Royalty Fee, a surcharge of up to Ten Dollars ($10) per week if your Franchised Business is located in a state that imposes additional reporting requirements on a franchisor ("Surcharge"). The Royalty Fee and applicable Surcharge shall be due and payable no later than Monday of each week, which day

may be modified by us without prior notice to or approval from you, for the week ending on the preceding Tuesday in which applicable Gross Sales (as defined below) were earned from the Franchised Business. The weekly Royalty Fee and applicable Surcharge shall be paid by electronic funds transfer, as detailed below.

For the period of time commencing on the later of the Effective Date or the date the Franchised Business opens to the public, and for the duration of the Term, you are required to report Gross Sales to our designated accounting office, which as of the Effective Date, is via the Internet at http://franchisee.kahalamgmt.com, as set forth in *Section 5.6*. Nothing herein shall prevent Franchisor from electronically polling Franchisee's POS system, restaurant management software, and financial records (or similar tools thereto) daily, or more frequently, by electronic or other remote means and Franchisee hereby grants Franchisor authority to do so; however, such authority does not negate Franchisee's requirement to ensure all sales are timely and accurately reported each week. You shall be required to establish a Depository Account (as defined in *Section 5.6*) at the time you execute this Agreement as set forth in *Section 5.6*. Payment of the Royalty Fee, Advertising Fee (as defined in *Section 5.3*), and all other fees due under this Agreement to us shall be made via electronic transfer of funds from the Depository Account. To accomplish this electronic transfer of funds from the Depository Account, you must complete, sign and deliver to us, and maintain for the duration of the Term, a current Electronic Funds Transfer Authorization in a form that we provide.

As used in this Agreement, "Gross Sales" means all sales, money or things of value, received or receivable, directly or indirectly, by Franchisee on account of the Franchised Business, less applicable sales taxes and any properly documented refunds, credits and allowances given by you to customers in accordance with the System Standards, but without deducting any of your income taxes, costs and other expenses. All sales made from catering services must be included in the Gross Sales.

5.3 Advertising Fee.

a. You must pay to us, or directly into a national advertising fund or also any regional advertising funds, as designated by us at our sole discretion, (individually and collectively, "Advertising Fund") a weekly advertising fee of three percent (3%) of the Gross Sales for the preceding week ("Advertising Fee"). Upon thirty (30) days' notice by us to you, we may unilaterally increase the Advertising Fee from its current level not to exceed four percent (4%) of your weekly Gross Sales. The Advertising Fee shall be due and payable with the Royalty Fee under *Section 5.2*. The Advertising Fee is our property and may be deposited by us into our general operating account.

b. The Advertising Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* name, System, products and services. We are entitled to deduct, free of charge the following from the Advertising Fund: (i) reimbursement of expenses, overhead, and employee salaries for services provided; and (ii) rent for office space provided to the Advertising Fund. We have no fiduciary obligation to you in connection with the operation of any Advertising Fund. No interest on an unexpended Advertising Fee shall be imputed or otherwise charged for the benefit of, or payable to, you. You understand and agree that the only obligations we have regarding the collection and spending of the Advertising Fee or the administration of the Advertising Fund are the express contractual obligations in this *Section 5.3*. We are not acting as a trustee, fiduciary, agent or in any other special capacity. We do not give any representation or warranty regarding the quality or effectiveness of the

advertising and marketing activities funded by the Advertising Fee or of the Advertising Fund, and we will have no liability to you with respect to how these funds are spent.

c. Two percent (2%) of your Gross Sales is deposited into the national Advertising Fund; and, if a cooperative exists where your Franchised Business is located, the remaining one percent (1%) of your Gross Sales is deposited into the regional Advertising Fund for your cooperative, if no cooperative exists where your Franchised Business is located, your Franchised Business will be considered a "single store" cooperative and you must contribute the remaining one percent (1%) of your Gross Sales to the regional Advertising Fund for your store. Your own local marketing and advertising should be developed to maximize your particular customer base.

5.4 Cooperative Advertising.

a. We encourage the formation and operation of franchisee cooperative advertising associations (each an "Association"). Each Association will help coordinate advertising, marketing efforts and programs, and attempt to maximize the efficient use of local advertising media. If an Association is formed for your region, you must contribute financially to the Association as required by us. Failure to do so will be deemed a breach of this Agreement and you may also, in Franchisor's sole discretion, lose your right to vote as to decisions regarding advertising and marketing efforts and programs.

b. Upon our request, you will assist in establishing an Association or in deciding how to allocate all or part of any Fund contribution we elect to distribute to the Association. We will decide in our sole discretion whether to make contributions from the Fund to an Association and how much to contribute. We reserve the right to establish general standards concerning the operation of an Association, advertising agencies retained by an Association, and advertising programs conducted by an Association. Notwithstanding anything to the contrary, no Association decision will be made or advertising collections spent without our prior written approval.

5.5 Not Applicable.

5.6 Depository Account; Payment Procedures.

As of the Effective Date, you are required to maintain for the duration of the Term a depository account ("Depository Account") at a bank or other federally insured financial institution ("Depository") under the same name as Franchisee under this Agreement. You are required to maintain a balance of at least Three Thousand Dollars ($3,000) in the Depository Account at all times during the Term by replenishing the Depository Account to at minimum Three Thousand Dollars ($3,000) after any withdrawals. We shall not be responsible for any bank service charges incurred by you which result from the withdrawal of funds from your Depository Account.

On Wednesday of each week, you must submit a report to us regarding the weekly period which ended on the preceding Tuesday, including details on Gross Sales and other statistical data as provided in this Agreement, Confidential Manual, or as otherwise specified from time to time by us. We will withdraw funds electronically on Monday of each week from the Depository Account. The withdrawals are based upon the figures you report and constitute the Royalty Fee and Advertising Fee as described in *Sections 5.2* and *5.3*. If you do not submit a

report on any Wednesday, we may estimate the Royalty Fee and Advertising Fee based upon prior reports and withdraw the estimated amounts up to the entire Three Thousand Dollars ($3,000). We will return or credit back to you, in our sole discretion, any overage within thirty (30) days after our receipt of your report(s). We shall not be responsible to you for any interest charges for any overage collected due to your failure to timely report your sales. You shall instruct the Depository to disburse each week to our designated bank, via electronic funds transfer by the close of business on Monday (or preceding banking business day, if Monday is a bank holiday), the weekly Royalty Fee and Advertising Fee and other fees due for that week, which week shall end on the preceding Sunday. The days of the week specified above may be modified by us without prior notice to or approval from you.

We will also withdraw the monthly POS Help Desk Phone Support Maintenance Fee (as defined in *Section 5.20*) from the Depository Account on the last Thursday of each month. Under no circumstances shall such access to the Depository Account be deemed control or joint control of the Depository Account by us.

Subject to reasonable advance notice for non-recurring payment amounts, we have the right to debit your Depository Account, or any other depository account you have with us, according to the terms of your Electronic Funds Transfer Authorization for any of the payments described in this Agreement. If you do not pay all amounts due by the due date, we may suspend our and our affiliates' services and support until your payment default is cured. Repeated failure to pay all amounts when due, whether or not the defaults are subsequently cured, may be cause for termination under *Article 14*.

You shall pay us Fifty Dollars ($50) for each electronic funds transfer attempted from your Depository Account pursuant to this *Section 5.6* that is returned for non-sufficient funds. You shall also reimburse us for all other costs and expenses incurred by us in collecting or attempting to collect funds due to us from the Depository Account (for example, without limitation, charges for non-sufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Depository Account balance in accordance with the terms hereof). The Depository Account shall be established and maintained solely for the purposes set forth in this *Section 5.6* and any other fees authorized under this Agreement and any other agreements between you and us or any of our affiliates.

5.7 Lease Review Fee.

If you request us or one of our designated affiliates to complete a Lease Review, you are required to pay us or our designated affiliate a lease review fee in the amount of Two Thousand Five Hundred Dollars ($2,500) ("Lease Review Fee") for reviewing and providing comments to your proposed lease.

5.8 Lease Guarantee Fee.

If, in order to obtain the lease agreement for the Location of your Franchised Business, the landlord requires you to obtain a lease guarantee, and we or one of our affiliates agree to serve as such guarantor, you will pay us or our affiliate a fee in the amount of ten percent (10%) of the total amount of the rental obligations being guaranteed under the lease during its term up to a maximum fee of Ten Thousand Dollars ($10,000) ("Lease Guarantee Fee"). The Lease Guarantee Fee will be due and payable upon our or our affiliate's execution of the applicable lease guarantee agreement with the landlord. Neither we nor any of our affiliates are required

to serve as a guarantor of your lease for the Location of your Franchised Business; rather, the decision of whether to serve as a guarantor shall be made in our sole discretion. In the event that you request us or our affiliate to either agree to be the tenant under the lease or execute a separate guarantee to the lease, and you pay the required Lease Guarantee Fee, you agree and acknowledge that payment of the Lease Guarantee Fee shall not, in any manner, be deemed as an insurance policy which limits your liability in connection with the Franchised Business, including any and all financial liability under the sublease or lease related to the Location. You further agree and acknowledge that our or our affiliate's agreement to act as tenant or guarantor under the lease, and your payment of the Lease Guarantee Fee to us or our affiliate, does not result in the assumption or transfer of your liability, in connection with the Franchised Business, by or to us or our affiliate.

5.9 Not Applicable.

5.10 Additional Training Fee.

If you desire to receive additional training, we will provide additional training time to you for a fee of Three Hundred Dollars ($300) per person per day. Such additional training will be at a time reasonably agreed to by you and us, and will be conducted at Franchisor's headquarters, online, or such other location as we may designate in our sole discretion. You will be solely responsible for all transportation costs and expenses, food, lodging and other personal costs and expenses incurred by you and your employees in connection with this additional training.

5.11 Document Administration Fee.

A document administration fee of Five Hundred Dollars ($500) ("Document Administration Fee") is payable to us when we must prepare an amendment to your franchise documents ~~(see *Section 12.3g.*)~~.

5.12 Not Applicable.

5.13 Transfer Franchise Fee.

a. Not applicable.

b. A Potential Transferee (as defined in *Section 12.1c*.) receiving this Agreement, as may be amended, in connection with a Full Transfer (as defined in *Section 12.1a.1*.), must pay to us a transfer franchise fee of Seventeen Thousand Five Hundred Dollars ($17,500) ("Transfer Franchise Fee").

5.14 Relocation Fee.

A relocation fee of Five Hundred Dollars ($500) ("Relocation Fee") is payable to us when you sign the amendment to your Franchise Agreement for your relocation (see *Section 2.5*).

5.15 Not Applicable.

5.16 Annual Meeting Registration Fee.

If we hold an annual meeting ("Meeting"), the Meeting may be held at various locations throughout the United States and/or online as we may designate in our sole discretion. Because

the planning and funding of the Meeting must be done well in advance and requires a substantial financial commitment, we have the right to debit your Depository Account for up to One Thousand Dollars ($1,000) for the Meeting registration fee at any time sixty (60) to ninety (90) days prior to the first day of the Meeting. This fee may be debited from your account (even if you do not attend the Meeting). You will also be solely responsible for all costs incidental to attending the Meeting. If you do not attend the Meeting, we will make available to you one (1) full set of the substantive materials that were presented at the Meeting.

5.17 Late Report; Interest; Late Charge; Non-Sufficient Funds Fee; Breaching Royalties; Draft Draw Charge.

If you fail to submit to us any financial statements, forms, reports or records required to be provided under this Agreement by its due date, including your weekly Gross Sales report for calculating your Royalty Fee and Advertising Fee, you must pay to us a late report charge of One Hundred Dollars ($100) per week or part thereof.

If any fees or assessments due under this Agreement, including the Royalty Fee and Advertising Fee, are not paid when due, interest shall accrue on the late payment (from the date payment is due until the date payment is made) at the Default Rate, which amount, plus a late charge of five percent (5%) of the unpaid amount, or One Hundred Dollars ($100), whichever is greater, shall be added to each late payment. For any payments made by you to us under this Agreement which are returned for non-sufficient funds of a processed check, you shall be charged a non-sufficient funds fee of Twenty-Five Dollars ($25) per occurrence. Pursuant to *Section 5.6*, for each electronic funds transfer that is attempted from the Depository Account but returned for non-sufficient funds, you shall be charged a Fifty Dollars ($50) non-sufficient funds fee per occurrence.

Franchisor has the absolute right to charge Franchisee the greater of: three (3) times the fixed Royalty Fee; or, if on a percentage Royalty Fee, the Royalty Fee will be increased up to eighteen percent (18%) of Gross Sales, with respect to any period during which Franchisee is in breach or default of its/his/her obligations under this Agreement without providing Franchisee advance notice or right to cure. The Royalty Fees paid or owing to Franchisor with respect to the period during which Franchisee is in breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14) day period, regardless of the length of the actual breach or default.

If you fail to provide us any necessary information or documentation with respect to our practice of drawing drafts against your bank accounts, you must pay us a draft draw charge in the amount of One Hundred Dollars ($100) per day that that failure continues.

If, as a result of your failure to remit payments required under any provision of this Agreement, we retain an attorney or a collection agency to collect such payments, you must pay all collection costs and expenses, including reasonable attorneys' fees and expenses, whether or not legal proceedings are initiated. Our rights under this *Section 5.17* are in addition to any other rights or remedies that we may have as a result of your default under this Agreement.

5.18 Audit Fees.

For the purpose of this *Section 5.18*, we have the right, at any time during business hours, and with or without prior notice to you, to inspect and audit, or cause to be inspected and

audited, the business records, cash control devices, bookkeeping and accounting records, sales and income tax records and returns and other records of the Franchised Business and your entity's books and records.

You hereby grant us access to any computers utilized by you for such purposes and we will have the ability, at all times, via modem, to obtain daily and weekly sales reports and other financial records that the POS System provides. You will fully cooperate with our representatives, the Area Representative, if applicable, and independent accountants hired by us to conduct any such inspection or audit. In addition, in the event such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information, as required herein, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales, resulting in an underpayment of the Royalty Fee or Advertising Fee for the period of any audit (which shall not be for less than one (1) month) is determined by any such audit or inspection to be five percent (5%) or greater, you will pay to us, immediately after receipt of the inspection or audit report, any additional Royalty Fee and Advertising Fee and other amounts due as a result of any such understatement, plus interest at the Default Rate from the date originally due until the date of payment and you must reimburse us for such audit or inspection, including the charges of any independent accountants, and the travel expenses, room, board and compensation of such accountants and our employees.

The remedies in this *Section 5.18* will be in addition to all other remedies and rights available to us under this Agreement or otherwise available.

5.19 Data Fee.

We may require you to pay us or a third-party we designate a data fee of up to Seventy-Five Dollars ($75) per month for polling or collecting data from your POS System.

5.20 POS Help Desk Phone Support Maintenance Service Fee.

You must purchase from us a help desk phone support maintenance service that covers phone support for both the software and hardware of your POS System that is supported by the help desk, the cost of which is currently Sixty Dollars ($60) monthly, and subject to increase upon thirty (30) days' notice ("POS Help Desk Phone Support Maintenance Service Fee"). The POS Help Desk Phone Support Maintenance Service Fee shall be paid by electronic funds transfer, as detailed in *Section 5.6,* and debited from your account on the last Thursday of each month.

5.21 New Supplier Approval Fee.

All requests for approving new or alternative suppliers must be submitted in writing by you or the supplier to our Purchasing Department. Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then-current requirements, which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge, either to us or to our designee for testing. A charge not to exceed the amounts incurred in connection with the inspection and the test, with such cumulative amount not to exceed Five Thousand Dollars ($5,000), must be paid by the supplier. If approved, in our sole discretion, we will notify you or the supplier in writing within sixty (60) days after our receipt of an approval request. You must

not offer or sell in any manner any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier.

5.22 Reserved.

5.23 Non-participation Fee.

You must offer and sell at the Location of the Franchised Business all products designated by us, consistent with our System Standards. In addition, you must immediately incorporate into the Franchised Business all new products and services designated by us and must fully participate in all local, regional, seasonal, promotional and other programs, initiatives and campaigns adopted by us in which we require you to participate. If you fail or refuse to fully participate in any such program, initiative or campaign, you may, in our sole discretion, be required to pay a non-participation fee of One Hundred Dollars ($100) per day that you are not in compliance ("Non-participation Fee").

5.24 Not Applicable.

5.25 through 5.35 Not Applicable.

ARTICLE 6. PROPRIETARY MARKS

6.1 Ownership and Right to Use.

We warrant to you that:

a. We are the owner of all right, title and interest in and to the Proprietary Marks;

b. We have granted to you the personal, non-exclusive, limited, revocable right and license to use the Proprietary Marks in connection with the operation of your Franchised Business;

c. We have taken and will take all steps reasonably necessary to preserve and protect our rights in the Proprietary Marks; and

d. We will only permit you to use the Proprietary Marks in accordance with the System Standards.

6.2 Covenants of Franchise Owners.

a. You acknowledge our ownership of the Proprietary Marks, and you agree that during the Term and after its expiration or termination, you will not directly or indirectly contest, or aid in contesting, the validity of the Proprietary Marks or our ownership of the Proprietary Marks, nor will you take any action which might impair or prejudice our ownership of the Proprietary Marks. You shall not, directly or indirectly, apply to register, register or otherwise seek to own or control any of the Proprietary Marks, or any confusingly similar mark thereto, whether in whole or in part, in any place or jurisdiction either within or outside of the United States; nor will you assist any others to do so.

b. You agree that the license granted pursuant to this Agreement authorizes you to use the Proprietary Marks solely in connection with the Franchised Business only at the

Location, and for no other purpose. You have no right to license or sublicense any aspect of the System Standards or any of the Proprietary Marks.

c. You agree to use the Proprietary Marks only in the manner and to the extent specifically licensed by this Agreement. You further agree that any unauthorized use or continued use of the Proprietary Marks after the termination or expiration of this Agreement will constitute irreparable harm and is subject to injunctive relief.

d. The license granted by this Agreement includes only the Proprietary Marks, now existing or which may exist in the future. This license does not include the right to use any other trademarks, service marks, trade name or trade dress owned by us or our licensor anywhere in the world. You agree that any and all goodwill associated with and identified by your use of the Proprietary Marks will inure directly and exclusively to our benefit, and that, on the expiration or termination of this Agreement, no monetary amount will be due or payable to you as a result of any goodwill associated with your ownership or operation of the Franchised Business.

6.3 Limitations on Franchisee's Use of Proprietary Marks.

To develop and maintain high and uniform standards of quality and service and thereby protect our reputation and goodwill and that of the System, you agree:

a. To operate and advertise the Franchised Business only under the Proprietary Marks authorized by us;

b. To adopt and use the Proprietary Marks licensed by this Agreement solely in the manner prescribed by us;

c. That your corporate, partnership or other entity name including trade name, will not include any of the Proprietary Marks, in whole or in part, or any terms confusingly similar thereto, unless first authorized by us in writing;

d. To submit all advertising, promotional materials and all printed matter, including stationery, business cards, and any materials to be used on the Internet to us for our written approval before you use any of these items; and

e. That we may from time to time change or modify the System Standards, including modifying existing Proprietary Marks or adopting new marks. You agree, at your own expense, to adopt, use and display any such new or modified Proprietary Marks within ninety (90) days after notification from us. However, if we require you to modify or discontinue use of our proprietary information or use other information or rights in its place at any time other than upon us granting you a successor term to operate the Franchised Business pursuant to *Article 13*, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the proprietary information infringed upon a third-party's rights, we or our affiliate will bear the actual, direct, and reasonable costs of those modifications or discontinuances. The rights granted to Franchisee under this Section shall be Franchisee's sole and exclusive remedy for any infringement by any part of the System.

Upon your abandonment of the Franchised Business (whether voluntary or involuntary), termination or expiration of this Agreement, you must immediately cease to use, in any manner

whatsoever, any of the Proprietary Marks or any other marks which, in whole or in part, may be confusingly similar to any of the Proprietary Marks.

6.4 Non-Exclusive License of Proprietary Marks.

You understand and agree that your license to use the Proprietary Marks is non-exclusive; that we, in our sole discretion, can grant to other franchisees the right to use the Proprietary Marks and obtain the benefits of the System Standards, in addition to the licenses and rights granted to you under this Agreement; and that we or our affiliates may develop and license other proprietary marks in conjunction with concepts other than the *Cold Stone Creamery* concept, on any terms and conditions we deem advisable. You will have no right or interest in any such other licenses, proprietary marks or systems.

6.5 Notification of Infringement and Claims.

You agree that you will notify us immediately of any apparent infringement of, or challenge to your use of any of the Proprietary Marks, or any claim by any person of any rights in any of the Proprietary Marks. You agree that you will not communicate with any person, other than us and our legal counsel, in connection with any such infringement, challenge or claim. We will have the sole discretion to take such action as we may deem appropriate to protect the Proprietary Marks and the exclusive right to control any litigation, United States Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge, claim or otherwise relating to any Proprietary Marks. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in connection with any such litigation or proceeding, or to otherwise protect and maintain our interests in the Proprietary Marks.

ARTICLE 7. TRADE SECRETS AND PROPRIETARY INFORMATION

7.1 Innovations.

During the Term, you and your principals, officers, managers and employees may conceive, invent, create, design or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to restaurant operations, business practices or the manufacturing, production, marketing and sale of super-premium ice cream, cakes, pies, smoothies, shakes, specialty beverages, other dessert with frozen confections, and other food and beverage items, and related goods now in existence or later developed, adopted, or improved in connection with the Franchised Business (individually and collectively, "Innovations"). You, without further consideration, hereby assign any and all of your rights, title and interest in the Innovations, including any intellectual property rights, to us, and also agree to cooperate with us and our counsel in the protection of the Innovations, including the perfecting of title thereto in us. In addition, you will require all of your principals, officers, managers and employees to sign an agreement in the form set forth in our System Standards and incorporated herein by reference ("Confidentiality Agreement"), and shall be liable to us for obligating your principals, officers, managers and employees to assign all of their rights, title and interest to the Innovations to us and requiring your principals, officers, managers and employees to cooperate in obtaining, protecting, maintaining and enforcing our right, title and interest in the Innovations.

7.2 Confidentiality Agreement.

a. In connection with the operation of the Franchised Business, you will from time to time receive, have access to, or learn certain information and materials that are proprietary to us or our affiliate. You and any person signing this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*" agree that you will keep confidential, and will not use for your own purposes, nor supply or divulge to any other person, any of our Trade Secrets, including our methods of operation, processes, techniques, formulae and procedures, information a reasonable person would believe to be confidential and any other proprietary information regardless of whether such is expressly marked as confidential ("Confidential Information"). You acknowledge that much of the information imparted to you by us is confidential, constitutes Trade Secrets, are unique to us, and remains our sole exclusive property. Our Confidential Information includes the following:

1. The Confidential Manual and any amendments thereto;

2. Ingredients, recipes, and methods of preparation of food products;

3. Methods of operation of *Cold Stone Creamery* restaurants;

4. Information about products, services, or procedures before they become public knowledge;

5. Information which relates in any manner to our business or the System Standards, whether oral or reduced to writing, and which is not generally known to, or readily ascertainable by, other persons who might derive economic benefit from its disclosure or use; and

6. Any other information which may be imparted to you from time to time and designated by us as confidential.

b. You and any person signing this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*" acknowledge and agree that the Confidential Information and any business goodwill of the Franchised Business is our sole and exclusive property, and that you will preserve the confidentiality thereof. Upon termination or expiration of this Agreement, all items, records or documentation recording or incorporating any Confidential Information, including any copies thereof, will be immediately turned over by you to us or our authorized representative.

c. You agree to take all steps necessary, at your own expense, to protect the Confidential Information, including our Trade Secrets, and to adopt and implement all reasonable procedures prescribed by us from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. We require that all of your executive officers, agents, directors, shareholders, trustees, beneficiaries, partners and managers who may or are likely to obtain knowledge concerning the Proprietary Information (and who do not sign this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*") sign the Confidentiality Agreement binding such person to preserve the confidentiality of the Confidential Information as part of the terms and conditions of such person's employment or association with you. You must obtain a Confidentiality Agreement signed by any such person prior to or at the same time that you begin employment of, or association with, that person. This

will be a continuing obligation on your part throughout the Term. You must keep each original signed Confidentiality Agreement and provide us with a copy of each Confidentiality Agreement when requested by us or our authorized representative.

d. Notwithstanding the above, Confidential Information shall not include information which you can reasonably prove: (i) entered the public domain through no breach by you or your affiliate of any duty of confidentiality, or (ii) you received our prior express written consent to disclose in the manner in which you disclosed it.

e. If anyone under a Confidentiality Agreement is legally compelled or required by a regulatory body to disclose any Confidential Information, he/she/it will notify us as soon as possible and will use his/her/its best efforts to obtain, and give us an opportunity to obtain, appropriate assurances of confidential treatment.

f. The requirements under this *Section 7.2* will remain in full force and effect during the Term and after termination or expiration of this Agreement.

ARTICLE 8. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

8.1 Relationship of the Parties.

You and we agree that this Agreement does not create any fiduciary or employment relationship between you, or any of your employees, and us, that you are an independent contractor, and that nothing in this Agreement is intended to make either you or us a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. You shall not enter into any agreement on behalf of or otherwise bind us for any purpose.

Should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of your or your affiliate's employees in any private or government investigation, action, proceeding, arbitration, or other setting, you irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of your employees.

8.2 *Indemnification of Franchisor*.

You agree to indemnify, defend and hold us and our affiliates (including our parent and subsidiary companies, current, past and future predecessors, successors and assigns), and each of our shareholders, owners, directors, officers, members, managers, partners, joint venturers, attorneys, employees, contractors, agents, representatives, guarantors, insurers, spouses, heirs, executors, trustees and estates (collectively with us, "Indemnified Parties") harmless for, from and against any and all claims, liabilities, causes of action, suits, debts, duties, accounts, covenants, contracts, agreements, promises, taxes, demands, obligations, costs and expenses, including reasonable attorneys' fees, damages, judgments, and proceedings, of every kind and nature whatsoever, whether actual or threatened, in law or equity, or otherwise, under local, state or federal law including, without limitation the Americans with Disabilities Act ("ADA"), or the law of any other applicable jurisdiction (individually and collectively,

"Claims") suffered or incurred by any of the Indemnified Parties arising out of or relating to your construction, ownership, marketing, Promotions (as defined in Article 10), operation, including your failure to comply with PCI DSS or any law, statute, regulation, order, rule, or ordinance, or management of the Franchised Business, except for Claims held to have resulted solely from our gross negligence or willful misconduct. Notwithstanding the foregoing, we will have the right, at our option, to defend any Claim, but you must reimburse us upon demand for the costs and expenses of such defense. You shall immediately give us notice of any demand, investigation, written inquiry, action, suit, proceeding, or claim in any way related to us or the Cold Stone Creamery brand.

8.3 Indemnification of Franchisee.

We agree to indemnify, defend and hold you and your affiliates, and their shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees harmless for, from and against any and all Claims, arising out of any Claim of infringement or unfair competition in connection with your authorized use of the Proprietary Marks or Confidential Information, provided that such use is in accordance with the provisions of this Agreement. However, if we require you to modify or discontinue use of our Proprietary Marks or Confidential Information or use other information or rights in its place at any time other than upon us granting you a successor term to operate the Franchised Business pursuant to *Article 13*, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the Proprietary Marks or Confidential Information infringed upon a third-party's rights, we will bear the cost of those modifications or discontinuances as set forth in this Agreement.

8.4 Special Power of Attorney.

You agree to cooperate with and assist us as we may request from time to time to obtain, protect, maintain or enforce our intellectual property and Proprietary Marks, including executing documents and appearing as a witness. You hereby appoint us as your attorney-of-fact and hereby grant us an irrevocable Special Power of Attorney, coupled with an interest, with full power and authority for the purpose of executing documents or taking such action as necessary or appropriate as you might or could do if personally present, hereby ratifying all that we, as your attorney-in-fact, shall lawfully do or cause to be done by virtue of this Special Power of Attorney to obtain, protect, maintain or enforce our intellectual property and Proprietary Marks if we are, for any reason, unable to obtain your cooperation or assistance. The Special Power of Attorney granted by this *Section 8.4*, shall survive your dissolution, death, incompetence or disability and the termination or expiration of this Agreement.

ARTICLE 9. OPERATING STANDARDS AND DUTIES OF FRANCHISE OWNER

9.1 Compliance with System Standards and Confidential Manual.

You understand and acknowledge that every detail of the operation of the Franchised Business is important in order to develop and maintain high and uniform standards of quality, cleanliness, appearance, service, facilities and techniques; to increase the demand for the System; and to protect our reputation and goodwill and that of other *Cold Stone Creamery* franchisees. You also acknowledge that the operation of the Franchised Business is your sole responsibility, and that neither we nor our affiliates have any responsibility to obtain customers

for you. The System Standards will constitute provisions of this Agreement as if fully set forth herein.

9.2 Authorized Products and Services.

a. You agree that you will not, without our prior written approval, offer at the Location any menu items, beverages, products or services that are not authorized by us for the Franchised Business, as set forth in the System Standards.

b. You have complete discretion in establishing the minimum price you charge for your products. Although we may suggest pricing strategy, you will have the final pricing decision.

c. Notwithstanding the terms of *Section 9.2b.*, we may conduct periodic promotional campaigns during which a specified product or products are promoted at a specified price. During the promotional period, you may not charge your customers more than the specified promotional price, although you may charge less than the promotional price.

d. We may conduct new marketing, research and development, branding and operational program tests, which will generally be conducted with experienced, existing franchisees and may include incentives and other rights that are not available to all franchisees.

e. You hereby consent to third-party vendors, suppliers and distributors sharing with us any and all information, reports, invoices and related documentation covering and otherwise detailing your purchases for the Franchised Business, and to us sharing your contact information with them when we reasonably believe they may offer you a desired benefit.

f. You are required to accept debit and credit cards (including Visa®, MASTERCARD® and AMERICAN EXPRESS®) and Gift/Loyalty Cards from consumers at the Franchised Business. You are required to acquire, as necessary, and maintain during the Term, an approved debit, credit and Gift/Loyalty Card processing system ("Card Processing System") to use during the operation of the Franchised Business. Additionally, you must utilize our approved third-party payment card processor, as identified in the System Standards, for processing all Card Processing System transactions.

9.3 Specifications and Standards for Supplies; Approved Suppliers; Rollouts.

a. You must purchase or otherwise acquire certain proprietary or required equipment and supplies utilized in the Franchised Business only from our designated approved distributors or suppliers. If, during the Term, we change designated approved distributors or suppliers for any of the proprietary or required equipment and supplies utilized in the Franchised Business, you shall change to the new designated approved distributor or supplier within sixty (60) days after written notification of such change from us.

You acknowledge Franchisor and/or its affiliates has the right to ~~recei~~ receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and/or other payments ("Payments") based upon the actual purchases of the foods, beverages, and other products by Franchisor, its affiliates, area developers and franchisees from suppliers. Any such Payments made to ~~Francisor~~Franchisor

may be retained by Franchisor deems appropriate, in its sole discretion. All Payments received from a supplier for a designated purpose (such as participation at an annual convention, etc.) will be spend in accordance with the supplier's designated purpose.

b. If you desire to purchase or otherwise acquire any equipment, supplies or inventory items required by the System Standards but not previously approved by us, or from sources not previously approved by us, you must submit to us sufficient specifications, photographs, drawings and other information sufficient to allow us to determine whether such equipment, supplies or inventory items meet our System Standards. We may require that our representatives be allowed to inspect the facilities of the proposed supplier and revoke its approval upon the supplier's failure to meet any of our then-current minimum System Standards. We may also require that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing. A charge not to exceed the reasonable cost and expense of the inspection and the actual cost and expense of the test must be paid to us either by you or by the proposed supplier. We will notify you within sixty (60) days after your request of our approval or disapproval of the proposed product or supplier, with such determination to be made at our sole discretion. You acknowledge and agree that our approval of any item or supplier of equipment, supplies or inventory not previously approved by us will not, in and of itself, make the supplier of that item an approved supplier for other *Cold Stone Creamery* franchise owners in the System. We may, in our sole discretion, at any time and from time to time, re-inspect the facilities and products of any approved supplier and revoke its approval upon the supplier's failure to meet any of our then-current System Standards. If you receive a notice of revocation from us, you must immediately stop selling disapproved products and purchasing from the disapproved supplier.

c. We will provide to you a list of all recommended and required items of equipment, fixtures, supplies, smallwares and interior decor. This list will be included in the System Standards.

d. At any time and from time to time, we may in our sole option engage in new product rollouts to add to or change the menu items offered for sale in the Franchised Business and the ingredients or supplier of ingredients utilized in the preparation of the menu items sold in the Franchised Business ("Rollout"). If we engage in a Rollout, you shall participate in the changes that are the subject of such Rollout, including offering the new menu items, changing the menu items, changing to the new supplier of the ingredients utilized in the preparation of the menu items, and changing to the new ingredients utilized in the preparation of the menu items. If we engage in a Rollout, we will notify you of the details of the Rollout and provide you sixty (60) days from said notification to take the applicable actions required by the Rollout.

9.4 Compliance with Legal Requirements and Good Business Practices.

You must, at your sole expense, operate the Franchised Business in full compliance with all applicable Federal, state and local statutes, laws, ordinances and regulations, including health and safety regulations, food and drug laws, disability laws, labor and employment laws and data privacy laws, as may be amended, supplemented or enacted from time to time. You must pay all costs and expenses incurred by, and in the conduct of, the Franchised Business, including all rent, salaries, taxes (excluding our income taxes), disbursements, license or permit fees, insurance premiums, traveling expenses and any other business expenses when they become due. If you receive any demand, action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental

instrumentality relating to your Franchised Business, you must immediately notify us, and in no event, later than three (3) days after your receipt. Any such notice must be accompanied by a copy of the demand, complaint, order, writ, injunction, award, decree or other similar document. You must, in all dealings with your employees, customers, suppliers, the public and us adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business practice that may be injurious to the System or the goodwill associated with the Proprietary Marks.

9.5 Maintenance of Insurance.

At all times during the Term, you must maintain in full force and effect at least the minimum types and amounts of insurance coverage that we require, under one (1) or more policies of insurance (each of which shall be primary coverage and shall not be contributory or secondary to any other coverage maintained by us), insured under the particular name of the Franchisee and for the particular address of the Franchised Business.

Such insurance policies must be issued by insurers acceptable to us having an A.M. Best's financial strength rating of at minimum "A-VIII," and grant us authority to obtain copies of your certificate of insurance directly from the carrier or your agent/broker. The particular requirements of our minimum insurance coverage will be made available to you throughout your term. Currently, the general liability insurance required by this Agreement must: (i) name Kahala Franchising, L.L.C. as the certificate holder; (ii) name Kahala Franchising, L.L.C. and MTY Franchising USA, Inc. and their parents, subsidiaries, affiliates, officers, directors, and employees as additional insureds; (iii) contain a waiver by the insurance carrier of all subrogation rights against us and our affiliates and our affiliates' respective officers, directors and employees for casualty losses; (iv) indicate the address of the Franchised Business being insured; and (v) provide that we will receive a copy, via an endorsement, thirty (30) days' prior notice of cancellation of any such policy. Additional minimum insurance coverage requirements (subject to increase or otherwise change in our sole discretion) are as follows:

TYPE OF COVERAGE	LIMITS/SPECIFICATIONS
General Liability	$1,000,000 Bodily Injury/Property Damage Per Occurrence / $2,000,000 Aggregate
Building Improvements and Betterments	100% of Full Replacement Cost – No Coinsurance (minimum of $100,000)
Business Personal Property	100% of Full Replacement Cost – No Coinsurance – Special Form or equivalent (minimum of $100,000)
Spoilage	$5,000
Flood, Earthquake and Volcanic Eruption	Subject to Territory Limitations – required if in a designated Flood Zone
Workers' Compensation and Employer's Liability Insurance	As required by law

TYPE OF COVERAGE	LIMITS/SPECIFICATIONS
Employment Practices Liability Insurance with Franchisor Defense coverage	$1,000,000
Hired and Non-Owned Automobile Liability	$1,000,000 Combined Single Limit per accident

You need to evaluate if your particular business will require greater coverage or other types of insurance. For example, we strongly recommend that you consult with an insurance broker to discuss whether your particular lease/situation requires and/or should obtain additional common types of insurance (including without limitation, umbrella insurance, and cyber liability/data breach insurance coverage). Such insurance may significantly increase your premiums, but may also save you money in the long run.

You are responsible for maintaining insurance coverage and limits as required by us, at minimum, pursuant to this *Section 9.5*, provided, if your landlord requires additional coverage, higher limits, or any other requirements not required by us, then you are responsible for maintaining such additional items as well. You must always keep the required insurance coverage in force at all times during the operation of the Franchised Business, and you must comply with any changes we make periodically to our insurance requirements. Upon 30 days' notice to you, we may require you to increase and/or otherwise change the minimum coverage of the insurance referred to above, including to reflect identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

Subject to *Section 3.1*, before you may open your restaurant, annually thereafter at least ten (10) days prior to renewal of your insurance coverage, and at any other time on our request, you must provide us with certificates of insurance or copies of insurance policies showing that you are in compliance with our insurance requirements, as well as proof that you have paid the premiums you owe for the insurance we require. You will pay your insurance premiums to your insurance broker or to the insurance company issuing the policy. We or our affiliate may, at our option and in addition to our other rights and remedies under this Agreement, obtain such insurance coverage on your behalf, and you must promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs, expenses and premiums (in whole or part) incurred by us. Your obligation to obtain and maintain the insurance described above will not be limited in any way by reason of any insurance maintained by us, nor will your performance of such obligations relieve you of any obligations under *Section 8.2*.

9.6 Management of the Franchised Business.

You are directly responsible for all aspects of operating the Franchised Business, and you agree that you will, at all times, operate the Franchised Business and use your best efforts to enhance your Franchised Business and the System. The Franchised Business must be personally managed and directly operated by either you or another partner, shareholder or member of your business organization, or a manager.

9.7 Inspections by Franchisor.

For the purpose of this *Section 9.7*, you must make available to us or our authorized representatives such financial and other information concerning the Franchised Business, and you must permit us or our authorized representatives to have full and free access to such information at your Franchised Business Location during regular business hours without prior notice. We and our authorized representatives will have the right to communicate freely with your employees, and make extracts from, and copies of, all such information. Our authorized representative may make announced or unannounced inspections of your Franchised Business to ensure compliance with all of the requirements of this Agreement.

9.8 Personal Guaranty~~; Non-Disclosure and Non-Competition Agreement~~.

If you are an individual and married, your spouse must execute and deliver to us a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ at the same time that you sign the Agreement unless your spouse is also ~~singing~~ signing the Agreement as an individual.

If you are a corporation, limited liability company, or other business entity, each of your shareholders, members, or other owners, whether direct or indirect (and their respective spouses, if married) must execute and deliver to us a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ at the same time that you sign this Agreement.

In the event any person who has not previously signed a Guaranty of Franchise Agreement ~~or a Non-Disclosure and Non-Competition Agreement~~ becomes your spouse or shareholder, member, or other owner, direct or indirect or a spouse of such shareholders, members, or other owner, at any time after the execution of this Agreement, you must cause such person(s) to immediately execute and deliver a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ to us.

Failure to provide a Guaranty of Franchise Agreement ~~or a Non-Disclosure and Non-Competition Agreement~~ to us may, in our sole discretion, be grounds for termination of this Agreement as set forth in *Section 14.2a*.

9.9 Not Applicable.

ARTICLE 10. ADVERTISING AND PROMOTION

10.1 Advertising by Franchisor.

We (or at our election a third-party which may be an affiliate of ours) will administer the Advertising Fund that will include your Advertising Fee and those of other franchise owners in the System. If an affiliate of ours administers the Advertising Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third-parties for comparable services. Unless required by applicable law, we will have no obligation to create a trust account, escrow account or other special account for the Advertising Fund, and the monies comprising the Advertising Fund may be placed in our general account. We may also reserve the Advertising Fee for use in a subsequent year.

We will direct all advertising and promotional programs. We will have sole discretion over all creative concepts, materials and media used in such programs and the placement and allocation of such programs. The Advertising Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* trade name, System, products and services. We are entitled to deduct, free of charge, the following from the Advertising Fund: reimbursement of expenses, overhead, and employee salaries for services provided; and rent for office space provided to the Advertising Fund. We are not required to use any specific amounts from the Advertising Fund in your market. However, we in our sole discretion, may use some amounts contributed by you to any Advertising Fund, if any (see *Section 5.3*), in the same geographic area in which your Franchised Business is located.

10.2 Advertising by Franchisee.

In addition to your Advertising Fee, if applicable, and unless your Franchised Business is located in an enclosed shopping mall or other enclosed structure identified in *Section 1.1*, you agree to pay for a regular (white pages) and classified (yellow pages) telephone directory advertisement in the main directory distributed in the area where your Franchised Business is located, in such directory categories as we specify, utilizing forms of listing and classified directory advertisements approved by us. We also recommend that, in addition to your Advertising Fee, you spend at least two percent (2%) of your monthly Gross Sales on local advertising.

Your own local marketing and advertising plan should be developed to maximize your particular customer base. You should not rely upon a marketing program or plan by us as the sole means of obtaining customers. All marketing and advertising materials must be reviewed by the marketing department for look and feel. The marketing department's review is not for determining compliance with federal, state and local laws.

All advertising by you in any medium must be conducted in a professional manner and must conform to the System Standards. We may make available to you, from time to time, advertising, promotional plans and materials for purchase.

Under no circumstances may you use, without limitation, the name, image, or voice of a celebrity, public figure, character or other person in connection with the Proprietary Marks or the Franchised Business without our prior written consent. We retain the sole and exclusive right to use, without limitation, the name, services or image of any celebrity, public figure, character or other person in advertising, endorsing or recommending the System.

ARTICLE 11. ACCOUNTING PROCEDURES AND REPORTS

11.1 Maintenance of Records.

You shall keep full, complete, and accurate books and accounts in accordance with generally accepted accounting principles, and in the form and manner indicated below or as from time to time further required by us. You agree to submit reports and data to us electronically if we advise you to do so. You agree:

a. to submit to us electronically the weekly Gross Sales as set forth in *Section 5.6*;

b. to submit to us, on or before the thirtieth (30th) day of each month, commencing with the opening of the Franchised Business, in a format and method approved by us (including

through a third-party vendor that franchisee may be required to pay for), a profit and loss statement of the Franchised Business for the preceding calendar month prepared in accordance with generally accepted accounting principles;

c. to submit to us, within ninety (90) days after the end of each calendar year, commencing with the opening of the Franchised Business, in a format approved by us, a profit and loss statement and balance sheet (including a statement of retained earnings or partnership account) for the preceding calendar year;

d. to submit to us, at the times required, such other periodic forms, reports and information as may from time to be time be required by us;

e. to preserve, in the English language and for the time periods set forth below, all accounting records and supporting documents related to the Franchised Business (individually and collectively, "Records"), including:

1. daily cash reports;

2. cash receipts journal and general ledger;

3. cash disbursements journal and weekly payroll register;

4. monthly bank statements, daily deposit slips and canceled checks;

5. all tax returns, including your personal returns and those of your officers, shareholders, partners and members;

6. suppliers invoices (paid and unpaid);

7. dated cash register tapes (detailed and summary);

8. semi-annual balance sheets and monthly profit and loss statements;

9. daily production, throwaway and finishing records and weekly inventories;

10. records of promotion and coupon redemptions;

11. records of all outside sales; and

12. such other records as we may from time to time request.

f. to record all sales on cash registers approved by us, as specified in the Confidential Manual;

g. to file all of your federal and state tax returns on a timely basis and to provide copies of them to us. We may, where applicable, require that tax returns from all of your shareholders, members or partners be provided to us, if you are other than an individual;

h. During the Term, you shall preserve the Records for at least the current fiscal year and for the three (3) immediately preceding fiscal years. For three (3) years after the date of any transfer of an interest in this Agreement, the transferor of such interest will preserve the Records for its last three (3) fiscal years of operation under this Agreement. For three (3) years

after the expiration of the Term (or after any earlier termination), you shall preserve the Records for the last three (3) fiscal years of operation of the Franchised Business; and

i. In connection with our efforts to attract additional franchise owners to the System, we will have the right to use (without identifying you, except as required or allowed by law) any financial statements, sales reports, profit and loss statements or balance sheets provided by you and, in connection therewith, you authorize us to disclose any information contained on such financial reports as may be required by any federal or state registration or disclosure law.

11.2 Audit by Franchisor.

We will have the right, at any time during business hours, and with or without prior notice to you, to inspect and audit, or cause to be inspected and audited, the Records and cash control devices of the Franchised Business, and your corporate, partnership or limited liability company books and records (if you are a corporation, partnership, limited liability company, or other entity). You agree that we may access any computers utilized by you for such purposes.

You will fully cooperate with our authorized representatives and independent accountants hired by us to conduct any such inspection or audit. In the event any such inspection or audit discloses an understatement of your Gross Sales for any period in question, you will pay to us, immediately after receipt of the inspection or audit report, any additional Royalty Fee or Advertising Fee due as a result of any such understatement, plus interest at the Default Rate from the date originally due until the date such understatement is paid in full.

In addition, in the event such inspection or audit is made necessary by your failure to timely furnish Records, or if an understatement of the Royalty Fee or Advertising Fee for the period of any audit (which period shall not be for less than one (1) month) is determined by any such audit or inspection to be five percent (5%) or greater, you must reimburse us all amounts incurred in connection with such audit or inspection including our employee costs and expenses, any independent accountants' and attorneys' fees, transportation, room, and meal expenses.

The remedies in this *Section 11.2* will be in addition to all our other remedies and rights under this Agreement or under applicable law.

ARTICLE 12. TRANSFER

Sections 12.1 through *12.4* apply to all transfers, except transfers by us, which are described in *Section 12.5*.

12.1 Prior Consent of Franchisor.

a. As used in this Agreement, "Transfer" means any voluntary, involuntary (including by operation of law), direct or indirect assignment, sale, gift or other transfer by you, including:

1. "Full Transfer," which is any act or circumstance, except those set forth in *Section 12.1.a.2.*, by which fifty percent (50%) or more of the ownership or control is shifted from any individual or corporation, partnership or other business entity (individually and collectively, "Entity") to another, including:

(i) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement;

(ii) Transfer of an interest in you, if you are an Entity;

(iii) Merger, consolidation or issuance of additional ownership interests or redemption of ownership interests in you, if you are an Entity; or

(iv) Transfer of an interest in any other Entity holding an interest in this Agreement or you, if you are an Entity.

2. "Affiliate Transfer," which includes:

(i) Transfer in a separation or divorce, regardless of how much of the ownership or control is shifted from any individual or Entity to another;

(ii) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement from your name as an individual(s) to your Entity name in which you are the sole owner(s) of the Entity;

(iii) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement, from your Entity name in which you are the sole owner(s) to your name as an individual(s);

(iv) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement from one Entity name to another Entity name in which the owners of the entities are the same;

(v) Removing an owner from the Franchisee (unless the person has a fifty percent (50%) or more ownership interest);

(vi) Adding an owner to the Franchisee (unless the person has a fifty percent (50%) or more ownership interest); or

(vii) Transfer by which less than fifty percent (50%) of the ownership or control is shifted from any individual or entity to another for any act or circumstance listed in *Section 12.1.a.1.*

b. We are entering into this Agreement based upon our knowledge of and faith in your ability. Therefore, the Franchised Business and all the rights granted by this Agreement are personal to you and you may not Transfer without our prior written consent. Any attempted Transfer without our prior written consent will be null and void, and will give us the right to terminate this Agreement and your rights under it, in addition to any remedies which we may have for the breach of this covenant by reason of an attempted Transfer.

c. We shall not unreasonably withhold or delay our consent to a Transfer, so long as it is shown to our satisfaction that the potential transferee ("Potential Transferee") can perform a franchisee's obligations under the then-current form of franchise agreement and all other agreements, legal instruments and documents required of new franchisees.

12.2 Advance Notice of Proposed Terms and Right of First Refusal.

a. If you, or any of your shareholders, members or partners, have received and desire to accept a signed bona fide written offer from a third-party to Transfer, you shall notify us and provide us with a complete copy of the offer (letter of intent) which must include the name, address and telephone number for every Potential Transferee. You must also include information as to the identity of all who will own an interest in this Agreement or in the Franchised Business after the completion of the Transfer, their respective interests, and the proposed terms and conditions of sale and payment.

b. We shall have the right and option, exercisable within thirty (30) days after the date we receive a copy of the offer, to purchase the interest proposed to be transferred, at the price and upon the same terms and conditions specified in the notice.

c. If we do not exercise our option, and the terms of the unaccepted offer are altered, you must, in each such instance, notify us of the changed offer; and we will again have thirty (30) days to exercise our right to purchase on the altered terms. If we do not exercise our option, then the Transfer may take place on the terms and price set forth in the notice; provided: (i) we give our written consent; (ii) the Transfer takes place no later than six (6) months from receipt of our written refusal to exercise our option to purchase; and (iii) all the conditions set forth in *Section 12.3* are satisfied.

12.3 Requirement for Consent to Transfer.

If a Transfer is proposed and we do not exercise our right of first refusal pursuant to *Section 12.2*, then we will consent to the Transfer, provided that:

a. All your obligations under this Agreement are fully paid and satisfied, including the Royalty Fee and Advertising Fee; you are not in default under any provisions of this Agreement or any other agreement, legal instrument or document with us or any of our affiliates; and you enter into written agreements with us, including (except where prohibited by law) a general release by you of all claims against us;

b. Potential Transferee provides to us a completed application and financial documents, is financially acceptable, is not associated with any of our competitors, is of good moral character and reputation, and meets our criteria, which includes: work experience and aptitude; ability to devote time and best efforts to the Franchised Business; equity interest in the Franchised Business; ability to speak and read English sufficient in our opinion to communicate with employees, customers and suppliers and to satisfactorily complete our training; no conflicting interests; and other criteria and conditions that we apply to new franchisees;

c. Potential Transferee provides us with copies of all governing documents of Potential Transferee (e.g., certificate of incorporation or organization, by-laws, stock certificates, operating agreement, membership certificates (if any)) which must be reasonably satisfactory to us in our sole discretion;

d. You provide to us a copy of the purchase and sale agreement, if a Full Transfer, or other documentation evidencing the Transfer, if an Affiliate Transfer, and following our analysis of the terms and conditions of the proposed Transfer, we, in our sole discretion,

conclude that such terms and conditions will not interfere with the financial feasibility of the future operation of the Franchised Business;

e. Potential Transferee enters into all agreements, legal instruments and other documents, whether our then-current agreements, legal instruments and documents or a transfer of this Agreement and related legal instruments and documents, as determined by us (individually and collectively, "Transfer Documents"). The terms of the Transfer Documents may vary materially from the current agreements used by us, including the payment of a higher Royalty Fee and Advertising Fee;

f. Not applicable;

g. Potential Transferee pays to us the transfer franchise fee set forth in the Transfer Documents, if a Full Transfer; or Potential Transferee pays us the Document Administration Fee, if an Affiliate Transfer; Franchisee shall be liable to the Franchisor for the transfer franchise fee or Document Administration Fee in the event the Potential Transferee fails to pay such fee that is owing in full;

h. Not applicable;

i. Potential Transferee successfully completes the training program required by the Transfer Documents, if a Full Transfer;

j. Potential Transferee agrees to complete all remodeling and improvements as required by us, and must upgrade the POS System to the then-current required POS System, within the time period specified by us, if a Full Transfer;

k. You and Potential Transferee agree not to assert any security interest, lien, right or claim now or in the future, in the Franchised Business. Any security interest, lien, claim or right asserted with respect to any personal property at the Location must not include any after-acquired property and must be subject, junior and subordinate to any security interest, lien, right or claim now or in the future, asserted by us, our successors or assigns; and

l. You agree to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to Potential Transferee so that Potential Transferee may keep the existing telephone number when the store is transferred to Potential Transferee.

12.4 Death or Incapacity of Individual Franchisee; Change in Entity.

a. Death or incapacity of Franchisee when Franchisee is an individual:

(i) In the event of your death or incapacity, your legal representative may, for a period of ninety (90) days from the date of death or incapacitation, continue to operate the Franchised Business, provided that the operation is conducted in accordance with this Agreement and any other agreements with us.

(ii) If your representative desires to continue the operation of the Franchised Business beyond the ninety (90) day period, then, prior to the expiration of this period, your legal representative must apply in writing for the right to transfer the Franchised Business to the person or persons (whether spouse, heir, devisee, purchaser, or any other person), as the legal

representative may specify. The application for transfer will be treated in the same manner as any other proposed Transfer under this Agreement.

(iii) If your legal representative does not comply with the provisions of the preceding paragraph, or does not propose a Potential Transferee acceptable to us under the standards set forth in this Agreement, all rights licensed to you under this Agreement will terminate immediately and automatically revert to us. We shall have the right and option, in our sole discretion, exercisable upon such termination, to purchase all removable furniture, fixtures, signs, equipment and other chattels, but not leasehold improvements, at a price to be agreed upon by the parties or, if no agreement as to price is reached by the parties, at such price as may be determined by a qualified appraiser, approved by both parties, such approval not to be unreasonably withheld. We shall give notice of our intent to exercise the option no later than twenty-one (21) days prior to termination.

b. Death or incapacity of any shareholder, partner, or member in Franchisee when Franchisee is a business entity:

(i) In the event of the death or incapacity of any of your shareholders, partners, or members, the surviving shareholders, partners, or members may, for a period of ninety (90) days from the date of death or incapacitation, continue to operate the Franchised Business, provided that the operation is conducted in accordance with this Agreement and any other agreements with us.

(ii) If your shareholders, partners or members desire to continue the operation of the Franchised Business beyond the ninety (90) day period, then, prior to the expiration of this period, your shareholders, partners, or members must apply jointly with all surviving shareholders, partners or members in writing, for the right to transfer the Franchised Business (or the interest of the deceased or incapacitated shareholder, partner, or member in the Franchised Business), to the person or business entity as the surviving shareholders, partners, or members may specify. The application for transfer will be treated in the same manner as any other proposed Transfer under this Agreement.

(iii) If all surviving shareholders, partners or members do not comply with the provisions of the preceding paragraph, or do not propose a Potential Transferee acceptable to us under the standards set forth in this Agreement, all rights licensed to you under this Agreement will terminate immediately and automatically revert to us. We shall have the right and option, in our sole discretion, exercisable upon such termination, to purchase all removable furniture, fixtures, signs, equipment and other chattels, but not leasehold improvements, at a price to be agreed upon by the parties or, if no agreement as to price is reached by the parties, at such price as may be determined by a qualified appraiser, approved by both parties, such approval not to be unreasonably withheld. We shall give notice of our intent to exercise the option no later than twenty-one (21) days prior to termination.

12.5 Assignment by Franchisor.

You agree and affirm that we may, without your prior consent, sell our business, our assets, or our System, in whole or in part, to a third-party; may issue a public offering of our securities; may engage in private placement of some or all of our securities; may merge with or acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. You

further agree and affirm that we have the right, now and in the future, without your prior consent, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of such franchise network, chain or business, which you acknowledge may be proximate to your Franchised Business, and to operate, franchise or license such franchise networks, chains or businesses operating under the Proprietary Marks or any other marks following our purchase, merger, acquisition or affiliation. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages against us arising from or related to the loss of your rights to use the System as authorized under this Agreement.

This Agreement will inure to the benefit of our successors and assigns. In conjunction with one (1) or more of the transactions contemplated above, or as otherwise determined by us, we have the right to assign our rights and obligations under this Agreement to any person or entity, without your prior consent. Upon such assignment, we will be relieved of all obligations or liabilities then existing or thereafter able to be asserted under this Agreement.

12.6 Restrictions on Security Interests and Subfranchising.

Except as otherwise set forth in this *Section 12.6*, you shall not have any rights to pledge, encumber, hypothecate or otherwise give any third-party a security interest in this Agreement in any manner whatsoever, nor subfranchise or otherwise transfer, or attempt to subfranchise or transfer the Franchised Business, in whole or in part, so long as it is operated as the Franchised Business, without our express prior written permission, which permission may be withheld for any reason whatsoever in our sole discretion. Notwithstanding anything contained herein to the contrary, you shall have the right to pledge your accounts receivable, net of royalties and rent, without our prior written consent for the sole purpose of obtaining financing for the operation of the Franchised Business, provided you are in full compliance with this Agreement and any other agreement, arrangement or understanding with us.

ARTICLE 13. SUCCESSOR TERM

We have no obligation under any circumstances to extend your rights to operate the Franchised Business beyond the Term. Notwithstanding the foregoing, in the event the Term expires in accordance with *Section 1.3*, you may apply to us to extend your rights to operate the Franchised Business for a successor term. In the event you desire to apply to us to extend your rights to operate the Franchised Business for a successor term, you must give us notice to that effect at least one hundred twenty (120) days prior to the expiration date of the Term. In addition to giving the notice of intent to apply for a successor term referred to above in a timely manner, in order to qualify for a license to operate the Franchised Business for a successor term, you must also, at a minimum, meet each of the following requirements:

a. You must successfully complete the then-current application process required of new franchisees;

b. You must not then be in default under this Agreement or any other agreement, legal instrument or document with us or any of our affiliates, and no event shall have occurred that, with the giving of notice, the passage of time, or both, would constitute a default under this Agreement, including all financial obligations to us;

c. You must be in complete compliance with the terms of this Agreement, including

all financial obligations to us, and the then-current Confidential Manual;

d. You must not have received more than three (3) notices of default or breach of this Agreement during its term, nor more than two (2) notices of default or breach during the five (5) years immediately preceding the effective date of the proposed successor term;

e. You must have the existing right to maintain possession of the Location or you must have secured and developed a suitable substitute location that meets our then-current minimum site requirements (such confirmation will be provided to you by us in writing);

f. You must sign a general release provided by us;

g. You and we must execute all agreements, legal instruments and other documents (individually and collectively, "Successor Franchise Documents") then used by us in the granting of franchises and then being required of new franchise owners in connection with the System. The Successor Franchise Documents will supersede this Agreement, but will not terminate your liability to perform any obligations which you have not yet performed under this Agreement, or which survive the termination of this Agreement; nor will the Successor Franchise Documents terminate or supersede any Guaranty of Franchise Agreement, Confidentiality Agreement, or Non-Disclosure and Non-Competition Agreement executed pursuant to this Agreement. The terms of the Successor Franchise Documents may vary materially from the current agreements used by us, including the payment of a higher Royalty Fee and Advertising Fee;

h. The equipment, fixtures and signage used in connection with the operation of the Franchised Business must either meet our then-existing System specifications and standards, or you must agree, within a timeframe required by us, to replace or refurbish such items, and otherwise modify the methods of operation of the Franchised Business at your cost and expense, in order to comply with our System specifications and standards then applicable to new franchise owners;

i. You agree to complete all remodeling and improvements as required by us, and must upgrade the POS System to the then-current required POS System, within the time period specified by us; and

j. You shall have paid to us the then-current initial franchise fee.

We reserve the right to reject your application for a successor term, at our sole discretion, for any reason, without limitation, failure to meet our then-current standards or requirements for new franchisees. If we decide to reject your application for a successor term to operate the Franchise Business, we will give you a notice to that effect within sixty (60) days after you deliver to us your notice of intent to apply for a successor term.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Default; Termination.

a. You will be in default under this Agreement:

(i) If: (a) you become insolvent or make an assignment for the benefit of creditors; (b) you file a petition in bankruptcy, or if such a petition is filed against and consented to by you, and such petition is not dismissed within thirty (30) days from the filing date of such petition; (c) you are adjudicated bankrupt; (d) a bill in equity or other proceeding for the appointment of your receiver or other custodian for your business or assets is filed and is consented to by you or is not dismissed within thirty (30) days from the filing date of such bill or other proceeding; (e) a receiver or other custodian is appointed; (f) proceedings for composition with creditors under any state or federal law is instituted by or against you; (g) the real or personal property of the Franchised Business is sold at levy thereupon by any sheriff, marshal or constable, or sold by a secured party under any state's Commercial Code;

(ii) If you fail to pay, perform, observe or comply with any of your duties and obligations under this Agreement or the Confidential Manual, including failure to provide a fully-executed copy of the lease to us when due and failure to pay when due, any sum due to us under this Agreement (including the Royalty Fee and Advertising Fee) or to any Advertising Fund (inclusive of any Association); or if you breach any of your obligations under any lease, sublease, mortgage, equipment agreement, promissory note, vendor account, conditional sales contract or other contract arising from, or in connection with, the Franchised Business, to which you are a party or by which you are bound, whether or not we are a party thereto;

(iii) If your lease or sublease for the Location of the Franchised Business is either: (a) in default and you fail to cure such default as provided in the lease or sublease; (b) is terminated for reason of default by you; or (c) the Location is lost as a result of your failure to comply with the lease or sublease;

(iv) If you fail, within thirty (30) days of the entry of a final judgment against you in an amount exceeding Two Thousand Dollars ($2,000), to discharge, vacate or reverse the judgment or to stay its execution pending appeal, or to discharge any judgment which is not vacated or reversed within thirty (30) days after expiration of the stay of execution;

(v) If we determine that a serious health or safety problem exists at the Franchised Business, in which case, we may require you to immediately correct the problem or cease operating until the problem is corrected;

(vi) If you, or any owner, co-owner or principal of the Franchised Business, is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the System, the goodwill associated therewith, or our interest therein;

(vii) Except for any reason provided in *Section 5.2*, if you abandon the Franchised Business, which abandonment shall conclusively be deemed established if the Franchised Business is closed for more than three (3) consecutive days;

(viii) Except for any reason provided in *Section 5.2*, if you close or relocate the Franchised Business, without our express advance written consent;

(ix) If you fail to maintain an independent contractor relationship with us;

(x) If you either negligently or knowingly inaccurately report, or fail to report, any information in your franchise application;

(xi) If you or any owner, co-owner or principal of the Franchised Business commits an act, or permits an act to be committed, that violates any federal, state or local law that adversely impacts the Franchised Business;

(xii) If you fail to participate in any Rollout detailed in *Section 9.3*;

(xiii) If you violate any of the provisions of *Sections 2.3, 3.2, 9.2, 9.3* or *9.4* including the requirement that you: (a) sell or offer for sale only those products and services authorized by us; (b) purchase such authorized products and services only from suppliers or service providers who are approved in writing by us; and (c) utilize or switch to any of our designated approved suppliers, including a supplier who has entered into a national or regional master supplier agreement with us;

(xiv) If you transfer or attempt to transfer any rights or obligations under this Agreement or any other property or assets to any third-party in violation of the provisions of *Article 12*;

(xv) If you or any of your owners, officers, directors, managers, members, or partners (as applicable): (a) become subject to U.S. Executive Order 13224 or are involved in any activity that violates the U.S. Foreign Corrupt Practices Act or any other anti-corruption, bribery or any other laws, orders or governmental notices affecting your ability to conduct business in or with the United States, as may be amended and whether in effect as of the Effective Date or at any time during the Term, (b) are identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specialty Designated National and Blocked Persons list, or (c) receive any funding from any country that is subject to an embargo by the United States, any foreign government or government official, political party; or

(xvi) If you intentionally made any false representations and warranties under *Section 17.1.*

b. Cross-default: A default by you under this Agreement will be deemed a default of all agreements between: (i) you and your principals in his or her individual capacity or any other entity in which your principals are owners, members, managers, shareholders or partners (individually and collectively, "Franchisee Entity"); and (ii) us or any of our affiliates or predecessors (individually and collectively, "Franchisor Entity"). A Franchisee Entity's default of any other agreement, legal instrument or other document between the Franchisee Entity and a Franchisor Entity will be deemed a default under this Agreement. A default by any guarantor of your obligations under this Agreement or any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be deemed a default of this Agreement.

c. Termination: If you fail to cure any default to our satisfaction, within the applicable period following notice from us, if applicable, or otherwise breach this Agreement, we may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. This termination will be effective immediately upon the giving of notice pursuant to *Article 15*.

d. Cross-termination: If this Agreement is terminated as a result of your default of this Agreement or any other agreement related to the Franchised Business, we may, at our option, elect to terminate any or all other agreements, legal instruments or documents between a Franchisee Entity and a Franchisor Entity. If any agreement, legal instrument or document

between a Franchisee Entity and a Franchisor Entity is terminated as a result of a default by the Franchisee Entity, we may, at our sole discretion, elect to terminate this Agreement. It is agreed that an incurable or uncured default under this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be grounds for termination of this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity, without additional notice or opportunity to cure.

14.2 Opportunity to Cure.

a. Fourteen-Day Cure Period - Except as otherwise provided in this *Section 14.2*, you will have the right to cure your default under this Agreement within fourteen (14) days after notice of default is given by us pursuant to *Article 15*. Notwithstanding the foregoing, the following lesser periods will apply under the circumstances described:

b. Seven-Day Cure Period - A seven (7) day cure period will apply if you fail, refuse, or neglect to pay when due, any monies owing to us (including the Royalty Fee and Advertising Fee), or otherwise to any Advertising Fund (inclusive of any Association), or if you fail to maintain the insurance coverage set forth in this Agreement;

c. 48-Hour Cure Period – A forty-eight (48) hour cure period will apply (1) if you are in default of *Section 3.4* or (2) if you fail to participate in any limited time product offering, value offering, contest, promotion or charity event. You must initiate your participation in such offering, contest, promotion or event within forty-eight (48) hours and fully participate in such offering, contest, promotion or event as soon as reasonably possible, in our sole discretion, thereafter;

d. 24-Hour Cure Period - A twenty-four (24) hour cure period will apply to your violation of any law, regulation, order or our standards relating to health, sanitation or safety; or, except as provided in *Section 5.2*, if you cease to operate the Franchised Business for a period of forty-eight (48) hours without our prior written consent. In addition, a twenty-four (24) hour cure period will apply if you post on any Site or direct others to any site or page, post, blog or other social media site where there are posted any defamatory or offensive comments about: other franchisees; the *Cold Stone Creamery* brand; other brands franchised by us or one of our affiliates; your or other franchisees' customers; any of our, your or franchisees' vendors; us or any of our affiliates; or any of our, your or franchisees' competitors;

e. Immediate Cure Period (less than 24 hours) – An immediate cure period (less than twenty-four (24) hours) will apply if you post any content to a Site in which the content includes any inappropriate public displays of affection, our or others' confidential information or materials, violations of health or safety standards, foul or obscene language, or any images of or information about any persons from whom you did not obtain prior written consent;

f. No Cure Period - No cure period will be available: (1) if you are in default of *Sections 3.1, 7.2, 9.4, 14.1a.(i), 14.1a.(iii), 14.1a.(vi), 14.1a.(vii), 14.1a.(viii)*, *14.1a.(xiv)*, *14.1a.(xv),* or *14.6*; (2) if you intentionally underreport weekly Gross Sales, falsify financial data, fail to promptly provide upon our request financial data and records specified in this Agreement, or otherwise commit an act of fraud with respect to your rights or obligations under this Agreement; (3) if you repeatedly fail to comply with the provisions of this Agreement, whether or not subsequently cured; (4) if you, having twice previously cured a default of this Agreement, commit the default again; (5) if you made any false representations and warranties under

Sections 17.1f., 17.1g., 17.1m. or *17.1n.*; or (6) if you engage in trademark misuse or otherwise materially misuse or make an unauthorized use of any of the components of the System or commit any other act which does, or can reasonably be expected to, materially impair the goodwill or reputation associated with any aspect of the System;

g. Statutory Cure Period - If a statute in the state or municipality in which the Franchised Business is located requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than any cure period specified in this *Article 14*, the statutory cure period will apply.

14.3 Our Right to Take Over Management.

We have the right (but not the obligation), under the circumstances described below, to enter the Franchised Business and assume the Franchised Business' management for any period of time we feel is appropriate. If we assume the Franchised Business' management, you must pay us, in addition to the Royalty Fee and Advertising Fee, six percent (6%) of the Gross Sales, plus our direct out-of-pocket cost and expenses, for the period of time we assume the Franchised Business' management. If we assume the Franchised Business' management, you acknowledge that our duty is limited to using our reasonable efforts, and we will not be liable to you or your owners for any debts, losses or obligations the Franchised Business incurs, or to any of your creditors for any supplies or services the Franchised Business purchases. We may assume the Franchised Business' management if you abandon the Franchised Business or if you fail to comply with any provision of this Agreement and did not cure the failure within the time period we specify in our notice to you. You agree to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to us upon our request if we assume the Franchised Business' management so that we may keep the existing telephone, facsimile, alarm, and credit card machine numbers (as applicable) in operation under our phone service provider. You also agree to keep the phone, water, gas, electric service (as applicable) turned on and active for one (1) week after we assume the Franchised Business's management to allow us to switch the services over to us or our affiliate. Our exercise of our management rights under this *Section 14.3* will not affect our right to terminate this Agreement.

14.4 Remedies.

a. Interest, Costs and Damages - If you fail to remit when due any payments required under this Agreement, you agree to pay, in addition to the unpaid amounts, all of our collection costs and expenses, expert fees, reasonable attorneys' fees, and costs and expenses, including all fees, costs and expenses of court, including all appeals, with interest on the unpaid amounts at the Default Rate or the highest permissible rate. If you fail to cure a default, following notice, within the applicable time period set forth in *Section 14.2*, or if this Agreement is terminated as a result of your default, you shall pay to us all damages of any kind and nature whatsoever and all collection costs and expenses, expert fees, reasonable attorneys' fees, and costs and expenses, including all fees, costs and expenses of court, including all appeals, together with interest at the Default Rate or the highest permissible rate. If you fail to report Gross Sales in accordance with *Sections 5.2* and *5.6*, we may estimate your Royalty Fee and Advertising Fee based on prior reports, and may sue for and obtain judgment for such estimates unless you prove, prior to the entry of any default order or judgment, that your Royalty Fee and Advertising Fee are different than the estimates.

b. Waiver of Punitive Damages - Both we and you waive, to the full extent permitted by law, any right they otherwise may have had to claim, pursue, demand or receive any exemplary or punitive damages arising out of or related in any way to this Agreement and its addenda, amendments, appendices, exhibits and attachments.

c. If you breach any of the terms of this Agreement, including if you are in default of this Agreement, we may enforce our rights by injunction, specific performance, or any other remedy available under this Agreement, at law or in equity, including termination. These remedies are cumulative and not exclusive and we may use all remedies available. In addition, we may elect to terminate this Agreement and all your rights under it as set forth in *Section 14.5*.

d. If you breach any of the terms of this Agreement, including if you are in default of this Agreement, we have the right to have a receiver appointed to take possession, manage and control the assets of the Franchised Business, collect the profits, and pay the net income for the operation of the Franchised Business as ordered by a court of competent jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists.

14.5 Effect of Termination or Expiration.

Upon termination or expiration of this Agreement, we can advise all suppliers of *Cold Stone Creamery* proprietary food items and other supplies bearing any of the Proprietary Marks or service marks to cease delivering the items and products to you.

Upon your abandonment of the Franchised Business (whether voluntary or involuntary), any termination of this Agreement (whether pursuant to *Sections 14.1, 14.2, 14.4*, or otherwise), or upon expiration of the Term, you must immediately cease to hold yourself out to the public as a franchise owner of the System, and you must comply with the following:

a. Immediately pay to us or any affiliate of ours all sums owing from you to us or such affiliate, including the Royalty Fee and Advertising Fee, for any period prior to the date of termination, the applicable Early Termination Damages (as defined in Section 14.9 below), and all amounts owed for services, supplies or other items purchased by you from us or any affiliate of ours, or that were financed by us or any affiliate of ours, or which we or any affiliate of ours loaned to you, together with any interest or late fees accrued thereon, together with all other sums due us under this Agreement, and all damages of any kind or nature whatsoever that may be allowed by law;

b. Immediately cease to use, in any manner whatsoever, including in all advertising, the Proprietary Marks, any Trade Secrets, any Confidential Information, any benefits of the System or any part thereof, any methods associated with the System, any forms, recipes, Confidential Manual, slogans, signs, sign posts, marks, symbols, or devices used in connection with the operation of the Franchised Business; and you must deliver or destroy all of the above-mentioned materials, including any materials containing or referencing any of the foregoing, to us as directed by us. If we do not recover any such items, such items shall be valued at their then-current replacement cost, for purposes of determining the damages owing by you to us for failure to return such items, if we pursue a damage claim as a result thereof;

c. Immediately discontinue all advertising as a franchisee of the System, and thereafter refrain from any advertising that would indicate that you are or ever were a franchisee or licensee of ours, or otherwise were affiliated with us or the System;

d. Immediately take such steps as may be necessary or appropriate to:

(i) delete your listing in all telephone directories, if applicable, and terminate any other listings that indicate that you are or were a franchisee or licensee of ours, or otherwise were affiliated with us or the System; and

(ii) transfer to our designee or us all telephone numbers used by you in connection with the Franchised Business. You acknowledge that between you and us, we have the sole right and interest in all telephone numbers and directory listings associated with any Proprietary Marks, and you authorize us and appoint us and any officer or agent of ours, as your attorney-in-fact, to direct the telephone company and all listings agencies to accept such direction, or this Agreement, as conclusive evidence of our exclusive rights in such telephone numbers and directory listings and our authority to direct their transfer;

e. Immediately take such action as may be required to cancel all fictitious or assumed names, amend any entity name, or dissolve any entity that contains any Proprietary Mark, in whole or in part, regardless of whether the entity name was authorized by us, and amend or cancel any and all equivalent registrations relating to your use of any Proprietary Mark. You acknowledge that between you and us, we have the sole right and interest in all such fictitious or assumed names, entity name, and equivalent registrations, and you authorize us and appoint us and any officer or agent of ours as your attorney-in-fact, to effect the termination or cancellation of such fictitious or assumed names or equivalent registrations should you fail or refuse to do so, and the appropriate federal, state, and local agencies may accept your direction or this Agreement as conclusive evidence of our exclusive rights in such fictitious or assumed names or equivalent registrations, and our authority to direct their termination or cancellation;

f. Comply with the confidentiality requirements and the covenant against competition in this Agreement for the specified period. You acknowledge that you, or (if an entity) your authorized representative, has carefully reviewed the confidentiality requirements and the covenant against competition in this Agreement; and that you have agreed to be bound by all the requirements and covenants; and

g. Maintain at a place made known to us all books, records and reports required under this Agreement for a period of not less than three (3) years after the date of termination or expiration of this Agreement, to allow us to make a final inspection of your books and records for the purpose of verifying that all amounts owing have been paid.

If you fail to do any of the foregoing, we may pursue any remedy available at law or in equity against: (i) you; (ii) any or all guarantors of your obligations under this Agreement; and (iii) you and any or all guarantors of your obligations under this Agreement.

h. Right of First Refusal. We have the right, but not the obligation, to purchase from you any assets or property (but not leasehold improvements) used in the operation of the Franchised Business for an amount equal to the Value (as defined below), as of the expiration date or termination date, as applicable ("RoFR"). If we are required, by law, regulation or court

order, to purchase the equipment and other tangible assets used in connection with the Franchised Business, the purchase price will be equal to the Value. For purposes of this Agreement, the term "Value" means, subject to applicable law, an amount equal to your cost for such assets, less depreciation and amortization using a two hundred percent (200%) declining balance method over a five (5) year period. If all, or any portion of, your assets that are being purchased by us or our authorized representative are subject to lien(s), we or our authorized representative may pay, on your behalf, the lienholder(s) that portion of the purchase price for your assets (which may be the entire purchase price) that is necessary to obtain the release of those assets from the lien(s), in lieu of paying you those funds. Further, we may offset any amounts payable to you pursuant to this *Section 14.5.h*, or otherwise pursuant to this Agreement, against any unpaid amounts payable to us or our affiliates pursuant to this Agreement or any agreement executed in connection with this Agreement.

14.6 Covenant Not to Compete; Conflicting Interests.

a. During the Term and for a period of two (2) years after your abandonment of the Franchised Business, expiration of this Agreement, or termination of this Agreement (whether voluntary or involuntary), you shall not engage in any Competing Business (as defined in *Section 14.6c.*) with any *Cold Stone Creamery* restaurant, nor shall you have any Conflicting Interest (as defined in *Section 14.6d.*) in a Competing Business. The provisions of this Agreement bind you in any capacity, including as a franchisee, sole proprietor, partner, limited partner, member, employer, franchisor, shareholder, officer, director or employee.

b. During the Term, and for a period of two (2) years after your abandonment of the Franchised Business, expiration of this Agreement, or termination of this Agreement (whether voluntary or involuntary), you shall not divert or attempt to divert any business, customers, or potential customers of the *Cold Stone Creamery* System to any Competing Business, by direct or indirect inducement or otherwise. In addition, you shall not at any time do or perform any act, directly or indirectly, which harms the goodwill or reputation of us or the System.

c. For purposes of this *Section 14.6*, "Competing Business" means a business which is primarily engaged in the sale of ice cream, along with cakes, cupcakes, pies, smoothies and other dessert products prepared or served with ice cream or as an ingredient, and all variations thereof, within a geographical area consisting of: (1) during the Term, anywhere else; and (2) after abandonment, expiration or termination of this Agreement, within a ten (10) mile radius from the Location or location of any *Cold Stone Creamery* restaurant of ours, our third-party licensees or our third-party franchisees. The term "*Cold Stone Creamery* restaurant" includes not only the restaurants now in existence, but also those established at a later date. The term of this covenant will be extended by any time consumed in litigation to enforce it in both trial and appellate courts. If a court of competent jurisdiction determines that the restrictions in this paragraph are excessive in time, geographic scope, or otherwise, the court may reduce the restriction to the level that provides the maximum restriction allowed by law.

d. For purposes of this *Section 14.6*, "Conflicting Interest" means an interest by which you, or your executive officers, directors and shareholders (if you are a corporation), or your partners (if you are a partnership), or your members (if you are a limited liability company), or your designated manager, spouses, and/or guarantor(s) directly or indirectly, have a controlling interest in, lend money to, consult with or otherwise assist any Competing Business. If any of the persons named above do not sign this Agreement under the heading "Personal

Acceptance of *Sections 7.1, 7.2, 14.6 and 14.8,*" then you agree to obtain the execution by such person of a written agreement setting forth the foregoing in a form acceptable to us.

14.7 Continuing Obligations.

All your obligations that expressly survive the expiration or termination of this Agreement, including *Sections 14.5* and *14.6*, or by the implicit nature thereof require performance after the expiration or termination of this Agreement, will continue in full force and effect (subsequent to, and notwithstanding, your abandonment of the Franchised Business (whether voluntary or involuntary) the expiration of the Term, or termination of this Agreement), until they are satisfied in full or by their nature expire. The indemnities and obligations set forth in *Article 8* will continue in full force and effect subsequent to, and notwithstanding, the expiration or termination of this Agreement.

14.8 Remedies.

You acknowledge and agree that the restrictions contained in this Agreement, including in this *Article 14*, are fair and reasonable and necessary for the protection of our legitimate business interests and you intend and agree that such restrictions be enforceable and enforced to their fullest extent. You further understand and agree that, notwithstanding any other provision of this Agreement, your breach of your obligations under this *Article 14*, will cause us irreparable harm for which recovery of monetary damages alone would not be an adequate remedy. Both parties shall be entitled to obtain timely injunctive relief, including a temporary restraining order, preliminary and permanent injunctions, to protect their rights under this Agreement, in addition to and not exclusive of any and all other remedies available to each party.

14.9 Early Termination Damages.

If you discontinue operating your Franchised Business before this Agreement expires, with or without obtaining our prior written consent, or in the event of a termination of this Agreement arising from or related to your default and breach of its provisions, you will become obligated to pay Franchisor early termination damages ("Early Termination Damages"). The Early Termination Damages shall be considered damages and not a penalty, are not in lieu of other damages, and your payment of these damages shall not constitute a release of any other obligation owed to us. Franchisor, Franchisee, each individual signing on behalf of Franchisee, and each guarantor guaranteeing Franchisee's obligations hereunder, hereby acknowledge and agree that Franchisor's losses due to Franchisee's unilateral closure of the Franchised Business or termination of this Agreement would be highly difficult or impossible to calculate with reasonable certainty and, therefore, have agreed at the outset of this Agreement that the Early Termination Damages, and the formula for calculating these damages, constitutes a reasonable, good faith forecast of Franchisor's estimated losses and damages due to the premature closure of the Franchised Business or termination of this Agreement.

The amount of the Early Termination Damages is calculated as follows:

a. Compute the average monthly Royalty Fee and Advertising Fee due for any consecutive twelve (12) month period within the forty-eight (48) months immediately preceding the date we receive notification of the closure, or if you failed to timely notify us of the closure then the date the Franchise Business closed, or, if the Franchised Business has been open for

less than twelve (12) months, the average monthly Royalty Fee and Advertising Fee due since the opening of the Franchised Business ("Monthly Average");

b. Multiply the Monthly Average by the number of months remaining in the Term; and

c. Divide the resulting total computed in b. above by two (2).

For example purposes only: If the average monthly Royalty Fee and Advertising Fee were collectively $1,000 and there were five years (60 months) remaining in the Term, the Early Termination Damages would be $30,000, calculated as follows: $1,000 x 60 months = $60,000 ÷ 2 = $30,000.

If you unilaterally close the Franchised Business and/or unilaterally terminate this Agreement prior to the end of the Term, you must give us ninety (90) days prior notice of the early termination ("Early Termination Notice") ~~.~~ pursuant to the applicable notice requirements as set forth in Article 15 of this Agreement. For avoidance of doubt, sending the Early Termination Notice via facsimile, email or through other electronic means does not constitute proper notice). Within ten (10) days after our receipt of your Early Termination Notice, we will calculate the Early Termination Damages, which will be due and payable thirty (30) days prior to the closure of your Franchised Business. In the event of a closure or termination arising from or related to your default under this Agreement, or that you do not: (i) timely or properly provide us with the Early Termination Notice at least ninety (90) days prior to the early termination of your Franchised Business and this Agreement; (ii) remain open for at least ninety (90) days after providing us with the Early Termination Notice; and (iii) pay the Early Termination Damages in full at least thirty (30) days prior to closing of the Franchised Business, the Early Termination Damages due may, in our sole discretion, be increased as follows: it will be calculated by multiplying the Monthly Average by the number of months remaining in the Term, and will not be divided by two (2).

If you have not paid your Royalty Fee and Advertising Fee for any period(s) within the forty-eight (48) months prior to notifying us of your early closure or termination, or if you have not reported your Gross Sales for any period(s) within the forty-eight (48) months prior to notifying us of your intended early termination, we will estimate the Royalty Fee and Advertising Fee based upon prior reports to calculate the Monthly Average.

ARTICLE 15. NOTICES

Unless otherwise provided in this *Article 15*, all notices specified by this Agreement or required by law must be in writing and given by personal delivery, sent by carrier (i.e., FedEx®, UPS®, etc.), U.S. certified mail, return receipt requested. All notices to us must be given at the address set forth on page 1 of this Agreement or to such other address as we may designate in writing from time to time in accordance with this *Article 15*. All notices to you may be given at the address set forth on page 1 of this Agreement, at the address of the Franchised Business, at any of your franchised restaurants, at your residence (if an individual), or at the residence of your principal shareholder(s), partner(s), or member(s) (if a business entity). Notices will be conclusively deemed to be given, delivered, and effective when sent pre-paid and actually left in the custody of an adult agent, employee or resident at a place of business or residence if given by personal delivery; or if given by carrier, twenty-four (24) hours after deposited with carrier, or if by U.S. certified mail, three (3) days after deposited with the U.S. Postal Service. You have an obligation

to promptly notify us pursuant to this *Article 15* whenever your mailing address, phone number or email address change. Notwithstanding the foregoing, ~~we~~ only Franchisor ~~may~~ has the right to give you written notice via email to an email address you provide us regarding all notices specified by this Agreement or required by law, with such email notification to be deemed received by you twenty-four (24) hours after we send it, unless you otherwise earlier acknowledge receipt.

ARTICLE 16. CONSTRUCTION AND ENFORCEMENT; MISCELLANEOUS

16.1 Independent Contractors.

The relationship between you and us is that of independent contractors. You are in no way to be deemed our partner, joint venturer, agent, employee, or servant. You have no authority to bind us to any contractual obligation or incur any liability for or on our behalf. You shall identify yourself as an independent owner of the Franchised Business in all dealings with customers, lessors, contractors, suppliers, public officials, employees, and others.

16.2 Severability and Substitution of Provisions.

Except as provided to the contrary in this Agreement, each article, section, term and provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, or as a result of a final, non-appealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that regulation or ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may otherwise remain valid, and such other portions will continue to be given full force and effect and bind the parties to this Agreement. If the severed provision is material to this Agreement, we shall promptly provide a substitute provision to replace the invalid severed provision consistent with then-current law and the original intent of the parties.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of, or refusal to renew or grant a successor term to, this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable law, regulation, or court ruling of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice or other action required by such law, regulation, or court ruling will be substituted for the comparable provisions of this Agreement, and we will have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction, unless we elect to give them greater applicability, and otherwise shall be enforced as originally made and entered into in all other jurisdictions.

16.3 Dispute Resolution.

a. Except as otherwise provided herein, a*ny* dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto or the relationship between the parties, or the entry, making, interpretation, or performance of either party under this Agreement ("Dispute"), which cannot be resolved by mediation under *Section 16.3d.* or is not subject to mediation under the terms of this Agreement,

shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules as modified below.

b. Any arbitration shall take place before a sole arbitrator in Maricopa County, Arizona or, if our headquarters are no longer located in Maricopa County, Arizona, then the arbitration shall take place in the county in which our headquarters are located at the time the arbitration is commenced. You agree that conducting the arbitration where we are located is appropriate due to the multiple locations throughout the United States where our franchisees are located. The parties agree that the arbitrator shall be an attorney licensed to practice law in the United States and must have a minimum of five (5) years of experience in franchise law. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs and expenses of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any other dispute, arbitration proceeding or litigation, except to the extent such issue may have been specifically determined in another proceeding between the parties. This agreement to arbitrate shall survive any termination or expiration of this Agreement, however effected. The parties agree that any arbitration shall be solely between them (including any affiliates) and shall not include as a party, by consolidation, joinder, or in any other manner, any other person or entity, unless both parties consent in writing. Both parties shall have the absolute right to refuse such consent. Further, the parties expressly waive any right to bring or participate in any class or other consolidated, joined or multi-party arbitration claim or proceeding, whether or not permissible under the AAA Commercial Arbitration Rules, including any claim brought on their behalf by an association of which it, he or she is a member. At the request of any party, the arbitration shall be conducted in a manner that maintains the confidentiality of the proceedings.

c. The arbitrator will issue a reasoned award, with findings of fact and conclusions of law. Actions to enforce an express obligation to pay monies may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. The Federal Arbitration Act shall govern, excluding all state arbitration laws. Arizona law will govern all other issues. With respect to discovery, the arbitrator shall require each party to make a good cause showing before any discovery exceeding that specifically authorized by the AAA Commercial Arbitration Rules will be granted.

d. Prior to the commencement of an arbitration proceeding, the parties must first submit any Dispute to non-binding mediation. At the request of any party, the mediation will be confidential. The mediation shall be conducted in Maricopa County, Arizona or in the county in which our headquarters are located at the time of mediation, unless the parties shall mutually agree to a different location. The parties to the mediation will share equally in its costs and expenses, except those costs and expenses incurred separately by each party, including counsel fees and expenses. The mediation process will be deemed "Completed" when the parties agree that it has been completed, the mediator declares that any impasse exists, or sixty (60) days have elapsed since the date of the initiating party's notice to the other party that it is initiating the mediation process, whichever occurs first.

e. Notwithstanding anything contained in this Agreement to the contrary, the provisions of Sections 16.3a., 16.3b., 16.3c. and 16.3d. do not apply to a Dispute where: (i) we bring an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to our goodwill, the Confidential

Information, the Proprietary Marks or for fraudulent conduct by you; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, we may bring an action in any federal or state court having jurisdiction, whether for monetary damages, temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to us. You hereby consent to and waive any objection or defense and agree not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

f. Disputes concerning the validity or scope of arbitration, including whether the Dispute is subject to arbitration, are beyond the authority of the arbitrator and will be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq., as amended from time to time.

g. Either party may appeal the final award of the arbitrator, if it is over One Hundred Thousand Dollars ($100,000), to the appropriate U.S. District Court. The Court's review of the arbitrator's findings of fact will be under the clearly erroneous standard, and the Court's review of all legal rulings will be *de novo*. If it should be determined that this provision for federal court review is not enforceable, then either party may appeal the arbitrator's final award, if it is over One Hundred Thousand Dollars ($100,000), to a panel of three (3) arbitrators chosen under AAA Optional Appellate Arbitration Rules , which will employ the same standards of review stated immediately above.

16.4 Applicable Law and Forum; Waiver of Jury; Statute of Limitations.

a. Except to the extent that the United States Trademark Act of 1946, as amended (15 U.S.C., § 1051 et seq.) or the franchising laws of any state that may be applicable, the laws of the State of Arizona govern all rights and obligations of the parties under this Agreement without regard to conflict of law. The parties agree, subject to the mandatory mediation and arbitration provisions of *Section 16.3*, that any appropriate state or federal court located in Maricopa County, Arizona has exclusive jurisdiction over any Dispute arising under or in connection with this Agreement and is the proper forum in which to adjudicate the case or controversy. Notwithstanding the foregoing any action initiated by us may, at our election, be brought in any jurisdiction where you are domiciled or that has jurisdiction over you. The parties hereto irrevocably submit to the jurisdiction of, and venue in, any such court, and hereby waive any objection or defense thereto. THE PARTIES AGREE THAT ALL DISPUTES SUBMITTED TO THE COURT PURSUANT TO THIS SECTION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

b. Notwithstanding anything contained in this Agreement to the contrary, the parties agree that any claims under, arising out of, or related to, this Agreement must be brought within two (2) years of the date on which the underlying cause of action accrued, and the parties hereby waive any right to bring any such action after such two (2)-year period, except for the collection of any unpaid Royalty Fee, Advertising Fee, and any other amount due to us or our affiliate.

c. **YOU HEREBY WAIVE THE RIGHT TO SEEK OR COLLECT PUNITIVE, MULTIPLE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING ARBITRATION. YOU HEREBY FURTHER WAIVE THE RIGHT, IF ANY, OF ANY**

ASSOCIATION OR MEMBERSHIP GROUP TO ASSERT CLAIMS ON YOUR BEHALF IN ANY ACTION.

d. **YOU HEREBY WAIVE THE RIGHT TO ANY DAMAGES IN CONNECTION WITH OR RESULTING FROM THE WRONGFUL ISSUANCE OF AN INJUNCTION.**

e. The parties agree that the maximum damages that you may recover in connection with a wrongful termination of your franchise and this Agreement will be an amount equal to the product of:

(i) the annual net profit (as defined below) multiplied by

(ii) the lesser of:

(a) The number of full years existing between the date on which the franchise and this agreement were wrongfully terminated and the date on which the Term would have otherwise expired; or

(b) Three.

For purposes of this Agreement, the term "net profit" means an amount equal to the net profits of your Franchised Business, as reflected on your tax return filed with the Internal Revenue Service prior to such termination; provided, however, that if such tax return reflects the operations of your Franchised Business for a period less than one (1) year, such net profits will be annualized based upon the net profits reflected in such tax return.

16.5 No Guarantee of Franchisee's Success.

You have been informed of and acknowledge the highly competitive nature of the business involved, and agree that the successful operation of your Franchised Business will depend in part, upon your best efforts, capabilities, management, and efficient operation; as well as the general economic trend and other market conditions.

16.6 Existence of Various Forms of Franchise Agreements.

You acknowledge that our present and future franchisees operate under a number of forms of franchise agreements and consequently, our obligations and rights with respect to our various franchisees may differ materially in certain instances. The existence of different forms or versions of the franchise agreement does not entitle you to benefit from any such difference; nor does it operate to alter or amend the agreement of the parties set forth in this Agreement.

16.7 Franchise Owner May Not Withhold Payments.

You agree that you will not, on grounds of alleged or actual nonperformance or breach by us of any of our obligations under this Agreement, withhold payment of any Royalty Fee, Advertising Fee, amounts due to us or any of our affiliates for goods or services purchased by you, or any other amounts due to us or any of our affiliates.

16.8 Remedies Are Cumulative.

The rights and remedies of the parties to this Agreement are cumulative and not exclusive, and no exercise or enforcement by either party of any right or remedy under this Agreement shall preclude the exercise or enforcement by such party of any other right or remedy under this Agreement or otherwise available at law or in equity to such party.

16.9 Interpretation.

All the terms and provisions of this Agreement will be binding upon and inure to the benefit of the successors and assigns of the parties. However, nothing in this *Section 16.9* may be construed as our consent to the Transfer of this Agreement or any rights by you.

16.10 Waiver.

Our failure to insist upon the strict performance of any term, covenant or condition contained in this Agreement will not constitute or be construed as a waiver or relinquishment of our right to enforce thereafter any such term, covenant or condition and such term, covenant or condition will continue in full force and effect. For example, Franchisor's acceptance of any payments made, or Franchisor's failure to require any payments, by Franchisee after a breach of this Agreement shall not be, nor be construed as, a waiver by Franchisor of any breach by Franchisee of any term, covenant or condition of this Agreement or of Franchisor's right to later require such payments as a result of such prior breach.

16.11 Litigation Expense.

If an action at law or suit in equity is brought to establish, obtain or enforce any right by either of the parties to this Agreement, the prevailing party in the suit or action, in the trial and appellate courts, will be entitled to recover from the non-prevailing party reasonable attorneys' fees, costs and expenses and disbursements incurred in such suit or action.

16.12 No Third-Party Beneficiaries.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity shall be entitled to any rights hereunder by virtue of so-called "third-party beneficiary rights" or otherwise.

16.13 Binding Effect; Modification.

This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, personal representatives, heirs, permitted assigns and successors in interest. No amendment, change, or modification of this Agreement shall be binding on any party unless executed in writing by you and us.

16.14 Entire Agreement; Nature and Scope; Construction.

This Agreement, all exhibits, attachments, addendums, and amendments, constitute the entire understanding and agreement between the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. If required to be signed, any state specific addendums are incorporated herein by reference. Any representation not specifically contained in this Agreement made prior to

entering into this Agreement does not survive subsequent to the execution of this Agreement. We and you have entered into this Agreement for the sole purpose of authorizing you to use the System licensed by this Agreement in the operation of the Franchised Business during the Term in which those specific items designated by us for sale and use in such locations are offered for sale and use in individual, face-to-face transactions with patrons visiting the Franchised Business (and equivalent telephone or mail transactions accepted as a convenience to that customer group). All consideration being furnished by us to you during the course of performance of this Agreement has been determined based on the limited rights and other limitations expressed herein. No other rights have been bargained for or paid for. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth in this Agreement. The parties further acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

16.15 Terminology.

In addition to the terms defined elsewhere in this Agreement, the following terms defined below are incorporated in this Agreement by reference and shall be deemed to include all persons who succeed to the interest of the original, where applicable:

The term “affiliate” means any person who, directly or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with any person;

The term “Dollars” means United States Dollars and all amounts due under this Agreement shall be paid in United States currency;

The use of the terms “includes” and “including” in any provision of this Agreement followed by specific examples used shall not be construed to limit application of the provision to only the specific examples used;

The term “person” means any natural person, corporation, partnership, trust, other entity, association or form of organization;

The term “will” and “shall” shall be synonymous, and shall be mandatory and not discretionary, unless otherwise specifically provided herein; and

Any references to articles or sections refer to articles and sections in this Agreement unless specified otherwise.

16.16 Counterparts.

This Agreement may be executed in one (1) or more original counterparts, and all of which, when taken together, shall be deemed to be one (1) original Agreement. The signatures required for execution may be transmitted to the other party via facsimile or a scanned .pdf file sent via email and such signature shall be deemed a duplicate original, shall be effective upon receipt by the other party, may be admitted in evidence and shall fully bind the party and person making such signature. A fully-executed copy of this Agreement shall be of the same force and effect as the original.

16.17 Offerings.

If you are a corporation, partnership or other entity, and if you intend to offer securities, partnership interests or other ownership interests in you through any public or private offering, you shall not use any Proprietary Marks in such public or private offering, except to reflect your franchise relationship with us; nor shall you misrepresent your relationship with us by any statement or omission of an essential statement. You shall indemnify and hold us harmless from any liability in connection with such offering. Nothing in the foregoing shall modify the provisions of *Article 12*, and no such offering shall be made without first complying with any applicable provisions of *Article 12*.

16.18 Time.

Time is of the essence of each and every provision of this Agreement.

16.19 Force Majeure.

Neither of the parties will be liable for loss or damage or be deemed to be in breach of this Agreement if the failure to perform the party's obligations results from: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any government or any department or agency thereof, or (b) acts of God, in each case, being unforeseeable forces which Franchisee could not by the exercise of due diligence have avoided; provided however that Franchisee must: (i) immediately upon the start of the above-mentioned act, provide written notice to Franchisor that it expressly enacts its rights granted under this Section, and (ii) use all commercially reasonable efforts to mitigate the effect of the event of Force Majeure upon its performance and to fulfill its obligations under this Agreement. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that no such cause will excuse payments of amounts owed at the time of such occurrence or payment of the Royalty Fee and all other amounts due to us and our affiliates thereafter, or permit Franchisee to permanently close the Franchised Business.

16.20 Plurals and Captions.

Words in the singular number include the plural when the context requires (and vice-versa). The table of contents and the captions are inserted only for convenience and are not a part of this Agreement or a limitation of the scope of the particular article or section to which each refers.

16.21 Joint and Several Liability.

If you consist of two (2) or more individuals, whether in the form of separate individuals or a business entity controlled by the individuals, then each individual will be jointly and severally liable under the provisions of this Agreement.

16.22 Trademark Notice.

All trademarks referenced in this Agreement are those of their respective owners.

16.23 No Accord or Satisfaction.

If you pay, or we otherwise receive, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt may, in our sole discretion, be applied against the earliest amount due us. In addition, if interest or late fees are owed, we may, in our sole discretion, apply any amounts paid to the late fees and interest before such amounts are applied to the principal amount owed. We may accept any check or other payment in any amount without prejudice to our right to recover the entire balance of the amount due or to pursue any other right or remedy. No endorsement or statement by you on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

ARTICLE 17. ACKNOWLEDGMENTS AND REPRESENTATIONS OF FRANCHISEE

17.1 Certain Representations and Warranties of Franchisee.

You represent and warrant that the following statements are true and complete as of the Effective Date:

a. You do not seek to obtain the Franchised Business for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchised Business except as previously approved by Franchisor and subject and conditioned to Article 12 of this Agreement.

b. You understand and acknowledge the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Confidential Manual and the necessity of operating the Franchised Business under the System Standards. You represent that you have the capabilities, professionally, financially and otherwise, to comply with our System Standards.

c. If you are a corporation, limited liability company, partnership, or other form of entity, you are duly incorporated, organized, or formed and are qualified to do business in the state and any other applicable jurisdiction within which the Franchised Business is located, and you are and shall remain duly organized and in good standing during the Term.

d. You represent and warrant that: (i) if you are an individual, you are; or (ii) if you are an entity, that each of your owners, shareholders, partners, and members are, a United States citizen or a lawful resident alien of the United States.

e. All financial and other information that you have provided to us or otherwise made available to us in connection with your application for this franchise is true, complete,

accurate, and not intentionally misleading.

f. The execution of this Agreement by you will not constitute or violate any other agreement or commitment to which you are a party.

g. Any individual executing this Agreement on your behalf is duly authorized to do so and the Agreement shall constitute your valid and binding obligation and, if applicable, all of your partners, members, or shareholders, if you are a partnership, limited liability company, or corporation.

h. You have, or if you are a partnership, corporation or other entity, your partners or principals have, carefully read this Agreement and all other related documents to be executed by you concurrently or in conjunction with the execution hereof; that you have obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement; that you understand the nature of this Agreement and that you intend to comply with and be bound by this Agreement.

i. You have read and understand the information and disclosures made in the Disclosure Document provided to you as acknowledged in *Section 17.3e.* You understand and acknowledge that: (i) estimates for initial start-up expenses are estimates only and there can be additional start-up expenses; and (ii) your sales may differ substantially from any sales provided in Item 19 of the Disclosure Document, and there is no assurance that your sales will meet or exceed any sales listed in Item 19 of the Disclosure Document. You have had the opportunity to and have consulted or elected not to consult with your attorney, accountant and business advisors before entering into this Agreement.

j. You understand and agree that, while not applicable in every case, our past experience indicates that owner-operated restaurants generally perform better than absentee owners with hired managers. The food business is a personal business and is dependent upon your business skill and judgment. This includes your choice of employees. Your skill in hiring the right people to work in your Franchised Business is very important in determining whether people decide to purchase menu items from your Franchised Business or from another restaurant in the same vicinity.

k. You understand and agree that ownership of a franchise and the Franchised Business carries certain risks. These risks include the loss of your initial investment, other continued financial losses such as rent payments due under lease obligations and other contractual obligations, the loss of your time and energy in starting up and running your Franchised Business, and loss of earnings and investment income from your investment in the Franchised Business. You understand and agree that the Franchised Business may make money and may lose money and are entering this business venture with this express understanding. You are not relying upon anything which is not contained within this Agreement or the Disclosure Document in determining and deciding to become a franchisee.

l. Notwithstanding the foregoing, you understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, social trends and other market place variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including altering the products, programs, services,

methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition or other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer, modifying or substituting entirely the equipment, signage, trade dress, décor, color schemes and uniform System Standards and specifications and all other unit constructions, design, appearance and operation attributes which you are required to observe under this Agreement; and, abandoning, changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations. You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed. Except as provided herein, we shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby.

m. You represent that neither you nor any of your affiliates, officers, directors, managers, members, or partners (as applicable) or funding sources are subject to U.S. Executive Order 13224, identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specially Designated National and Blocked Persons list, or any terrorist list or other blocked persons list. In addition, you represent that you have not received funding from, nor are you owned, controlled, or acting on behalf of the government of any country that is subject to an embargo by the United States, any foreign government official, political party or international organization, and that no foreign government or government official, political party or international organization has any financial interest in the Franchised Business or any monies earned by the Franchised Business.

n. You represent, warrant and agree that you, your officers, directors, managers, members, or partners (as applicable) will each at all times conduct themselves in an ethical manner and avoid any activity that might result in a violation of the U.S. Foreign Corrupt Practices Act, Anti-Terrorism Laws, or any other applicable anti-corruption or bribery laws.

17.2 Additional Information Respecting Franchisee.

a. You have delivered to us or will deliver concurrent herewith, complete and accurate copies of all of your organizational documents, including all partnership agreements, certificates of partnership, articles of organization, operating agreements, articles or certificates of incorporation, by-laws and shareholder agreements, including all amendments, side letters and other items modifying such documents.

b. Reserved.

17.3 Acknowledgements of Franchisee.

a. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that this business venture involves substantial business risks and will largely depend upon your ability. Other than the financial performance representation contained in Item 19 of the Disclosure Document, if any, we expressly disclaim making, and you acknowledge that you have not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the Franchised Business contemplated by this Agreement.

Franchisee Initials _____/_____

b. You hereby certify that none of our employees, no other person speaking on our behalf, and no Area Representative, if applicable, have: (i) made any oral, written, visual, or other representation, agreement, commitment, claim, or statement that stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise other than any financial performance representation contained in Item 19 of the Disclosure Document; or (ii) made any oral, written, visual, or other representation, agreement, commitment, claim, or statement from which any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise might be ascertained, related to a *Cold Stone Creamery* franchise, that is different from, contrary to, or not contained in the *Cold Stone Creamery* Disclosure Document; or (iii) made any representation, agreement, commitment, claim or statement to you that is different from, contrary to, or not contained in, the *Cold Stone Creamery* Disclosure Document. You acknowledge and agree that we do not make or endorse, nor do we allow any of our employees or other persons speaking on our behalf to make or endorse, any additional oral, written, visual, or other representation, agreement, commitment, claim, or statement that states or suggests any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise with respect to a *Cold Stone Creamery* franchise other than any financial performance representation contained in Item 19 of the Disclosure Document.

Franchisee Initials _____/_____

c. You acknowledge that you have received, read and understand this Agreement and the related exhibits, attachments and agreements and that we have afforded you sufficient time and opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

Franchisee Initials _____/_____

d. You understand that this Agreement, including any amendments and exhibits, contains the entire agreement between the parties concerning the Franchised Business, and that any prior oral or written statements that are not set out in this Agreement, including any amendments, exhibits and attachments will not be binding. You acknowledge and agree that we do not permit any representations, agreements, commitments, claims, or statements or approve any changes in this Agreement or any of the amendments, exhibits and attachments to this Agreement, except by means of a written amendment or addendum signed by all parties to this Agreement. You acknowledge that nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document.

Franchisee Initials _____/_____

e. You acknowledge receipt of our Disclosure Document fourteen (14) days prior to the execution of this Agreement or your payment of any monies to us or our agent (or sooner if required by applicable state law).

Franchisee Initials _____/_____

f. You acknowledge that, other than what was previously disclosed to you in our Disclosure Document to which you acknowledge receipt thereof, you have not: (1) received any

financial statements for us or any of our parent or affiliated companies; or (2) relied on the financial condition of us or of any of our parent or affiliated companies when making the decision to purchase the Franchised Business.

Franchisee Initials _____/_____

g. You acknowledge, as detailed in *Section 2.3*, that you must, at your own cost and expense, use only our designated and approved Design Architect for the design of your Franchised Business.

Franchisee Initials _____/_____

h. You acknowledge that the following is your Area Representative (if applicable):

_____
_____
_____

Franchisee Initials _____/_____

i. If an Area Representative is identified in *Section 17.3h.*, you make the following representations with respect to the Area Representative:

(i) You have met or spoken to only _____, the Area Representative;

(ii) Other than any financial performance representation contained in Item 19 of the Disclosure Document, at no time did the Area Representative make any promises or statements, or projections or forecasts, or estimates or warranties or representations or other statement or agreement concerning profits or expenses or costs or actual or projected sales of any kind directly or by implication about *Cold Stone Creamery* restaurants or about the Franchised Business that we desire to develop under this Agreement or about obtaining the confirmed Location or about any other matter other than what is contained in the *Cold Stone Creamery* Disclosure Document or *Cold Stone Creamery* restaurant brochure.

(iii) You acknowledge that you have not received any written materials from us or the Area Representative except for the *Cold Stone Creamery* brochure and Disclosure Document; and

If there are any exceptions to *Sections 17.3i.(i) – (iii)*, identify the item number and list the exception here:

_____
_____

Franchisee Initials _____/_____

j. You acknowledge there have been no other inducements made with any person or entity, including the Identified Area Representative, encouraging you to purchase the Franchised Business, such as a “side deal” or other promise or agreement not included in the Agreement.

Franchisee Initials _____/_____

k. You acknowledge and understand that *Article 6* covers the use of the *Cold Stone Creamery* trademark and prohibition on registration of our Proprietary Marks. You acknowledge the ownership of the Proprietary Marks by us, and you agree that during the Term and after its expiration or termination, you will not, directly or indirectly, apply to register, register or otherwise seek to use or control or in any way use "*Cold Stone Creamery*", or any other of our proprietary marks, or any confusingly similar form or variation, in any place or jurisdiction either within or outside the United States; nor will you assist any others to do so. You further agree that your corporate, partnership or other entity name will not include any of the Proprietary Marks or phrases similar thereto as a part thereof. Furthermore, you acknowledge and understand that you are prohibited from filing applications for the registration of our trade names used in connection with your Franchised Business.

Franchisee Initials _____/_____

l. You acknowledge and understand that in the event you have registered a trade name or entity name containing our trademarks, you will be required to immediately discontinue all further use of the trademark, all Proprietary Marks and any other marks or names confusingly similar thereto in your entity name. Furthermore, you will take such action as may be required to amend your entity name and affirmatively cancel or terminate and dissolve all fictitious or assumed names or other registrations that contain our Proprietary Marks. In the event you do not comply and execute any and all instruments and documents necessary to protect and maintain our interests in the Proprietary Marks, we will then have power of attorney to execute any documents necessary to protect and maintain our interests in the Proprietary Marks.

Franchisee Initials _____/_____

ARTICLE 18. SUBMISSION OF AGREEMENT

The submission of this Agreement to you does not constitute an offer and this Agreement shall become effective only upon the execution thereof by the parties. THIS AGREEMENT SHALL NOT BE BINDING ON US UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY FRANCHISOR.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, has duly executed and delivered this Agreement as of the Effective Date.

FRANCHISEE: _____, a(n) _____

By:_____
[Name, Title]

By:_____
[Name, Title]

FRANCHISOR: KAHALA FRANCHISING, L.L.C., an Arizona limited liability company

By:_____
[Name, Title]

PERSONAL ACCEPTANCE OF SECTIONS 7.1, 7.2, 14.6, AND 14.8

Each of the undersigned individually and personally accepts and agrees to be bound by the provisions of Sections 7.1, 7.2, 14.6, and 14.8 of the foregoing Franchise Agreement.

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

EXHIBIT E-3

TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement (Transfer)

COLD STONE CREAMERY

FRANCHISE AGREEMENT
(Transfer)

between

KAHALA FRANCHISING, L.L.C.

and

_____, a(n) _____

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COLD STONE CREAMERY
FRANCHISE AGREEMENT
("Agreement")

PARTIES:

KAHALA FRANCHISING, L.L.C., ("Franchisor")
an Arizona limited liability company
Attn: Legal Department
9311 E. Via De Ventura
Scottsdale, Arizona 85258

_____ ([individually and collectively,] "Franchisee")
a(n) _____
_____
_____
Telephone No.: _____

RESTAURANT NO.: _____

EFFECTIVE DATE: _____ ("Effective Date")

TRADITIONAL RESTAURANT (YES or NO): _____

RESTAURANT DESCRIPTION IF NON-TRADITIONAL: _____

A "traditional" restaurant is a restaurant that is easily accessible by the general public, such as a free-standing building, inline retail shop, shopping mall and street front location. A traditional *Cold Stone Creamery* restaurant normally offers a full menu. A "non-traditional" restaurant is a *Cold Stone Creamery* restaurant that is located in a non-traditional marketplace, as determined by us (in our sole discretion), such as an airport, amusement park, sports or entertainment venue, train station, travel plaza, toll roads, cafeteria, retail store, convenience store, military base, hospital, office building, movie theater, hotel, casino, kiosk, cart, or high school or college campus. A non-traditional restaurant may also be a *Cold Stone Creamery* restaurant that is co-branded into another brand restaurant, at Franchisor's sole discretion. A non-traditional *Cold Stone Creamery* restaurant normally offers a limited version of the full *Cold Stone Creamery* menu.

To simplify the language in this Agreement, the terms "we," "us," "our" and the like may be used to refer to the Franchisor, and the terms "you," "your" and the like may be used to refer to the Franchisee. The term "you" as used herein is applicable to one (1) or more persons, a corporation, partnership, trust, other entity, association or form of organization as the case may be, and the singular usage includes the plural, masculine, neuter, feminine, and possessive usages. Franchisor and Franchisee may individually be referred to as a "party" and collectively referred to as the "parties."

RECITALS:

This Agreement is entered into with reference to the following facts and circumstances:

A. We have, over a period of time and at considerable expense, developed and established a uniform and unique method of operation, customer service, advertising, publicity, processes, recipes, techniques and technical knowledge in connection with the restaurant business, specializing in super-premium ice cream, cakes, pies, smoothies, shakes, specialty beverages, other dessert with frozen confections, and other related beverage and food items. These restaurants do business under the trade name "*Cold Stone Creamery®*". These Cold Stone Creamery recipes, techniques, processes and methods constitute our "Trade Secrets." All of our knowledge, experience, Trade Secrets, processes, methods, specifications, techniques, Proprietary Marks (as defined in Recital B.), System Standards (as defined in *Section 1.4*) and information are referred to in this Agreement as the "System." The System may be changed, supplemented, improved and further developed by us from time to time.

B. We have owned and issued franchises to others for the operation of franchised restaurants in the United States and in other countries. We have registered and applied for proprietary marks with the United States Patent and Trademark Office and with offices in other countries serving similar functions. These proprietary interests, trademarks, service marks, logos, insignias, trade names and trade dress are referred to in this Agreement as the "Proprietary Marks."

C. We are engaged in the business of licensing the right to use the Proprietary Marks in connection with the operation and promotion of the System.

D. You understand and recognize that: (1) our Trade Secrets, Proprietary Marks, developments and other properties as recited above are of considerable value; and (2) it is of importance to us and all of our franchisees to maintain the development of the System in a uniform and distinctive manner, allowing you and our other franchisees to enjoy a public image and reputation greater than most single franchisees could establish.

E. You desire to make use of the "*Cold Stone Creamery®*" trademark and to enjoy the benefits of that mark, the other Proprietary Marks, and the System; and to establish a "*Cold Stone Creamery*" franchise to be operated in accordance with System Standards set forth from time to time by us. System Standards are set forth in, without limitation, the confidential "ops package," which consists of the "operations manual" ("Operations Manual"), "ops toolkit" and related printed and electronic documents, both now existing and hereinafter developed (individually and collectively, "Confidential Manual"). We are willing to grant you the right to do so under the terms, conditions and provisions set forth in this Agreement, which includes any and all appendices, addenda, amendments, attachments and exhibits.

F. You recognize the necessity and desirability of protecting our reputation, goodwill, Trade Secrets, and other confidential business information; and that disclosure of Trade Secrets and confidential business information, including specifics of the System to any third-party, will cause irreparable damage and harm to us.

AGREEMENT:

The parties agree as follows:

ARTICLE 1. GRANT OF FRANCHISE; TERM; SYSTEM STANDARDS

1.1 Franchise Grant.

We hereby grant to you a *Cold Stone Creamery* franchise that includes the right to use the System ("Franchised Business") as provided in this Agreement, at the following location:

Arena, Mall, Facility, or Center Name: _____
(if applicable)

Street Address: _____

City/State/Zip Code: _____ ("Location")

1.2 Location of the Franchised Business; No Exclusive Territory or Other Rights.

You must operate the Franchised Business only from the Location, including any catering services of *Cold Stone Creamery* menu items you provide. You acknowledge that the *Cold Stone Creamery* franchise granted under this Agreement is non-exclusive, that we are not granting you any territorial protection or any other exclusive rights, and that we, directly or through one (1) or more affiliates, reserve the right in our sole discretion, and without compensating you or seeking your prior approval: (i) to establish, and grant to other franchisees or licensees the right to establish, a *Cold Stone Creamery* restaurant or any other business using the Proprietary Marks, the *Cold Stone Creamery* System or any variation thereof, in any location other than the approved Location (including locations in the immediate vicinity of your Location), on any terms and conditions that we deem appropriate; (ii) to establish, and grant to other franchisees or licensees the right to establish, any restaurant concept other than *Cold Stone Creamery* in any location on any terms and conditions that we deem appropriate (including locations in the immediate vicinity of the Location); (iii) to sell products identified by the Proprietary Marks or other trademarks, service marks or commercial symbols in any location through any distribution channels, including grocery stores, convenience stores, supermarkets, club stores, vending machines, delivery services and restaurants other than *Cold Stone Creamery* restaurants; and (iv) to take any other action that we are not expressly prohibited from taking under this Agreement.

We hereby grant to you during the term of this Agreement, a non-exclusive right and license to operate a single restaurant at the Location only, according to the System Standards and subject to the terms, conditions and restrictions contained in this Agreement. This Agreement is limited to the operation of one traditional restaurant, unless otherwise amended, and does not grant you the right to buy, own or operate additional restaurants.

Except as expressly limited in this Agreement, we (for ourselves and our affiliates and designees) retain all rights with respect to all Proprietary Marks and the sale of *Cold Stone Creamery* products anywhere in the world with no compensation or liability to you, including the right to:

a. Establish and operate (or license to any other person or entity the right to establish and operate) *Cold Stone Creamery* restaurants owned or licensed by us at any location;

b. Develop, market, own, operate and participate in any other business under the Proprietary Marks or any other trademarks (including trademarks identified in the Franchise Disclosure Document ("Disclosure Document") and other trademarks we or our affiliates own or have the right to license);

c. Develop, lease and license the use of, at any location, trademarks other than the Proprietary Marks, in connection with the operation of a system that offers products or services that are the same as, or similar to, those offered by us under this Agreement on any terms or conditions that we deem advisable, in our sole discretion;

d. Merge with, acquire or be acquired by any other business, including a business that competes with your Franchised Business, or acquire and convert any retail stores, including retail stores operated by competitors, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporate-owned;

e. Distribute, sell and license other persons or entities to distribute and sell products through all other channels of distribution, including catalog sales, telemarketing, grocery stores, warehouses, big box shops, specialty shops, limited access highway food facilities, vending machines and similar automated dispensing systems, mobile units, off-site sales accounts, electronic mail, Internet sales, and movie theaters (individually and collectively, "Other Channels"); and

f. Implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

1.3 Term of Agreement.

a. This Agreement will commence on the Effective Date and will expire on either: (1) the ten (10) year anniversary of the Effective Date if you own the property where this Franchised Business is located or if you enter into a lease directly with the landlord or other third-party for the property where this Franchised Business is located; or (2) if you have entered into a sublease with one of our affiliates, the expiration of the term of the sublease for the Location excluding any extensions or renewal options, unless terminated earlier in accordance with *Article 14* or any other provisions of this Agreement, renewed in accordance with *Article 13*, or transferred in accordance with *Article 12* ("Term").

1.4 System Standards.

You shall operate the restaurant in accordance with our standards, including the following:

a. restaurant design, maintenance, health and safety and remodeling;

b. types, models, brands and suppliers of required fixtures, furnishings, equipment, signs, materials and supplies;

c. recipes and ingredients, menu items and menu design;

d. cooperation with and participation in sales, marketing, advertising and promotional programs (including loyalty programs, online ordering programs, discount coupons, discount gift cards, special menu promotions, and entering into product and service agreements directly with third-party vendors and service providers as required by us) and materials and media used in those programs, including discontinued use and removal of promotional materials as directed by us;

e. use and display of the Proprietary Marks;

f. restaurant operations, including matters related to the management of the restaurant; training of your employees consistent with the System Standards; and commercial impression of the Franchised Business to the public;

g. cooperation with and participation consistent with our responses and resolutions in response to customer feedback;

h. cooperation with and participation in: (i) market research and testing; and (ii) product and service development programs;

i. acceptance of our stored value gift cards, including gift cards sold at a discount, loyalty cards, frequency cards, gift certificates, vouchers, and any other similar electronic card and payment programs (individually and collectively, "Gift/Loyalty Card"), credit and debit cards, other payment systems, check verification services and use of point of sale computer systems; You agree to enter into a separate participation agreement with the approved vendor for data processing services;

j. bookkeeping, accounting, data processing and record keeping systems; computer hardware and software; connections to the Internet or to proprietary networks; forms, methods, formats, content and frequency of reports to us of Gross Sales (as defined in *Article 5*), financial performance and condition; and providing tax returns and other operating and financial information to us; and

k. conduct and maintain the Franchised Business and Location so as not to distract from or interfere with the integrity of the System (individually and collectively, "System Standards"). We may, in whole or in part, change, improve, update and further develop the System Standards, from time to time during the term. You shall comply with the updated System Standards as directed by us.

The operation and maintenance of your restaurant according to the System Standards are essential to the well-being and vitality of the System and to preserve the goodwill of the Proprietary Marks for us and for all other franchisees operating under the System. It is critical to the *Cold Stone Creamery* System for all restaurants operating under the *Cold Stone Creamery* System to present a uniform and professional image to *Cold Stone Creamery* customers regardless of which location the customer visits. Any information regarding the operation of the restaurant will be considered a mandatory System Standard, unless it is clear from the express language of our communication that the information is merely optional or is intended by us as a suggestion, rather than a requirement.

You agree that System Standards constitute binding provisions of this Agreement as if they were an integral part of this Agreement.

ARTICLE 2. SELECTION OF LOCATION; CONSTRUCTION AND RELOCATION

2.1 Location Selection Procedures.

You are ultimately responsible for the selection of the Location. We will not have any liability to you with respect to your selection of the Location, any assistance we provide you in making your selection, our recommendation of any location or a third party to assist you in selecting a location, or our allowing you to move forward on any location. You agree that your selection of the Location will be based on your own independent investigation of the suitability of the Location.

2.2 Lease and Purchase Approval.

If you intend to lease the Location for your Franchised Business, the lease will be subject to our prior limited review and acknowledgment so that we can confirm that certain lease terms are incorporated into the lease. You must provide us, at least thirty (30) days prior to executing the lease, a copy of the lease and details relating to square footage, rent per square foot, the term of the lease, and either confirmation that such other terms as we reasonably require are incorporated into the lease or that you and the landlord agree to incorporate the lease addendum to lease agreement as an exhibit to the lease. You or your attorney shall be responsible for negotiating the terms of the lease, which shall be subject to our final limited review and acknowledgment. If you do not submit all of the required documents to us, we will not allow you to move forward with your lease. We have no liability to you regarding the terms or negotiations of the lease.

If, prior to executing the lease, you or your attorney request a full review of your lease, including any and all exhibits attached thereto, and we or our designated affiliate review your entire lease and exhibits and provide to you or your attorney its review of the entire lease and suggested changes to the lease ("Lease Review"), you must pay a Lease Review Fee (as defined in *Section 5.7*) to compensate for time and effort in reviewing the lease. The Lease Review is optional and only completed by us or our designated affiliate at your or your attorney's request. The Lease Review Fee is due only in the event that you or your attorney request us or our affiliate to complete a Lease Review. Each lease must contain the required lease terms set forth in the Lease Addendum to Lease Agreement, and must specifically state that we are a third-party beneficiary of the lease. If we cure any default by you under the lease, any amounts that we pay to cure the default will be payable by you to us on demand, together with interest thereon, at the lesser rate of one and one-half percent (1½%) or the maximum rate that does not violate applicable state usury laws ("Default Rate") per month from the date we make such payment.

You acknowledge and agree that on the earlier of thirty (30) days after: (i) you receive a fully executed copy of your lease for the Location of your Franchised Business; or (ii) you open your Franchised Business to the public, you must provide a fully-executed copy of your lease for the Location to us. Failure to timely provide us with a fully-executed copy of the lease will result in a default under this Agreement.

If you intend to purchase the Location for your Franchised Business, the terms of such purchase shall be subject to our prior approval, and you must provide us, at least thirty (30) days prior to executing the purchase agreement, a copy of the purchase agreement and details relating to square footage, price per square foot and such other terms as we reasonably require.

You acknowledge and understand that our confirmation that you may move forward with any specific location, lease or purchase agreement does not in any way guarantee or ensure the success or profitability of the Franchised Business, or the conformity of the Location, lease or purchase agreement to applicable laws, and such confirmations are only for our own benefit.

2.3 Construction.

a. You must, at your sole cost and expense, construct, furnish, make improvements to and equip, if necessary, the Franchised Business at the Location selected by you and meeting our minimum site requirements, in accordance with plans and specifications approved by us or our third-party approved architect, if applicable. Our approval of plans is solely for complying with our System Standards and not for determining compliance with codes, ordinances and other legal requirements, including the Americans with Disabilities Act ("ADA") or any requirements under the lease for your Location. You are solely responsible for ensuring that your Location conforms to all codes and ordinances, including the ADA, and all lease-specific requirements. You must, at your sole cost and expense, use our designated and approved third-party design architect ("Design Architect") to prepare the initial design drawings for any construction, alterations or improvements, as applicable, for your Franchised Business. The Design Architect must provide us with one (1) set of the design drawings, including landscaping and parking spaces if applicable, which are the detailed plans and specifications ("Plans") for your Franchised Business. We will provide you with a copy of the Plans upon our approval of the Plans. You must also, at your sole cost and expense, retain a licensed architect of record to prepare the permitted construction set of drawings for any construction, alterations or improvements. The permitted construction set of drawings must be submitted to us for our files prior to the start of construction, alterations or improvements. In addition, you must obtain the appropriate construction documents and all mechanical, plumbing, electrical and architectural plans must be sealed and stamped, as we may require, even if local laws in the jurisdiction where your restaurant is located do not require same.

b. Any material modifications to the approved Plans must be submitted to us for approval and you will not undertake any construction, alterations or improvements until such modifications have been approved by us. Approval of such modifications does not constitute any representation by us of compliance with applicable zoning laws, building codes or other laws.

c. You will be solely responsible for the cost and expense of obtaining all necessary governmental construction permits and licenses, and you must, at your sole cost and expense, comply with all laws, zoning ordinances, rules and regulations of any governmental agencies that may govern any construction, alterations or improvements of the Franchised Business in accordance with the approved Plans. We will have the right, but are not required, to meet with the Design Architect and to inspect any construction, alterations or improvements during its course to ensure that the provisions of this *Section 2.3* are being observed; and you agree to allow our authorized representatives, at any and all times while construction, alterations or improvements are in progress, to meet with the licensed architect and general contractor and enter onto the Location for this purpose. If we determine in good faith that the provisions of this *Section 2.3* are not being observed, you will, at your sole cost and expense, immediately take all necessary corrective action.

d. You must, at your sole cost and expense, use a general contractor that is licensed, and if applicable, registered in the state and local jurisdiction where your restaurant is

located for any and all construction, alterations and improvements. The general contractor must have prior experience in the construction, alterations and improvement of quick-service restaurants.

e. You acknowledge that the design and appearance of the *Cold Stone Creamery* restaurant is part of the System, and that uniformity is essential to the System. Therefore, you agree that after the restaurant has been constructed, altered or improved, you will not make any material changes to the building plan or design or its appearance without our prior written consent, and you will, at your sole cost and expense, maintain the interior and exterior décor of the restaurant in a first class condition and in such manner as we may reasonably prescribe from time to time. In addition to any remodeling required by us upon the transfer of the Franchised Business and upon the renewal of this Agreement, as set forth in *Articles 12* and *13*, respectively, you will, upon thirty (30) days' prior notice from us, and at your sole cost and expense, remodel and make all alterations and improvements in and to your Franchised Business as reasonably determined by us to reflect the then-current *Cold Stone Creamery* System specifications, standards, format, image and appearance.

f. A certificate of occupancy for your Franchised Business must be submitted to us approximately six (6) days prior to the day you open your Franchised Business to the public and as otherwise requested by us throughout the Term.

2.4 Signage.

You will acquire, repair and replace, as necessary, and maintain in a first class condition throughout the Term, signs for advertising and identifying the Franchised Business as a *Cold Stone Creamery* restaurant. All signs must be in accordance with the System Standards, specifications and any local governing body (i.e., city or county governments), as well as any other applicable laws, including the Americans with Disabilities Act ("ADA"), and exterior signage must be the maximum size allowed by the landlord and local governing body. You acknowledge that quality control is essential to protect and promote our Proprietary Marks, standards, and uniform image, and you shall acquire all signs only from approved suppliers. In addition, you shall prominently display on all communications, forms, advertising, business stationery and business cards, and in a sign easily visible to consumers at the Franchised Business, the following words: "INDEPENDENTLY OWNED AND OPERATED."

2.5 Relocation.

a. If you desire to relocate the Franchised Business, you may request our consent upon the following conditions:

(i) Not less than sixty (60) days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation, due to a third-party or our request, in which event notice shall be made as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing details respecting any proposed new location.

(ii) Within twenty-one (21) days after receiving your written request, we shall advise you in writing if the proposed new location meets our minimum real estate site requirements as provided in *Section 2.1* and if you have our authorization to proceed with the

relocation. In the event of our denial to proceed with the relocation, you may request an alternative proposed new location pursuant to the provisions of this *Section 2.5*.

(iii) The Term will not be extended in connection with the requested relocation.

b. At the time you request to relocate the Franchised Business, you must also meet each of the following requirements:

(i) You must not be in default under this Agreement or any other agreement or note then in effect between us or you and any affiliate of ours, and no event shall have occurred that, with the giving of notice, the passage of time, or both, would constitute a default under this Agreement;

(ii) You must neither have received more than three (3) notices of default or breach during the Term; nor more than two (2) notices of default or breach during the five (5) years immediately preceding the effective date of the proposed relocation;

(iii) The equipment, fixtures and signage used in connection with the operation of the Franchised Business must either meet our then-existing System specifications and System Standards, or you must agree, within a timeframe required by us, to replace or refurbish such items, and otherwise modify the methods of operation of the Franchised Business at your cost and expense, in order to comply with our System specifications and System Standards then applicable to new franchise owners; and

(iv) You shall have paid to us a Relocation Fee (as defined in *Section 5.14)*.

c. If we approve the relocation of your Franchised Business, (i) you and we must execute an amendment to this Agreement indicating the address for your relocated Franchised Business and you must sign a general release provided by us, and (ii) you must open your Franchised Business at the new location within thirty (30) days after you close your Franchised Business at the current Location. Provided that you comply with all of the terms and conditions set forth in this Agreement including this Section 2.5, during the period of time between the closure of your Franchised Business at the current Location, and the opening of the Franchised Business at the approved relocation address, you will not owe the Royalty Fee (as defined in *Section 5.2*).

2.6 Restricted Use of Restaurant Location.

You may not wholly or partially sublet the Location without our prior written consent. The Location may be used only for the operation of a *Cold Stone Creamery* restaurant in compliance with this Agreement and the System Standards. You shall not conduct other businesses or activities at the Location without our prior written consent.

2.7 Not Applicable.

ARTICLE 3. OPERATIONS

3.1 Commencing Operations.

You agree to start operating your *Cold Stone Creamery* restaurant at the Location as of

the Effective Date. You acknowledge that before starting operations you must, at your own expense, do the following (in addition to any other requirements set forth in this Agreement):

a. Complete a food safety training program at your sole cost and expense. We will accept the certificate for the required program through your local county or state health department or any other nationally recognized food safety program. You must provide us with a copy of your certificate prior to commencing training;

b. Successfully complete the Training Program described in *Section 4.1*;

c. Purchase, lease or otherwise acquire from the list of approved sources provided by us all the signage, supplies, equipment, fixtures, inventory and other items necessary to operate the *Cold Stone Creamery* Franchised Business; and

d. Obtain liability insurance in accordance with the requirements described in *Section 9.5* and provide to us evidence that such insurance has been obtained.

Prior to starting operations of the Franchised Business, you must notify us that you have satisfied all requirements to begin operations, and provide us with such documents as we may reasonably request that show your compliance with all such requirements. If you do not begin operations of your restaurant at the Location as of the Effective Date, then we may terminate this Agreement by giving you notice to that effect.

3.2 Supplies and Promotional Materials; Rollouts.

You agree to sell only those menu items, products and services authorized under the terms of this Agreement and as specified in the Confidential Manual, and you shall use only supplies and ingredients in making those menu items that are in compliance with the standards as set forth in the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future. You shall purchase all such services, supplies and ingredients only from approved vendors and utilize approved distributor(s) as specified in the documents provided by, or approved by, us as they presently exist or may exist in the future. You must purchase promotional materials containing the Proprietary Marks, including stationery, business cards, promotional and advertising materials and similar items, from suppliers approved by us, except that we must first approve all such promotional and advertising materials before you use them, and all such printed materials containing any of the Proprietary Marks shall be accompanied by the words “INDEPENDENTLY OWNED AND OPERATED.” Additionally, during the Term, you agree to participate in any Rollout of new products and suppliers, as defined in *Section 9.3*.

3.3 Fixtures, Furnishings, and Equipment.

Unless otherwise approved by us in writing, you will: (1) acquire, repair and replace, as necessary, and maintain in a first class condition throughout the Term, fixtures, furnishings, and equipment to be used in the operation of your Franchised Business that is in accordance with the System Standards, specifications set forth by us in the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future, and with applicable laws including, without limitation, including the Americans with Disabilities Act (“ADA”); and (2) procure the fixtures, furnishings, and equipment from suppliers or vendors previously approved in writing by us.

3.4 Online Presence.

You may not maintain a website, software application, an App (application), social media account (including an account, group or page on Facebook®, Flickr®, Foursquare®, Google+®, Instagram®, LinkedIn®, Pinterest®, Snapchat®, Tumblr®, Twitter®, YouTube®, Vine®, VKontakte or Weibo®), or otherwise maintain a presence or advertise on the Internet or any other public computer network (individually and collectively, "Site") in connection with the Franchised Business without our prior written approval, which we may withhold in our sole discretion. If we grant you written approval, you agree to submit to us for approval before use, true and correct printouts, of all Site pages you propose to use in connection with the Franchised Business. You understand and agree that our right of approval of all such Site pages is necessitated by the fact that such Site pages will include and be inextricably linked with our Proprietary Marks. If we approve your use of a Site, you may only use Site pages that we have approved. Your Site must conform to all online presence requirements, policies and procedures per our System Standards. You agree to provide all information regarding your online presence that we require. If we grant approval for a Site, you may not use any of the Proprietary Marks on the Site except as we expressly permit. You may not post any of our proprietary, confidential or copyrighted material or information on the Site without our prior written permission. If you wish to modify your approved Site, all proposed modifications must also receive our prior written approval. You explicitly understand that you may not post on any Site (whether yours or someone else's) any material in which a third-party has any direct or indirect ownership interest (including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image which any third-party may claim intellectual property or other rights in). If we grant approval, you agree to list on the Site any website and social media account maintained by us, and any other information we require in the manner we dictate. You agree to obtain our prior written approval for any Internet domain name, home page address and Uniform Resource Locator. The requirement for our prior approval set forth in this *Section 3.4* will apply to all activities on the Internet or other communications network to be conducted by you, except that you may maintain one (1) or more e-mail addresses and may conduct individual e-mail communications without our prior written approval. You agree to obtain our prior approval as provided above if you propose to send advertising to multiple addressees via e-mail or text messages. You may not use a Site to represent that: (1) the Site is an official account, application, page or group of, or video produced by us; or (2) you are the owner of the *Cold Stone Creamery* brand. On any Site you use in connection with the Franchised Business, you must affirmatively state: (a) that you are a franchisee and the opinion and content being expressed are your own and not that of the *Cold Stone Creamery* brand; and (b) the Location of your Franchised Business.

3.5 Continuing Working Capital Requirement.

You must have Fifteen Thousand Dollars ($15,000) in working capital at the time you open your Franchised Business.

ARTICLE 4. TRAINING, ASSISTANCE AND START-UP MATERIALS

4.1 Training Program.

We will provide up to two (2) natural persons (individually and collectively, "Trainees") with a training program designed to inform the participants as to the fundamentals of operating the Franchised Business prior to your opening of the Franchised Business. At minimum, one

(1) of the two (2) natural persons must have an ownership interest in the Franchised Business. The remaining position may be filled by a natural person with an ownership interest in or management responsibility for the Franchised Business. The training program is made up of the "In-Store Training," which is approximately eighty (80) hours, and "New Owner Training," which is approximately forty (40) hours (collectively, "Training Program"). You will be solely responsible for all transportation costs, food, lodging and other personal expenses incurred by you and your employees in connection with the Training Program. The New Owner Training will be conducted either online or in person at our sole discretion. If the New Owner Training is conducted in person, it will be at the Franchisor training and education center in Scottsdale, Arizona or at such other location as we may designate at our sole discretion and the In-Store Training will be conducted at a training store in Arizona or such other location as we may designate at our sole discretion. You acknowledge that adequate knowledge regarding the operation of the Franchised Business is essential to the growth of your franchise and to the promotion of the System. Notwithstanding the foregoing, Franchisor has the right to require Franchisee and/or its manager(s) to attend additional training and pay the Additional Training Fee (as defined below), as provided for in this *Section 4.1* and *Section 5.10*, in the event Franchisee is not operating the Franchised Business pursuant to Franchisor's Systems Standards.

4.2 Employee Training.

You acknowledge that the employees of your *Cold Stone Creamery* Franchised Business are an integral and important part of the Franchised Business, as they will have substantial contact with customers. You alone are responsible, and acknowledge that we have no direct or indirect control and no right or authority, for the hiring, firing, training, supervising, setting the terms and conditions of employment (including employee tasks and work schedules), compensation of your employees, or maintaining employment records, for the safety of your employees and for your employees' compliance with the System Standards. The System Standards are in place to protect our interests in the System and not for exercising any control over you, your employees or your Franchised Business. You must ensure that your employees who have direct interaction with the public are able to speak and read English and any other language that may be required to adequately meet the public needs in your Franchised Business.

4.3 Additional Programs; Continuing Assistance.

We will provide one (1) of our representatives to come to your restaurant during opening week for up to five (5) days, at our expense, to work with you or your manager on operating your restaurant. We may, in the future, request that Trainees participate in refresher or additional training programs. We may also hold an annual conference to introduce new products, discuss sales and marketing techniques, personnel training, advertising programs, merchandising procedures and other subjects. You may be charged a nominal registration fee for these programs and you will be solely responsible for the cost of transportation, food, lodging and other expenses incurred by Trainees at any such program. Attendance at these additional training programs and conferences is mandatory. They will be held in the metropolitan Phoenix, Arizona area, or at other locations in the United States chosen by us, at our sole discretion.

In addition to the initial training available under *Section 4.1*, we shall provide such periodic evaluations or inspections as we deem appropriate, utilizing our field representatives who may visit the Franchised Business from time to time. The frequency and duration of such

visits to a Franchised Business by our representatives shall be in our sole discretion. Any such evaluation or inspection is not intended to exercise any control over your employees or the daily operation of your Franchised Business. In addition, we will be available on an ongoing basis at our offices for consultation and guidance with respect to the operation and management of the Franchised Business. In addition to the Confidential Manual, we may, but are not required to, from time to time provide you with additional materials relating to the Franchised Business.

4.4 Area Representatives.

We may retain the services of an independent third-party area representative ("Area Representative") to represent us in the area in which the restaurant is located and perform some or all of the services we provide under this Agreement. The services the Area Representative may perform could include: (i) assistance in location selection and evaluating and confirming that the Location meets our minimum site requirements; (ii) advice and guidance regarding lease negotiations; (iii) assistance in opening new *Cold Stone Creamery* locations; (iv) assistance with training on the approved POS System (as defined in *Section 4.6a.*); (v) assistance with marketing advice; (vi) periodic Quality Service Cleanliness and Experience ("QSCE") evaluations; (vii) assistance with collection of the various sums due to us from *Cold Stone Creamery* franchisees; and (viii) coordination with other *Cold Stone Creamery* franchisees in your area and general supervision and monitoring of your Franchised Business on our behalf. You agree in advance to our delegation to an Area Representative of some or all of our obligations, and assignment to an Area Representative of some or all of our rights under this Agreement. You agree that we may require you to submit to an Area Representative any reports you are required to submit to us. Upon our request, you will provide the Area Representative with access, inspection and audit rights to the same extent we have those rights under this Agreement. You are not a third-party beneficiary of any agreement between us and any Area Representative. If we have designated an Area Representative for your restaurant as of the Effective Date, the name and contact information of the Area Representative is shown in *Section 17.3h.* We reserve the right in our sole discretion to remove any Area Representative in your area at any time and to appoint any other Area Representative for your area. We have no obligation to appoint an Area Representative in the area in which your restaurant is located, and we have no obligation to appoint a new Area Representative after we have removed an Area Representative.

You acknowledge that Area Representatives and their owners and employees may not contractually bind us without our express written authorization. You further acknowledge no Area Representative has the authority to: (i) enter into agreements or execute any agreements on our behalf; or (ii) bind us in any way without our prior written consent. Unless expressly authorized and agreed to by us in writing, we disavow any agreements, whether verbal or written, entered into by an Area Representative that in any way attempts to bind us. In any litigation or arbitration proceeding, you agree to waive any claim or defense that an Area Representative is our express or implied agent and such an assertion by you constitutes a material default under this Agreement.

4.5 Confidential Manual.

To protect the reputation and goodwill of the System and to maintain the uniform standards of operation under the Proprietary Marks, you must conduct your business in accordance with our Confidential Manual. The Confidential Manual is confidential and remains our property.

The Operations Manual is available to Franchisee via the Franchisee portal at: https://portal.kahalamgmt.com. In the event Franchisee desires to receive a hard copy of the Operations Manual, then Franchisee shall submit such request in writing to training@kahalamgmt.com. Upon such request, a hard copy of the Operations Manual will be mailed to Franchisee via regular mail within approximately forty-five (45) days thereafter.

So that you may benefit from new knowledge gained by us as to improved techniques in the operation of the Franchised Business, we may from time to time revise, amend, restate or supplement the content of the Confidential Manual or other documents provided by, or approved by, us as they presently exist or may exist in the future. You will at all times ensure that your copy of the Confidential Manual is kept current and up to date. In the event of a dispute regarding any of the content of the Confidential Manual, the master copies maintained by us at our corporate office will control.

4.6 Computer Systems; Debit and Credit Card Processing.

a. Prior to the opening of your restaurant, you will be required to acquire, to maintain, and to exclusively use an approved cash register/computer system ("POS System") during the operation of the Franchised Business. You and your employees must complete training for the POS System as we require, and you will be required to use the POS System to produce sales reports, keep inventory control and post sales tax, refunds, credits and allowances and submit that information to us immediately upon our request. You are required to obtain high-speed/always-on internet connection service for your POS System. If high-speed/always-on internet is not available in your area, dial-up Internet access may be used until high-speed/always-on service becomes available in your area. The POS System must be configured so that we will have remote access to the information and data stored in the POS System, which may include inventory information. This access will allow us to exchange/collect data and other information on such bases as we will communicate to you from time to time. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the Term as we may require from time to time. It will be your responsibility to enter into contracts for the maintenance, upgrades and updates to the POS System with an approved supplier of such services identified by us on the list of approved vendors and distributors or other notification to you from us advising of suppliers for your market area. You shall also be required to own a personal computer or similar device with access to the Internet that allows you to report your Gross Sales (as defined in *Section 5.2*) online, send and receive e-mails with us, and receive online orders. All *Cold Stone Creamery* franchisees are required to participate in online ordering and delivery programs, which includes entering into one or more participation agreement(s) with one of our affiliates and/or other approved vendor(s) for remote/online order processing services and delivery services under the terms, conditions, and fees established by such vendor for the purpose of developing, implementing, using, maintaining, supporting, updating and/or upgrading technologies in connection with the franchise system, including web-based and/or mobile applications and websites. We may charge, collect for a third-party or require you to remit to a third-party, amounts used to develop and use technologies within the franchise system. This may include amounts paid to third-party delivery service platforms and aggregators. To provide for the inevitable but unpredictable nature to changes to technological needs and opportunities, you agree and acknowledge that we shall have the right to establish, in writing, new standards and fees for developing, implementing, using, maintaining, supporting, updating and/or upgrading technologies in connection with the franchised system. There is no contractual limitation on the frequency and cost of this obligation. We may

require you to upgrade the hardware and software including, but not limited to, your operating system, as reasonably necessary to provide reports and information required by us.

b. ou are required to accept debit and credit cards and Gift/Loyalty Cards from consumers at the Franchised Business and participate in any online ordering programs which Franchisor may require. Prior to the opening of your restaurant, you will be required to acquire and maintain an approved debit, credit and Gift/Loyalty Card processing system to use during the operation of the Franchised Business. Additionally, you must utilize our approved third-party Gift/Loyalty payment card processor for processing all such Gift/Loyalty Card transactions, including entering into a Gift Card Participation Agreement with one of our affiliates, or its successors or assigns, or other approved vendor for the Gift/Loyalty Card processing services. The Payment Card Industry ("PCI") requires all companies that process, store, or transmit credit card information to protect the cardholders' information by complying with the PCI Data Security Standard ("PCI DSS"). Therefore, as a franchisee who accepts credit cards, you are required to be PCI compliant by following and adhering to PCI DSS, which includes ensuring that your POS System, back office computer (if supplied), and any other device that is plugged into the network is **only** used for business purposes. You are also required to complete an annual questionnaire and quarterly network PCI scans and install a network firewall appliance for logging, tracking, reporting, and security assessment. You are also required to validate with Franchisor that your store is PCI compliant, and Franchisor may in its sole discretion require you to install a particular type of firewall (hardware and/or software). To show such validation you must send us your Passing Certificate showing your store is PCI compliant. You are also required to verify that you have a PCI compliant firewall appliance installed at your location if you process credit cards via high speed internet connectivity. We require your Franchised Business' POS System, including terminals, computers, and software to be in compliance with the PCI DSS at all times. The PCI DSS is often updated, and you are required to obtain and comply with all updated standards. You must also be PCI compliant in order to obtain cyber liability/data breach insurance coverage.

ARTICLE 5. FEES AND DEPOSITS

You agree to pay each of the following amounts to us via a lump sum, with each and every amount being non-refundable because of our investment in time and money, in addition to any other benefits conferred upon you, including processing your application, reviewing your documents, and providing you with relevant information, unless otherwise expressly specified below, in accordance with the provisions set forth in this *Article 5*. Notwithstanding your designation to the contrary, we have the sole discretion to apply any of your payments, in part or in whole, to any of your indebtedness to us.

5.1 Not Applicable.

5.2 Royalty Fee and Surcharge.

For the period of time commencing on the later of the Effective Date or the date the Franchised Business opens to the public, and for the duration of the Term, you must pay to us a weekly royalty fee equal to six percent (6%) of total Gross Sales (as defined below) ("Royalty Fee"). If we or the landlord of the Location require you to remodel your Franchised Business in such a way that your Franchised Business (including catering) stops offering items to the public, or if there is a disaster at your Franchised Business, such as a fire, flood or damage caused by an act of God, that requires you to temporarily close your Franchised Business, you are not

required to pay the Royalty Fee during the period of time of such temporary closure; provided you provide us or our authorized representative with notice of such temporary closure as soon as reasonably possible, but in no event more than twenty-four (24) hours after such closure begins. Notwithstanding the above, all amounts owed to us under this Agreement prior to the temporary closure shall still be fully due and payable. The temporary closure of your Franchised Business shall not exceed ninety (90) days, but may be extended on a case-by-case basis at our sole discretion and with our prior written approval.

In our sole discretion, we may charge, in addition to the Royalty Fee, a surcharge of up to Ten Dollars ($10) per week if your Franchised Business is located in a state that imposes additional reporting requirements on a franchisor ("Surcharge"). The Royalty Fee and applicable Surcharge shall be due and payable no later than Monday of each week, which day may be modified by us without prior notice to or approval from you, for the week ending on the preceding Tuesday in which applicable Gross Sales (as defined below) were earned from the Franchised Business. The weekly Royalty Fee and applicable Surcharge shall be paid by electronic funds transfer, as detailed below.

For the period of time commencing on the later of the Effective Date or the date the Franchised Business opens to the public, and for the duration of the Term, you are required to report Gross Sales to our designated accounting office, which as of the Effective Date, is via the Internet at http://franchisee.kahalamgmt.com, as set forth in *Section 5.6*. Nothing herein shall prevent Franchisor from electronically polling Franchisee's POS system, restaurant management software, and financial records (or similar tools thereto) daily, or more frequently, by electronic or other remote means and Franchisee hereby grants Franchisor authority to do so; however, such authority does not negate Franchisee's requirement to ensure all sales are timely and accurately reported each week. You shall be required to establish a Depository Account (as defined in *Section 5.6*) at the time you execute this Agreement as set forth in *Section 5.6*. Payment of the Royalty Fee, Advertising Fee (as defined in *Section 5.3*), and all other fees due under this Agreement to us shall be made via electronic transfer of funds from the Depository Account. To accomplish this electronic transfer of funds from the Depository Account, you must complete, sign and deliver to us, and maintain for the duration of the Term, a current Electronic Funds Transfer Authorization in a form that we provide.

As used in this Agreement, "Gross Sales" means all sales, money or things of value, received or receivable, directly or indirectly, by Franchisee on account of the Franchised Business, less applicable sales taxes and any properly documented refunds, credits and allowances given by you to customers in accordance with the System Standards, but without deducting any of your income taxes, costs and other expenses. All sales made from catering services must be included in the Gross Sales.

5.3 Advertising Fee.

a. You must pay to us, or directly into a national advertising fund or also any regional advertising funds, as designated by us at our sole discretion, (individually and collectively, "Advertising Fund") a weekly advertising fee of three percent (3%) of the Gross Sales for the preceding week ("Advertising Fee"). Upon thirty (30) days' notice by us to you, we may unilaterally increase the Advertising Fee from its current level not to exceed four percent (4%) of your weekly Gross Sales. The Advertising Fee shall be due and payable with the Royalty Fee under *Section 5.2*. The Advertising Fee is our property and may be deposited by us into our general operating account.

b. The Advertising Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* name, System, products and services. We are entitled to deduct, free of charge the following from the Advertising Fund: (i) reimbursement of expenses, overhead, and employee salaries for services provided; and (ii) rent for office space provided to the Advertising Fund. We have no fiduciary obligation to you in connection with the operation of any Advertising Fund. No interest on an unexpended Advertising Fee shall be imputed or otherwise charged for the benefit of, or payable to, you. You understand and agree that the only obligations we have regarding the collection and spending of the Advertising Fee or the administration of the Advertising Fund are the express contractual obligations in this *Section 5.3*. We are not acting as a trustee, fiduciary, agent or in any other special capacity. We do not give any representation or warranty regarding the quality or effectiveness of the advertising and marketing activities funded by the Advertising Fee or of the Advertising Fund, and we will have no liability to you with respect to how these funds are spent.

c. Two percent (2%) of your Gross Sales is deposited into the national Advertising Fund; and, if a cooperative exists where your Franchised Business is located, the remaining one percent (1%) of your Gross Sales is deposited into the regional Advertising Fund for your cooperative, if no cooperative exists where your Franchised Business is located, your Franchised Business will be considered a "single store" cooperative and you must contribute the remaining one percent (1%) of your Gross Sales to the regional Advertising Fund for your store. Your own local marketing and advertising should be developed to maximize your particular customer base.

5.4 Cooperative Advertising.

a. We encourage the formation and operation of franchisee cooperative advertising associations (each an "Association"). Each Association will help coordinate advertising, marketing efforts and programs, and attempt to maximize the efficient use of local advertising media. If an Association is formed for your region, you must contribute financially to the Association as required by us. Failure to do so will be deemed a breach of this Agreement and you may also, in Franchisor's sole discretion, lose your right to vote as to decisions regarding advertising and marketing efforts and programs.

b. Upon our request, you will assist in establishing an Association or in deciding how to allocate all or part of any Fund contribution we elect to distribute to the Association. We will decide in our sole discretion whether to make contributions from the Fund to an Association and how much to contribute. We reserve the right to establish general standards concerning the operation of an Association, advertising agencies retained by an Association, and advertising programs conducted by an Association. Notwithstanding anything to the contrary, no Association decision will be made or advertising collections spent without our prior written approval.

5.5 Not Applicable.

5.6 Depository Account; Payment Procedures.

You are required to establish, at the time you execute this Agreement, and maintain for the duration of the Term a depository account ("Depository Account") at a bank or other federally insured financial institution ("Depository") under the same name as Franchisee under this Agreement. You will initially deposit no less than Three Thousand Dollars ($3,000) into the

Depository Account and are required to maintain a balance of at least Three Thousand Dollars ($3,000) in the Depository Account at all times during the Term by replenishing the Depository Account to at minimum Three Thousand Dollars ($3,000) after any withdrawals. We shall not be responsible for any bank service charges incurred by you which result from the withdrawal of funds from your Depository Account.

On Wednesday of each week, you must submit a report to us regarding the weekly period which ended on the preceding Tuesday, including details on Gross Sales and other statistical data as provided in this Agreement, Confidential Manual, or as otherwise specified from time to time by us. We will withdraw funds electronically on Monday of each week from the Depository Account. The withdrawals are based upon the figures you report and constitute the Royalty Fee and Advertising Fee as described in *Sections 5.2* and *5.3*. If you do not submit a report on any Wednesday, we may estimate the Royalty Fee and Advertising Fee based upon prior reports and withdraw the estimated amounts up to the entire Three Thousand Dollars ($3,000). We will return or credit back to you, in our sole discretion, any overage within thirty (30) days after our receipt of your report(s). We shall not be responsible to you for any interest charges for any overage collected due to your failure to timely report your sales. You shall instruct the Depository to disburse each week to our designated bank, via electronic funds transfer by the close of business on Monday (or preceding banking business day, if Monday is a bank holiday), the weekly Royalty Fee and Advertising Fee and other fees due for that week, which week shall end on the preceding Sunday. The days of the week specified above may be modified by us without prior notice to or approval from you.

We will also withdraw the monthly POS Help Desk Phone Support Maintenance Fee (as defined in *Section 5.20*) from the Depository Account on the last Thursday of each month. Under no circumstances shall such access to the Depository Account be deemed control or joint control of the Depository Account by us.

Subject to reasonable advance notice for non-recurring payment amounts, we have the right to debit your Depository Account, or any other depository account you have with us, according to the terms of your Electronic Funds Transfer Authorization for any of the payments described in this Agreement. If you do not pay all amounts due by the due date, we may suspend our and our affiliates' services and support until your payment default is cured. Repeated failure to pay all amounts when due, whether or not the defaults are subsequently cured, may be cause for termination under *Article 14*.

You shall pay us Fifty Dollars ($50) for each electronic funds transfer attempted from your Depository Account pursuant to this *Section 5.6* that is returned for non-sufficient funds. You shall also reimburse us for all other costs and expenses incurred by us in collecting or attempting to collect funds due to us from the Depository Account (for example, without limitation, charges for non-sufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Depository Account balance in accordance with the terms hereof). The Depository Account shall be established and maintained solely for the purposes set forth in this *Section 5.6* and any other fees authorized under this Agreement and any other agreements between you and us or any of our affiliates.

5.7 Lease Review Fee.

If you request us or one of our designated affiliates to complete a Lease Review, you are required to pay us or our designated affiliate a lease review fee in the amount of Two Thousand

Five Hundred Dollars ($2,500) ("Lease Review Fee") for reviewing and providing comments to your proposed lease.

5.8 Lease Guarantee Fee.

If, in order to obtain the lease agreement for the Location of your Franchised Business, the landlord requires you to obtain a lease guarantee, and we or one of our affiliates agree to serve as such guarantor, you will pay us or our affiliate a fee in the amount of ten percent (10%) of the total amount of the rental obligations being guaranteed under the lease during its term up to a maximum fee of Ten Thousand Dollars ($10,000) ("Lease Guarantee Fee"). The Lease Guarantee Fee will be due and payable upon our or our affiliate's execution of the applicable lease guarantee agreement with the landlord. Neither we nor any of our affiliates are required to serve as a guarantor of your lease for the Location of your Franchised Business; rather, the decision of whether to serve as a guarantor shall be made in our sole discretion. In the event that you request us or our affiliate to either agree to be the tenant under the lease or execute a separate guarantee to the lease, and you pay the required Lease Guarantee Fee, you agree and acknowledge that payment of the Lease Guarantee Fee shall not, in any manner, be deemed as an insurance policy which limits your liability in connection with the Franchised Business, including any and all financial liability under the sublease or lease related to the Location. You further agree and acknowledge that our or our affiliate's agreement to act as tenant or guarantor under the lease, and your payment of the Lease Guarantee Fee to us or our affiliate, does not result in the assumption or transfer of your liability, in connection with the Franchised Business, by or to us or our affiliate.

5.9 Additional Persons Training Fee.

The training of two (2) individuals is included in the fee as set forth in *Section 5.13*. If you desire to have more than two (2) people attend the Training Program, you must pay an additional training fee of One Thousand Dollars ($1,000) for each such person to attend the In-Store Training and an additional Seven Hundred Fifty Dollars ($750) for each such person to attend the New Owner Training (individually and collectively, "Additional Persons Training Fee") (see *Section 4.1*).

5.10 Additional Training Fee.

If, after attending the Training Program, you desire to receive additional training, we will provide additional training time to you for a fee of Three Hundred Dollars ($300) per person per day. Such additional training will be at a time reasonably agreed to by you and us, and will be conducted at Franchisor's headquarters, online, or such other location as we may designate in our sole discretion. You will be solely responsible for all transportation costs and expenses, food, lodging and other personal costs and expenses incurred by you and your employees in connection with this additional training.

5.11 Document Administration Fee.

A document administration fee of Five Hundred Dollars ($500) ("Document Administration Fee") is payable to us when we must prepare an amendment to your franchise documents ~~(see *Section 12.3g.*)~~.

5.12 Renewal Franchise Fee.

A renewal franchise fee of fifty percent (50%) of the then-current initial franchise fee not including any discounts or reductions ("Renewal Franchise Fee") is payable to us when you renew this Agreement (see *Section 13.i*).

5.13 Transfer Franchise Fee.

a. A transfer franchise fee and other applicable initial fees, as set forth in the Consent to Transfer and Release Agreement executed contemporaneously herewith and to which Franchisee is also a party, are payable to us when you sign this Agreement.

b. If, following the Effective Date, Franchisee desires to complete a Full Transfer (as defined in *Section 12.1.a.1.)* of this Agreement, we will require the Potential Transferee (as defined in *Section 12.1.c.*) to pay us Seventeen Thousand Five Hundred Dollars ($17,500) ("Transfer Franchise Fee") as one of the conditions for Franchisee to receive Franchisor's consent for such Transfer (as required in *Section 12.1.b.*).

5.14 Relocation Fee.

A relocation fee of Five Hundred Dollars ($500) ("Relocation Fee") is payable to us when you sign the amendment to your Franchise Agreement for your relocation (see *Section 2.5*).

5.15 Not Applicable.

5.16 Annual Meeting Registration Fee.

If we hold an annual meeting ("Meeting"), the Meeting may be held at various locations throughout the United States and/or online as we may designate in our sole discretion. Because the planning and funding of the Meeting must be done well in advance and requires a substantial financial commitment, we have the right to debit your Depository Account for up to One Thousand Dollars ($1,000) for the Meeting registration fee at any time sixty (60) to ninety (90) days prior to the first day of the Meeting. This fee may be debited from your account (even if you do not attend the Meeting). You will also be solely responsible for all costs incidental to attending the Meeting. If you do not attend the Meeting, we will make available to you one (1) full set of the substantive materials that were presented at the Meeting.

5.17 Late Report; Interest; Late Charge; Non-Sufficient Funds Fee; Breaching Royalties; Draft Draw Charge.

If you fail to submit to us any financial statements, forms, reports or records required to be provided under this Agreement by its due date, including your weekly Gross Sales report for calculating your Royalty Fee and Advertising Fee, you must pay to us a late report charge of One Hundred Dollars ($100) per week or part thereof.

If any fees or assessments due under this Agreement, including the Royalty Fee and Advertising Fee, are not paid when due, interest shall accrue on the late payment (from the date payment is due until the date payment is made) at the Default Rate, which amount, plus a late charge of five percent (5%) of the unpaid amount, or One Hundred Dollars ($100), whichever is greater, shall be added to each late payment. For any payments made by you to us under this

Agreement which are returned for non-sufficient funds of a processed check, you shall be charged a non-sufficient funds fee of Twenty-Five Dollars ($25) per occurrence. Pursuant to *Section 5.6*, for each electronic funds transfer that is attempted from the Depository Account but returned for non-sufficient funds, you shall be charged a Fifty Dollars ($50) non-sufficient funds fee per occurrence.

Franchisor has the absolute right to charge Franchisee the greater of: three (3) times the fixed Royalty Fee; or, if on a percentage Royalty Fee, the Royalty Fee will be increased up to eighteen percent (18%) of Gross Sales, with respect to any period during which Franchisee is in breach or default of its/his/her obligations under this Agreement without providing Franchisee advance notice or right to cure. The Royalty Fees paid or owing to Franchisor with respect to the period during which Franchisee is in breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14) day period, regardless of the length of the actual breach or default.

If you fail to provide us any necessary information or documentation with respect to our practice of drawing drafts against your bank accounts, you must pay us a draft draw charge in the amount of One Hundred Dollars ($100) per day that that failure continues.

If, as a result of your failure to remit payments required under any provision of this Agreement, we retain an attorney or a collection agency to collect such payments, you must pay all collection costs and expenses, including reasonable attorneys' fees and expenses, whether or not legal proceedings are initiated. Our rights under this *Section 5.17* are in addition to any other rights or remedies that we may have as a result of your default under this Agreement.

5.18 Audit Fees.

For the purpose of this *Section 5.18*, we have the right, at any time during business hours, and with or without prior notice to you, to inspect and audit, or cause to be inspected and audited, the business records, cash control devices, bookkeeping and accounting records, sales and income tax records and returns and other records of the Franchised Business and your entity's books and records.

You hereby grant us access to any computers utilized by you for such purposes and we will have the ability, at all times, via modem, to obtain daily and weekly sales reports and other financial records that the POS System provides. You will fully cooperate with our representatives, the Area Representative, if applicable, and independent accountants hired by us to conduct any such inspection or audit. In addition, in the event such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information, as required herein, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales, resulting in an underpayment of the Royalty Fee or Advertising Fee for the period of any audit (which shall not be for less than one (1) month) is determined by any such audit or inspection to be five percent (5%) or greater, you will pay to us, immediately after receipt of the inspection or audit report, any additional Royalty Fee and Advertising Fee and other amounts due as a result of any such understatement, plus interest at the Default Rate from the date originally due until the date of payment and you must reimburse us for such audit or inspection, including the charges of any independent accountants, and the travel expenses, room, board and compensation of such accountants and our employees.

The remedies in this *Section 5.18* will be in addition to all other remedies and rights available to us under this Agreement or otherwise available.

5.19 Data Fee.

We may require you to pay us or a third-party we designate a data fee of up to Seventy-Five Dollars ($75) per month for polling or collecting data from your POS System.

5.20 POS Help Desk Phone Support Maintenance Service Fee.

You must purchase from us a help desk phone support maintenance service that covers phone support for both the software and hardware of your POS System that is supported by the help desk, the cost of which is currently Sixty Dollars ($60) monthly, and subject to increase upon thirty (30) days' notice ("POS Help Desk Phone Support Maintenance Service Fee"). The POS Help Desk Phone Support Maintenance Service Fee shall be paid by electronic funds transfer, as detailed in *Section 5.6,* and debited from your account on the last Thursday of each month.

5.21 New Supplier Approval Fee.

All requests for approving new or alternative suppliers must be submitted in writing by you or the supplier to our Purchasing Department. Each request will be reviewed in accordance with our then-current procedures and the supplier must meet our then-current requirements, which may include that our representatives be allowed to inspect the facilities of the proposed supplier, and that samples from the proposed supplier be delivered, at no charge, either to us or to our designee for testing. A charge not to exceed the amounts incurred in connection with the inspection and the test, with such cumulative amount not to exceed Five Thousand Dollars ($5,000), must be paid by the supplier. If approved, in our sole discretion, we will notify you or the supplier in writing within sixty (60) days after our receipt of an approval request. You must not offer or sell in any manner any of the proposed alternative supplier's products until you receive our written approval of the proposed alternative supplier.

5.22 Reserved.

5.23 Non-participation Fee.

You must offer and sell at the Location of the Franchised Business all products designated by us, consistent with our System Standards. In addition, you must immediately incorporate into the Franchised Business all new products and services designated by us and must fully participate in all local, regional, seasonal, promotional and other programs, initiatives and campaigns adopted by us in which we require you to participate. If you fail or refuse to fully participate in any such program, initiative or campaign, you may, in our sole discretion, be required to pay a non-participation fee of One Hundred Dollars ($100) per day that you are not in compliance ("Non-participation Fee").

5.24 Not Applicable.

5.25 through 5.35 Not Applicable.

ARTICLE 6. PROPRIETARY MARKS

6.1 Ownership and Right to Use.

We warrant to you that:

a. We are the owner of all right, title and interest in and to the Proprietary Marks;

b. We have granted to you the personal, non-exclusive, limited, revocable right and license to use the Proprietary Marks in connection with the operation of your Franchised Business;

c. We have taken and will take all steps reasonably necessary to preserve and protect our rights in the Proprietary Marks; and

d. We will only permit you to use the Proprietary Marks in accordance with the System Standards.

6.2 Covenants of Franchise Owners.

a. You acknowledge our ownership of the Proprietary Marks, and you agree that during the Term and after its expiration or termination, you will not directly or indirectly contest, or aid in contesting, the validity of the Proprietary Marks or our ownership of the Proprietary Marks, nor will you take any action which might impair or prejudice our ownership of the Proprietary Marks. You shall not, directly or indirectly, apply to register, register or otherwise seek to own or control any of the Proprietary Marks, or any confusingly similar mark thereto, whether in whole or in part, in any place or jurisdiction either within or outside of the United States; nor will you assist any others to do so.

b. You agree that the license granted pursuant to this Agreement authorizes you to use the Proprietary Marks solely in connection with the Franchised Business only at the Location, and for no other purpose. You have no right to license or sublicense any aspect of the System Standards or any of the Proprietary Marks.

c. You agree to use the Proprietary Marks only in the manner and to the extent specifically licensed by this Agreement. You further agree that any unauthorized use or continued use of the Proprietary Marks after the termination or expiration of this Agreement will constitute irreparable harm and is subject to injunctive relief.

d. The license granted by this Agreement includes only the Proprietary Marks, now existing or which may exist in the future. This license does not include the right to use any other trademarks, service marks, trade name or trade dress owned by us or our licensor anywhere in the world. You agree that any and all goodwill associated with and identified by your use of the Proprietary Marks will inure directly and exclusively to our benefit, and that, on the expiration or termination of this Agreement, no monetary amount will be due or payable to you as a result of any goodwill associated with your ownership or operation of the Franchised Business.

6.3 Limitations on Franchisee's Use of Proprietary Marks.

To develop and maintain high and uniform standards of quality and service and thereby protect our reputation and goodwill and that of the System, you agree:

a. To operate and advertise the Franchised Business only under the Proprietary Marks authorized by us;

b. To adopt and use the Proprietary Marks licensed by this Agreement solely in the manner prescribed by us;

c. That your corporate, partnership or other entity name including trade name, will not include any of the Proprietary Marks, in whole or in part, or any terms confusingly similar thereto, unless first authorized by us in writing;

d. To submit all advertising, promotional materials and all printed matter, including stationery, business cards, and any materials to be used on the Internet to us for our written approval before you use any of these items; and

e. That we may from time to time change or modify the System Standards, including modifying existing Proprietary Marks or adopting new marks. You agree, at your own expense, to adopt, use and display any such new or modified Proprietary Marks within ninety (90) days after notification from us. However, if we require you to modify or discontinue use of our proprietary information or use other information or rights in its place at any time other than upon renewal of this Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the proprietary information infringed upon a third-party's rights, we or our affiliate will bear the actual, direct, and reasonable costs of those modifications or discontinuances. The rights granted to Franchisee under this Section shall be Franchisee's sole and exclusive remedy for any infringement by any part of the System.

Upon your abandonment of the Franchised Business (whether voluntary or involuntary), termination or expiration of this Agreement, you must immediately cease to use, in any manner whatsoever, any of the Proprietary Marks or any other marks which, in whole or in part, may be confusingly similar to any of the Proprietary Marks.

6.4 Non-Exclusive License of Proprietary Marks.

You understand and agree that your license to use the Proprietary Marks is non-exclusive; that we, in our sole discretion, can grant to other franchisees the right to use the Proprietary Marks and obtain the benefits of the System Standards, in addition to the licenses and rights granted to you under this Agreement; and that we or our affiliates may develop and license other proprietary marks in conjunction with concepts other than the *Cold Stone Creamery* concept, on any terms and conditions we deem advisable. You will have no right or interest in any such other licenses, proprietary marks or systems.

6.5 Notification of Infringement and Claims.

You agree that you will notify us immediately of any apparent infringement of, or challenge to your use of any of the Proprietary Marks, or any claim by any person of any rights in any of the Proprietary Marks. You agree that you will not communicate with any person, other than us and our legal counsel, in connection with any such infringement, challenge or claim. We will have the sole discretion to take such action as we may deem appropriate to protect the Proprietary Marks and the exclusive right to control any litigation, United States Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge, claim or otherwise relating to any Proprietary Marks. You agree to

execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in connection with any such litigation or proceeding, or to otherwise protect and maintain our interests in the Proprietary Marks.

ARTICLE 7. TRADE SECRETS AND PROPRIETARY INFORMATION

7.1 Innovations.

During the Term, you and your principals, officers, managers and employees may conceive, invent, create, design or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to restaurant operations, business practices or the manufacturing, production, marketing and sale of super-premium ice cream, cakes, pies, smoothies, shakes, specialty beverages, other dessert with frozen confections, and other food and beverage items, and related goods now in existence or later developed, adopted, or improved in connection with the Franchised Business (individually and collectively, "Innovations"). You, without further consideration, hereby assign any and all of your rights, title and interest in the Innovations, including any intellectual property rights, to us, and also agree to cooperate with us and our counsel in the protection of the Innovations, including the perfecting of title thereto in us. In addition, you will require all of your principals, officers, managers and employees to sign an agreement in the form set forth in our System Standards and incorporated herein by reference ("Confidentiality Agreement"), and shall be liable to us for obligating your principals, officers, managers and employees to assign all of their rights, title and interest to the Innovations to us and requiring your principals, officers, managers and employees to cooperate in obtaining, protecting, maintaining and enforcing our right, title and interest in the Innovations.

7.2 Confidentiality Agreement.

a. In connection with the operation of the Franchised Business, you will from time to time receive, have access to, or learn certain information and materials that are proprietary to us or our affiliate. You and any person signing this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*" agree that you will keep confidential, and will not use for your own purposes, nor supply or divulge to any other person, any of our Trade Secrets, including our methods of operation, processes, techniques, formulae and procedures, information a reasonable person would believe to be confidential and any other proprietary information regardless of whether such is expressly marked as confidential ("Confidential Information"). You acknowledge that much of the information imparted to you by us is confidential, constitutes Trade Secrets, are unique to us, and remains our sole exclusive property. Our Confidential Information includes the following:

1. The Confidential Manual and any amendments thereto;

2. Ingredients, recipes, and methods of preparation of food products;

3. Methods of operation of *Cold Stone Creamery* restaurants;

4. Information about products, services, or procedures before they become public knowledge;

5. Information which relates in any manner to our business or the System Standards, whether oral or reduced to writing, and which is not generally known to, or readily ascertainable by, other persons who might derive economic benefit from its disclosure or use; and

6. Any other information which may be imparted to you from time to time and designated by us as confidential.

b. You and any person signing this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*" acknowledge and agree that the Confidential Information and any business goodwill of the Franchised Business is our sole and exclusive property, and that you will preserve the confidentiality thereof. Upon termination or expiration of this Agreement, all items, records or documentation recording or incorporating any Confidential Information, including any copies thereof, will be immediately turned over by you to us or our authorized representative.

c. You agree to take all steps necessary, at your own expense, to protect the Confidential Information, including our Trade Secrets, and to adopt and implement all reasonable procedures prescribed by us from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. We require that all of your executive officers, agents, directors, shareholders, trustees, beneficiaries, partners and managers who may or are likely to obtain knowledge concerning the Proprietary Information (and who do not sign this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6* and *14.8*") sign the Confidentiality Agreement binding such person to preserve the confidentiality of the Confidential Information as part of the terms and conditions of such person's employment or association with you. You must obtain a Confidentiality Agreement signed by any such person prior to or at the same time that you begin employment of, or association with, that person. This will be a continuing obligation on your part throughout the Term. You must keep each original signed Confidentiality Agreement and provide us with a copy of each Confidentiality Agreement when requested by us or our authorized representative.

d. Notwithstanding the above, Confidential Information shall not include information which you can reasonably prove: (i) entered the public domain through no breach by you or your affiliate of any duty of confidentiality, or (ii) you received our prior express written consent to disclose in the manner in which you disclosed it.

e. If anyone under a Confidentiality Agreement is legally compelled or required by a regulatory body to disclose any Confidential Information, he/she/it will notify us as soon as possible and will use his/her/its best efforts to obtain, and give us an opportunity to obtain, appropriate assurances of confidential treatment.

f. The requirements under this *Section 7.2* will remain in full force and effect during the Term and after termination or expiration of this Agreement.

ARTICLE 8. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

8.1 Relationship of the Parties.

You and we agree that this Agreement does not create any fiduciary or employment relationship between you, or any of your employees, and us, that you are an independent

contractor, and that nothing in this Agreement is intended to make either you or us a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. You shall not enter into any agreement on behalf of or otherwise bind us for any purpose.

Should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of your or your affiliate's employees in any private or government investigation, action, proceeding, arbitration, or other setting, you irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of your employees).

8.2 *Indemnification of Franchisor*.

You agree to indemnify, defend and hold us and our affiliates (including our parent and subsidiary companies, current, past and future predecessors, successors and assigns), and each of our shareholders, owners, directors, officers, members, managers, partners, joint venturers, attorneys, employees, contractors, agents, representatives, guarantors, insurers, spouses, heirs, executors, trustees and estates (collectively with us, "Indemnified Parties") harmless for, from and against any and all claims, liabilities, causes of action, suits, debts, duties, accounts, covenants, contracts, agreements, promises, taxes, demands, obligations, costs and expenses, including reasonable attorneys' fees, damages, judgments, and proceedings, of every kind and nature whatsoever, whether actual or threatened, in law or equity, or otherwise, under local, state or federal law including, without limitation the Americans with Disabilities Act ("ADA"), or the law of any other applicable jurisdiction (individually and collectively, "Claims") suffered or incurred by any of the Indemnified Parties arising out of or relating to your construction, ownership, marketing, Promotions (as defined in Article 10), operation, including your failure to comply with PCI DSS or any law, statute, regulation, order, rule, or ordinance, or management of the Franchised Business, except for Claims held to have resulted solely from our gross negligence or willful misconduct. Notwithstanding the foregoing, we will have the right, at our option, to defend any Claim, but you must reimburse us upon demand for the costs and expenses of such defense. You shall immediately give us notice of any demand, investigation, written inquiry, action, suit, proceeding, or claim in any way related to us or the Cold Stone Creamery brand.

8.3 Indemnification of Franchisee.

We agree to indemnify, defend and hold you and your affiliates, and their shareholders, directors, officers, members, managers, partners, employees, agents, successors and assignees harmless for, from and against any and all Claims, arising out of any Claim of infringement or unfair competition in connection with your authorized use of the Proprietary Marks or Confidential Information, provided that such use is in accordance with the provisions of this Agreement. However, if we require you to modify or discontinue use of our Proprietary Marks or Confidential Information or use other information or rights in its place at any time other than upon renewal of this Agreement, and that requirement is a direct result of proceedings or litigation that determined that our and our franchisees' use of the Proprietary Marks or Confidential Information

infringed upon a third-party's rights, we will bear the cost of those modifications or discontinuances as set forth in this Agreement.

8.4 Special Power of Attorney.

You agree to cooperate with and assist us as we may request from time to time to obtain, protect, maintain or enforce our intellectual property and Proprietary Marks, including executing documents and appearing as a witness. You hereby appoint us as your attorney-of-fact and hereby grant us an irrevocable Special Power of Attorney, coupled with an interest, with full power and authority for the purpose of executing documents or taking such action as necessary or appropriate as you might or could do if personally present, hereby ratifying all that we, as your attorney-in-fact, shall lawfully do or cause to be done by virtue of this Special Power of Attorney to obtain, protect, maintain or enforce our intellectual property and Proprietary Marks if we are, for any reason, unable to obtain your cooperation or assistance. The Special Power of Attorney granted by this *Section 8.4*, shall survive your dissolution, death, incompetence or disability and the termination or expiration of this Agreement.

ARTICLE 9. OPERATING STANDARDS AND DUTIES OF FRANCHISE OWNER

9.1 Compliance with System Standards and Confidential Manual.

You understand and acknowledge that every detail of the operation of the Franchised Business is important in order to develop and maintain high and uniform standards of quality, cleanliness, appearance, service, facilities and techniques; to increase the demand for the System; and to protect our reputation and goodwill and that of other *Cold Stone Creamery* franchisees. You also acknowledge that the operation of the Franchised Business is your sole responsibility, and that neither we nor our affiliates have any responsibility to obtain customers for you. The System Standards will constitute provisions of this Agreement as if fully set forth herein.

9.2 Authorized Products and Services.

a. You agree that you will not, without our prior written approval, offer at the Location any menu items, beverages, products or services that are not authorized by us for the Franchised Business, as set forth in the System Standards.

b. You have complete discretion in establishing the minimum price you charge for your products. Although we may suggest pricing strategy, you will have the final pricing decision.

c. Notwithstanding the terms of *Section 9.2b.*, we may conduct periodic promotional campaigns during which a specified product or products are promoted at a specified price. During the promotional period, you may not charge your customers more than the specified promotional price, although you may charge less than the promotional price.

d. We may conduct new marketing, research and development, branding and operational program tests, which will generally be conducted with experienced, existing franchisees and may include incentives and other rights that are not available to all franchisees.

e. You hereby consent to third-party vendors, suppliers and distributors sharing with us any and all information, reports, invoices and related documentation covering and otherwise detailing your purchases for the Franchised Business, and to us sharing your contact information with them when we reasonably believe they may offer you a desired benefit.

f. You are required to accept debit and credit cards (including Visa®, MASTERCARD® and AMERICAN EXPRESS®) and Gift/Loyalty Cards from consumers at the Franchised Business. Prior to the opening of your Franchised Business, you are required to acquire, and maintain during the Term, an approved debit, credit and Gift/Loyalty Card processing system ("Card Processing System") to use during the operation of the Franchised Business. Additionally, you must utilize our approved third-party payment card processor, as identified in the System Standards, for processing all Card Processing System transactions.

9.3 Specifications and Standards for Supplies; Approved Suppliers; Rollouts.

a. You must purchase or otherwise acquire certain proprietary or required equipment and supplies utilized in the Franchised Business only from our designated approved distributors or suppliers. If, during the Term, we change designated approved distributors or suppliers for any of the proprietary or required equipment and supplies utilized in the Franchised Business, you shall change to the new designated approved distributor or supplier within sixty (60) days after written notification of such change from us.

You acknowledge Franchisor and/or its affiliates has the right to receive commissions, volume discounts, purchase discounts, performance payments, bonuses, rebates, marketing and advertising allowances, co-op advertising, administrative fees, enhancements, price discounts, economic benefits and/or other payments ("Payments") based upon the actual purchases of the foods, beverages, and other products by Franchisor, its affiliates, area developers and franchisees from suppliers. Any such Payments made to Franchisor may be retained by Franchisor or distributed to franchisees in such amounts and using such allocation methods as Franchisor deems appropriate, in its sole discretion. All Payments received from a supplier for a designated purpose (such as participation at an annual convention, etc.) will be spent in accordance with the supplier's designated purpose.

b. If you desire to purchase or otherwise acquire any equipment, supplies or inventory items required by the System Standards but not previously approved by us, or from sources not previously approved by us, you must submit to us sufficient specifications, photographs, drawings and other information sufficient to allow us to determine whether such equipment, supplies or inventory items meet our System Standards. We may require that our representatives be allowed to inspect the facilities of the proposed supplier and revoke its approval upon the supplier's failure to meet any of our then-current minimum System Standards. We may also require that samples from the proposed supplier be delivered, at no charge to us, either to us or to our designee for testing. A charge not to exceed the reasonable cost and expense of the inspection and the actual cost and expense of the test must be paid to us either by you or by the proposed supplier. We will notify you within sixty (60) days after your request of our approval or disapproval of the proposed product or supplier, with such determination to be made at our sole discretion. You acknowledge and agree that our approval of any item or supplier of equipment, supplies or inventory not previously approved by us will not, in and of itself, make the supplier of that item an approved supplier for other *Cold Stone Creamery* franchise owners in the System. We may, in our sole discretion, at any time and from time to time, re-inspect the facilities and products of any approved supplier and revoke its approval

upon the supplier's failure to meet any of our then-current System Standards. If you receive a notice of revocation from us, you must immediately stop selling disapproved products and purchasing from the disapproved supplier.

c. We will provide to you a list of all recommended and required items of equipment, fixtures, supplies, smallwares and interior decor. This list will be included in the System Standards.

d. At any time and from time to time, we may in our sole option engage in new product rollouts to add to or change the menu items offered for sale in the Franchised Business and the ingredients or supplier of ingredients utilized in the preparation of the menu items sold in the Franchised Business ("Rollout"). If we engage in a Rollout, you shall participate in the changes that are the subject of such Rollout, including offering the new menu items, changing the menu items, changing to the new supplier of the ingredients utilized in the preparation of the menu items, and changing to the new ingredients utilized in the preparation of the menu items. If we engage in a Rollout, we will notify you of the details of the Rollout and provide you sixty (60) days from said notification to take the applicable actions required by the Rollout.

9.4 Compliance with Legal Requirements and Good Business Practices.

You must, at your sole expense, operate the Franchised Business in full compliance with all applicable Federal, state and local statutes, laws, ordinances and regulations, including health and safety regulations, food and drug laws, disability laws, labor and employment laws and data privacy laws, as may be amended, supplemented or enacted from time to time. You must pay all costs and expenses incurred by, and in the conduct of, the Franchised Business, including all rent, salaries, taxes (excluding our income taxes), disbursements, license or permit fees, insurance premiums, traveling expenses and any other business expenses when they become due. If you receive any demand, action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Franchised Business, you must immediately notify us, and in no event, later than three (3) days after your receipt. Any such notice must be accompanied by a copy of the demand, complaint, order, writ, injunction, award, decree or other similar document. You must, in all dealings with your employees, customers, suppliers, the public and us adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business practice that may be injurious to the System or the goodwill associated with the Proprietary Marks.

9.5 Maintenance of Insurance.

At all times during the Term, you must maintain in full force and effect at least the minimum types and amounts of insurance coverage that we require, under one (1) or more policies of insurance (each of which shall be primary coverage and shall not be contributory or secondary to any other coverage maintained by us), insured under the particular name of the Franchisee and for the particular address of the Franchised Business.

Such insurance policies must be issued by insurers acceptable to us having an A.M. Best's financial strength rating of at minimum "A-VIII," and grant us authority to obtain copies of your certificate of insurance directly from the carrier or your agent/broker. The particular requirements of our minimum insurance coverage will be made available to you throughout your term. Currently, the general liability insurance required by this Agreement must: (i) name

Kahala Franchising, L.L.C. as the certificate holder; (ii) name Kahala Franchising, L.L.C. and MTY Franchising USA, Inc. and their parents, subsidiaries, affiliates, officers, directors, and employees as additional insureds; (iii) contain a waiver by the insurance carrier of all subrogation rights against us and our affiliates and our affiliates' respective officers, directors and employees for casualty losses; (iv) indicate the address of the Franchised Business being insured; and (v) provide that we will receive a copy, via an endorsement, thirty (30) days' prior notice of cancellation of any such policy. Additional minimum insurance coverage requirements (subject to increase or otherwise change in our sole discretion) are as follows:

TYPE OF COVERAGE	LIMITS/SPECIFICATIONS
General Liability	$1,000,000 Bodily Injury/Property Damage Per Occurrence / $2,000,000 Aggregate
Building Improvements and Betterments	100% of Full Replacement Cost – No Coinsurance (minimum of $100,000)
Business Personal Property	100% of Full Replacement Cost – No Coinsurance – Special Form or equivalent (minimum of $100,000)
Spoilage	$5,000
Flood, Earthquake and Volcanic Eruption	Subject to Territory Limitations – required if in a designated Flood Zone
Workers' Compensation and Employer's Liability Insurance	As required by law
Employment Practices Liability Insurance with Franchisor Defense coverage	$1,000,000
Hired and Non-Owned Automobile Liability	$1,000,000 Combined Single Limit per accident

You need to evaluate if your particular business will require greater coverage or other types of insurance. For example, we strongly recommend that you consult with an insurance broker to discuss whether your particular lease/situation requires and/or should obtain additional common types of insurance (including without limitation, umbrella insurance, and cyber liability/data breach insurance coverage). Such insurance may significantly increase your premiums, but may also save you money in the long run.

You are responsible for maintaining insurance coverage and limits as required by us, at minimum, pursuant to this *Section 9.5*, provided, if your landlord requires additional coverage, higher limits, or any other requirements not required by us, then you are responsible for maintaining such additional items as well. You must always keep the required insurance coverage in force at all times during the operation of the Franchised Business, and you must comply with any changes we make periodically to our insurance requirements. Upon 30 days' notice to you, we may require you to increase and/or otherwise change the minimum coverage

of the insurance referred to above, including to reflect identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

Subject to *Section 3.1*, before you may open your restaurant, annually thereafter at least ten (10) days prior to renewal of your insurance coverage, and at any other time on our request, you must provide us with certificates of insurance or copies of insurance policies showing that you are in compliance with our insurance requirements, as well as proof that you have paid the premiums you owe for the insurance we require. You will pay your insurance premiums to your insurance broker or to the insurance company issuing the policy. We or our affiliate may, at our option and in addition to our other rights and remedies under this Agreement, obtain such insurance coverage on your behalf, and you must promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs, expenses and premiums (in whole or part) incurred by us. Your obligation to obtain and maintain the insurance described above will not be limited in any way by reason of any insurance maintained by us, nor will your performance of such obligations relieve you of any obligations under *Section 8.2*.

9.6 Management of the Franchised Business.

You are directly responsible for all aspects of operating the Franchised Business, and you agree that you will, at all times, operate the Franchised Business and use your best efforts to enhance your Franchised Business and the System. The Franchised Business must be personally managed and directly operated by either you or another partner, shareholder or member of your business organization, or a manager.

9.7 Inspections by Franchisor.

For the purpose of this *Section 9.7*, you must make available to us or our authorized representatives such financial and other information concerning the Franchised Business, and you must permit us or our authorized representatives to have full and free access to such information at your Franchised Business Location during regular business hours without prior notice. We and our authorized representatives will have the right to communicate freely with your employees, and make extracts from, and copies of, all such information. Our authorized representative may make announced or unannounced inspections of your Franchised Business to ensure compliance with all of the requirements of this Agreement.

9.8 Personal Guaranty~~; Non-Disclosure and Non-Competition Agreement~~.

If you are an individual and married, your spouse must execute and deliver to us a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ at the same time that you sign the Agreement unless your spouse is also ~~singing~~ signing the Agreement as an individual.

If you are a corporation, limited liability company, or other business entity, each of your shareholders, members, or other owners, whether direct or indirect (and their respective spouses, if married) must execute and deliver to us a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ at the same time that you sign this Agreement.

In the event any person who has not previously signed a Guaranty of Franchise Agreement ~~or a Non-Disclosure and Non-Competition Agreement~~ becomes your spouse or shareholder, member, or other owner, direct or indirect or a spouse of such shareholders, members, or other owner, at any time after the execution of this Agreement, you must cause such person(s) to immediately execute and deliver a Guaranty of Franchise Agreement ~~and a Non-Disclosure and Non-Competition Agreement~~ to us.

Failure to provide a Guaranty of Franchise Agreement ~~or a Non-Disclosure and Non-Competition Agreement~~ to us may, in our sole discretion, be grounds for termination of this Agreement as set forth in *Section 14.2a*.

9.9 Not Applicable.

ARTICLE 10. ADVERTISING AND PROMOTION

10.1 Advertising by Franchisor.

We (or at our election a third-party which may be an affiliate of ours) will administer the Advertising Fund that will include your Advertising Fee and those of other franchise owners in the System. If an affiliate of ours administers the Advertising Fund or places advertising in connection with the System, such affiliate may be paid a fee that will not exceed the fee that would be payable to unrelated third-parties for comparable services. Unless required by applicable law, we will have no obligation to create a trust account, escrow account or other special account for the Advertising Fund, and the monies comprising the Advertising Fund may be placed in our general account. We may also reserve the Advertising Fee for use in a subsequent year.

We will direct all advertising and promotional programs. We will have sole discretion over all creative concepts, materials and media used in such programs and the placement and allocation of such programs. The Advertising Fund will be used for marketing, advertising, production and media expenses to promote the *Cold Stone Creamery* trade name, System, products and services. We are entitled to deduct, free of charge, the following from the Advertising Fund: reimbursement of expenses, overhead, and employee salaries for services provided; and rent for office space provided to the Advertising Fund. We are not required to use any specific amounts from the Advertising Fund in your market. However, we in our sole discretion, may use some amounts contributed by you to any Advertising Fund, if any (see *Section 5.3*), in the same geographic area in which your Franchised Business is located.

10.2 Advertising by Franchisee.

In addition to your Advertising Fee, if applicable, and unless your Franchised Business is located in an enclosed shopping mall or other enclosed structure identified in *Section 1.1*, you agree to pay for a regular (white pages) and classified (yellow pages) telephone directory advertisement in the main directory distributed in the area where your Franchised Business is located, in such directory categories as we specify, utilizing forms of listing and classified directory advertisements approved by us. We also recommend that, in addition to your Advertising Fee, you spend at least two percent (2%) of your monthly Gross Sales on local advertising.

Your own local marketing and advertising plan should be developed to maximize your particular customer base. You should not rely upon a marketing program or plan by us as the sole means of obtaining customers. All marketing and advertising materials must be reviewed by the marketing department for look and feel. The marketing department's review is not for determining compliance with federal, state and local laws.

All advertising by you in any medium must be conducted in a professional manner and must conform to the System Standards. We may make available to you, from time to time, advertising, promotional plans and materials for purchase.

Under no circumstances may you use, without limitation, the name, image, or voice of a celebrity, public figure, character or other person in connection with the Proprietary Marks or the Franchised Business without our prior written consent. We retain the sole and exclusive right to use, without limitation, the name, services or image of any celebrity, public figure, character or other person in advertising, endorsing or recommending the System.

ARTICLE 11. ACCOUNTING PROCEDURES AND REPORTS

11.1 Maintenance of Records.

You shall keep full, complete, and accurate books and accounts in accordance with generally accepted accounting principles, and in the form and manner indicated below or as from time to time further required by us. You agree to submit reports and data to us electronically if we advise you to do so. You agree:

a. to submit to us electronically the weekly Gross Sales as set forth in *Section 5.6*;

b. to submit to us, on or before the thirtieth (30th) day of each month, commencing with the opening of the Franchised Business, in a format and method approved by us (including through a third-party vendor that franchisee may be required to pay for), a profit and loss statement of the Franchised Business for the preceding calendar month prepared in accordance with generally accepted accounting principles;

c. to submit to us, within ninety (90) days after the end of each calendar year, commencing with the opening of the Franchised Business, in a format approved by us, a profit and loss statement and balance sheet (including a statement of retained earnings or partnership account) for the preceding calendar year;

d. to submit to us, at the times required, such other periodic forms, reports and information as may from time to be time be required by us;

e. to preserve, in the English language and for the time periods set forth below, all accounting records and supporting documents related to the Franchised Business (individually and collectively, "Records"), including:

1. daily cash reports;

2. cash receipts journal and general ledger;

3. cash disbursements journal and weekly payroll register;

4. monthly bank statements, daily deposit slips and canceled checks;

5. all tax returns, including your personal returns and those of your officers, shareholders, partners and members;

6. suppliers invoices (paid and unpaid);

7. dated cash register tapes (detailed and summary);

8. semi-annual balance sheets and monthly profit and loss statements;

9. daily production, throwaway and finishing records and weekly inventories;

10. records of promotion and coupon redemptions;

11. records of all outside sales; and

12. such other records as we may from time to time request.

f. to record all sales on cash registers approved by us, as specified in the Confidential Manual;

g. to file all of your federal and state tax returns on a timely basis and to provide copies of them to us. We may, where applicable, require that tax returns from all of your shareholders, members or partners be provided to us, if you are other than an individual;

h. During the Term, you shall preserve the Records for at least the current fiscal year and for the three (3) immediately preceding fiscal years. For three (3) years after the date of any transfer of an interest in this Agreement, the transferor of such interest will preserve the Records for its last three (3) fiscal years of operation under this Agreement. For three (3) years after the expiration of the Term (or after any earlier termination), you shall preserve the Records for the last three (3) fiscal years of operation of the Franchised Business; and

i. In connection with our efforts to attract additional franchise owners to the System, we will have the right to use (without identifying you, except as required or allowed by law) any financial statements, sales reports, profit and loss statements or balance sheets provided by you and, in connection therewith, you authorize us to disclose any information contained on such financial reports as may be required by any federal or state registration or disclosure law.

11.2 Audit by Franchisor.

We will have the right, at any time during business hours, and with or without prior notice to you, to inspect and audit, or cause to be inspected and audited, the Records and cash control devices of the Franchised Business, and your corporate, partnership or limited liability company books and records (if you are a corporation, partnership, limited liability company, or other entity). You agree that we may access any computers utilized by you for such purposes.

You will fully cooperate with our authorized representatives and independent accountants hired by us to conduct any such inspection or audit. In the event any such inspection or audit discloses an understatement of your Gross Sales for any period in question, you will pay to us, immediately after receipt of the inspection or audit report, any additional Royalty Fee or Advertising Fee due as a result of any such understatement, plus interest at the Default Rate from the date originally due until the date such understatement is paid in full.

In addition, in the event such inspection or audit is made necessary by your failure to timely furnish Records, or if an understatement of the Royalty Fee or Advertising Fee for the period of any audit (which period shall not be for less than one (1) month) is determined by any such audit or inspection to be five percent (5%) or greater, you must reimburse us all amounts incurred in connection with such audit or inspection including our employee costs and expenses, any independent accountants' and attorneys' fees, transportation, room, and meal expenses.

The remedies in this *Section 11.2* will be in addition to all our other remedies and rights under this Agreement or under applicable law.

ARTICLE 12. TRANSFER

Sections 12.1 through *12.4* apply to all transfers, except transfers by us, which are described in *Section 12.5*.

12.1 Prior Consent of Franchisor.

a. As used in this Agreement, "Transfer" means any voluntary, involuntary (including by operation of law), direct or indirect assignment, sale, gift or other transfer by you, including:

1. "Full Transfer," which is any act or circumstance, except those set forth in *Section 12.1.a.2.*, by which fifty percent (50%) or more of the ownership or control is shifted from any individual or corporation, partnership or other business entity (individually and collectively, "Entity") to another, including:

(i) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement;

(ii) Transfer of an interest in you, if you are an Entity;

(iii) Merger, consolidation or issuance of additional ownership interests or redemption of ownership interests in you, if you are an Entity; or

(iv) Transfer of an interest in any other Entity holding an interest in this Agreement or you, if you are an Entity.

2. "Affiliate Transfer," which includes:

(i) Transfer in a separation or divorce, regardless of how much of the ownership or control is shifted from any individual or Entity to another;

(ii) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement from your name as an individual(s) to your Entity name in which you are the sole owner(s) of the Entity;

(iii) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement, from your Entity name in which you are the sole owner(s) to your name as an individual(s);

(iv) Transfer of this Agreement or the Franchised Business, or any right or interest granted by this Agreement from one Entity name to another Entity name in which the owners of the entities are the same;

(v) Removing an owner from the Franchisee (unless the person has a fifty percent (50%) or more ownership interest);

(vi) Adding an owner to the Franchisee (unless the person has a fifty percent (50%) or more ownership interest); or

(vii) Transfer by which less than fifty percent (50%) of the ownership or control is shifted from any individual or entity to another for any act or circumstance listed in *Section 12.1.a.1.*

b. We are entering into this Agreement based upon our knowledge of and faith in your ability. Therefore, the Franchised Business and all the rights granted by this Agreement are personal to you and you may not Transfer without our prior written consent. Any attempted Transfer without our prior written consent will be null and void, and will give us the right to terminate this Agreement and your rights under it, in addition to any remedies which we may have for the breach of this covenant by reason of an attempted Transfer.

c. We shall not unreasonably withhold or delay our consent to a Transfer, so long as it is shown to our satisfaction that the potential transferee ("Potential Transferee") can perform a franchisee's obligations under the then-current form of franchise agreement and all other agreements, legal instruments and documents required of new franchisees.

12.2 Advance Notice of Proposed Terms and Right of First Refusal.

a. If you, or any of your shareholders, members or partners, have received and desire to accept a signed bona fide written offer from a third-party to Transfer, you shall notify us and provide us with a complete copy of the offer (letter of intent) which must include the name, address and telephone number for every Potential Transferee. You must also include information as to the identity of all who will own an interest in this Agreement or in the Franchised Business after the completion of the Transfer, their respective interests, and the proposed terms and conditions of sale and payment.

b. We shall have the right and option, exercisable within thirty (30) days after the date we receive a copy of the offer, to purchase the interest proposed to be transferred, at the price and upon the same terms and conditions specified in the notice.

c. If we do not exercise our option, and the terms of the unaccepted offer are altered, you must, in each such instance, notify us of the changed offer; and we will again have thirty (30) days to exercise our right to purchase on the altered terms. If we do not exercise our option, then the Transfer may take place on the terms and price set forth in the notice; provided: (i) we give our written consent; (ii) the Transfer takes place no later than six (6) months from receipt of our written refusal to exercise our option to purchase; and (iii) all the conditions set forth in *Section 12.3* are satisfied.

12.3 Requirement for Consent to Transfer.

If a Transfer is proposed and we do not exercise our right of first refusal pursuant to *Section 12.2*, then we will consent to the Transfer, provided that:

a. All your obligations under this Agreement are fully paid and satisfied, including the Royalty Fee and Advertising Fee; you are not in default under any provisions of this Agreement or any other agreement, legal instrument or document with us or any of our affiliates; and you enter into written agreements with us, including (except where prohibited by law) a general release by you of all claims against us;

b. Potential Transferee provides to us a completed application and financial documents, is financially acceptable, is not associated with any of our competitors, is of good moral character and reputation, and meets our criteria, which includes: work experience and aptitude; ability to devote time and best efforts to the Franchised Business; equity interest in the Franchised Business; ability to speak and read English sufficient in our opinion to communicate with employees, customers and suppliers and to satisfactorily complete our training; no conflicting interests; and other criteria and conditions that we apply to new franchisees;

c. Potential Transferee provides us with copies of all governing documents of Potential Transferee (e.g., certificate of incorporation or organization, by-laws, stock certificates, operating agreement, membership certificates (if any)) which must be reasonably satisfactory to us in our sole discretion;

d. You provide to us a copy of the purchase and sale agreement, if a Full Transfer, or other documentation evidencing the Transfer, if an Affiliate Transfer, and following our analysis of the terms and conditions of the proposed Transfer, we, in our sole discretion, conclude that such terms and conditions will not interfere with the financial feasibility of the future operation of the Franchised Business;

e. Potential Transferee enters into all agreements, legal instruments and other documents, whether our then-current agreements, legal instruments and documents or a transfer of this Agreement and related legal instruments and documents, as determined by us (individually and collectively, "Transfer Documents"). The terms of the Transfer Documents may vary materially from the current agreements used by us, including the payment of a higher Royalty Fee and Advertising Fee;

f. Not applicable;

g. Potential Transferee pays to us the Transfer Franchise Fee, if a Full Transfer; or Potential Transferee pays us the Document Administration Fee, if an Affiliate Transfer; Franchisee shall be liable to the Franchisor for the transfer franchise fee or Document Administration Fee in the event the Potential Transferee fails to pay such fee that is owing in full;

h. Not applicable;

i. Potential Transferee successfully completes the training program required by the Transfer Documents, if a Full Transfer;

j. Potential Transferee agrees to complete all remodeling and improvements as required by us, and must upgrade the POS System to the then-current required POS System, within the time period specified by us, if a Full Transfer;

k. You and Potential Transferee agree not to assert any security interest, lien, right or claim now or in the future, in the Franchised Business. Any security interest, lien, claim or right asserted with respect to any personal property at the Location must not include any after-acquired property and must be subject, junior and subordinate to any security interest, lien, right or claim now or in the future, asserted by us, our successors or assigns; and

l. You agree to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to Potential Transferee so that Potential Transferee may keep the existing telephone number when the store is transferred to Potential Transferee.

12.4 Death or Incapacity of Individual Franchisee; Change in Entity.

a. Death or incapacity of Franchisee when Franchisee is an individual:

(i) In the event of your death or incapacity, your legal representative may, for a period of ninety (90) days from the date of death or incapacitation, continue to operate the Franchised Business, provided that the operation is conducted in accordance with this Agreement and any other agreements with us.

(ii) If your representative desires to continue the operation of the Franchised Business beyond the ninety (90) day period, then, prior to the expiration of this period, your legal representative must apply in writing for the right to transfer the Franchised Business to the person or persons (whether spouse, heir, devisee, purchaser, or any other person), as the legal representative may specify. The application for transfer will be treated in the same manner as any other proposed Transfer under this Agreement.

(iii) If your legal representative does not comply with the provisions of the preceding paragraph, or does not propose a Potential Transferee acceptable to us under the standards set forth in this Agreement, all rights licensed to you under this Agreement will terminate immediately and automatically revert to us. We shall have the right and option, in our sole discretion, exercisable upon such termination, to purchase all removable furniture, fixtures, signs, equipment and other chattels, but not leasehold improvements, at a price to be agreed upon by the parties or, if no agreement as to price is reached by the parties, at such price as may be determined by a qualified appraiser, approved by both parties, such approval not to be unreasonably withheld. We shall give notice of our intent to exercise the option no later than twenty-one (21) days prior to termination.

b. Death or incapacity of any shareholder, partner, or member in Franchisee when Franchisee is a business entity:

(i) In the event of the death or incapacity of any of your shareholders, partners, or members, the surviving shareholders, partners, or members may, for a period of ninety (90) days from the date of death or incapacitation, continue to operate the Franchised Business, provided that the operation is conducted in accordance with this Agreement and any other agreements with us.

(ii) If your shareholders, partners or members desire to continue the operation of the Franchised Business beyond the ninety (90) day period, then, prior to the expiration of this period, your shareholders, partners, or members must apply jointly with all surviving shareholders, partners or members in writing, for the right to transfer the Franchised Business (or the interest of the deceased or incapacitated shareholder, partner, or member in the Franchised Business), to the person or business entity as the surviving shareholders, partners, or members may specify. The application for transfer will be treated in the same manner as any other proposed Transfer under this Agreement.

(iii) If all surviving shareholders, partners or members do not comply with the provisions of the preceding paragraph, or do not propose a Potential Transferee acceptable to us under the standards set forth in this Agreement, all rights licensed to you under this Agreement will terminate immediately and automatically revert to us. We shall have the right and option, in our sole discretion, exercisable upon such termination, to purchase all removable furniture, fixtures, signs, equipment and other chattels, but not leasehold improvements, at a price to be agreed upon by the parties or, if no agreement as to price is reached by the parties, at such price as may be determined by a qualified appraiser, approved by both parties, such approval not to be unreasonably withheld. We shall give notice of our intent to exercise the option no later than twenty-one (21) days prior to termination.

12.5 Assignment by Franchisor.

You agree and affirm that we may, without your prior consent, sell our business, our assets, or our System, in whole or in part, to a third-party; may issue a public offering of our securities; may engage in private placement of some or all of our securities; may merge with or acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. You further agree and affirm that we have the right, now and in the future, without your prior consent, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of such franchise network, chain or business, which you acknowledge may be proximate to your Franchised Business, and to operate, franchise or license such franchise networks, chains or businesses operating under the Proprietary Marks or any other marks following our purchase, merger, acquisition or affiliation. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages against us arising from or related to the loss of your rights to use the System as authorized under this Agreement.

This Agreement will inure to the benefit of our successors and assigns. In conjunction with one (1) or more of the transactions contemplated above, or as otherwise determined by us, we have the right to assign our rights and obligations under this Agreement to any person or entity, without your prior consent. Upon such assignment, we will be relieved of all obligations or liabilities then existing or thereafter able to be asserted under this Agreement.

12.6 Restrictions on Security Interests and Subfranchising.

Except as otherwise set forth in this *Section 12.6*, you shall not have any rights to pledge, encumber, hypothecate or otherwise give any third-party a security interest in this Agreement in any manner whatsoever, nor subfranchise or otherwise transfer, or attempt to subfranchise or transfer the Franchised Business, in whole or in part, so long as it is operated as the Franchised Business, without our express prior written permission, which permission may

be withheld for any reason whatsoever in our sole discretion. Notwithstanding anything contained herein to the contrary, you shall have the right to pledge your accounts receivable, net of royalties and rent, without our prior written consent for the sole purpose of obtaining financing for the operation of the Franchised Business, provided you are in full compliance with this Agreement and any other agreement, arrangement or understanding with us.

ARTICLE 13. RENEWAL

Subject to the terms and conditions described below, you will have the right to renew your license to operate the Franchised Business for an additional term of five (5) years. In the event you desire to renew your license, you must give us notice to that effect at least one hundred twenty (120) days prior to the expiration date of the Term. In addition to giving the notice of renewal referred to above in a timely manner, in order to have the right to renew the license to operate the Franchised Business for an additional term, you must also meet each of the following requirements:

a. You must not then be in default under this Agreement or any other agreement, legal instrument or document with us or any of our affiliates, and no event shall have occurred that, with the giving of notice, the passage of time, or both, would constitute a default under this Agreement, including all financial obligations to us;

b. You must be in complete compliance with the terms of this Agreement, including all financial obligations to us, and the then-current Confidential Manual;

c. You must not have received more than three (3) notices of default or breach of this Agreement during its term, nor more than two (2) notices of default or breach during the five (5) years immediately preceding the effective date of the proposed renewal;

d. You must have the existing right to maintain possession of the Location or you must have secured and developed a suitable substitute location that meets our then-current minimum site requirements (such confirmation will be provided to you by us in writing);

e. You must sign a general release provided by us;

f. You and we must execute all agreements, legal instruments and other documents (individually and collectively, "Renewal Documents") then used by us in the renewal of franchises and then being required of new franchise owners in connection with the System. The Renewal Documents will supersede this Agreement, but will not terminate your liability to perform any obligations which you have not yet performed under this Agreement, or which survive the termination of this Agreement; nor will the Renewal Documents terminate or supersede any Guaranty of Franchise Agreement, Confidentiality Agreement, or Non-Disclosure and Non-Competition Agreement executed pursuant to this Agreement. The terms of the Renewal Documents may vary materially from the current agreements used by us, including the payment of a higher Royalty Fee and Advertising Fee;

g. The equipment, fixtures and signage used in connection with the operation of the Franchised Business must either meet our then-existing System specifications and standards, or you must agree, within a timeframe required by us, to replace or refurbish such items, and otherwise modify the methods of operation of the Franchised Business at your cost and

expense, in order to comply with our System specifications and standards then applicable to new franchise owners;

h. You agree to complete all remodeling and improvements as required by us, and must upgrade the POS System to the then-current required POS System, within the time period specified by us; and

i. You shall have paid to us the Renewal Franchise Fee as required under *Section 5.12*.

If you do not meet any of the requirements for renewal, we will give you a notice to that effect which will specify the requirements not met. The notice will be given to you within sixty (60) days after you deliver to us your notice of intent to renew.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Default; Termination.

a. You will be in default under this Agreement:

(i) If: (a) you become insolvent or make an assignment for the benefit of creditors; (b) you file a petition in bankruptcy, or if such a petition is filed against and consented to by you, and such petition is not dismissed within thirty (30) days from the filing date of such petition; (c) you are adjudicated bankrupt; (d) a bill in equity or other proceeding for the appointment of your receiver or other custodian for your business or assets is filed and is consented to by you or is not dismissed within thirty (30) days from the filing date of such bill or other proceeding; (e) a receiver or other custodian is appointed; (f) proceedings for composition with creditors under any state or federal law is instituted by or against you; (g) the real or personal property of the Franchised Business is sold at levy thereupon by any sheriff, marshal or constable, or sold by a secured party under any state's Commercial Code;

(ii) If you fail to pay, perform, observe or comply with any of your duties and obligations under this Agreement or the Confidential Manual, including failure to provide a fully-executed copy of the lease to us when due and failure to pay when due, any sum due to us under this Agreement (including the Royalty Fee and Advertising Fee) or to any Advertising Fund (inclusive of any Association); or if you breach any of your obligations under any lease, sublease, mortgage, equipment agreement, promissory note, vendor account, conditional sales contract or other contract arising from, or in connection with, the Franchised Business, to which you are a party or by which you are bound, whether or not we are a party thereto;

(iii) If your lease or sublease for the Location of the Franchised Business is either: (a) in default and you fail to cure such default as provided in the lease or sublease; (b) is terminated for reason of default by you; or (c) the Location is lost as a result of your failure to comply with the lease or sublease;

(iv) If you fail, within thirty (30) days of the entry of a final judgment against you in an amount exceeding Two Thousand Dollars ($2,000), to discharge, vacate or reverse the judgment or to stay its execution pending appeal, or to discharge any judgment which is not vacated or reversed within thirty (30) days after expiration of the stay of execution;

(v) If we determine that a serious health or safety problem exists at the Franchised Business, in which case, we may require you to immediately correct the problem or cease operating until the problem is corrected;

(vi) If you, or any owner, co-owner or principal of the Franchised Business, is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the System, the goodwill associated therewith, or our interest therein;

(vii) Except for any reason provided in *Section 5.2*, if you abandon the Franchised Business, which abandonment shall conclusively be deemed established if the Franchised Business is closed for more than three (3) consecutive days;

(viii) Except for any reason provided in *Section 5.2*, if you close or relocate the Franchised Business, without our express advance written consent;

(ix) If you fail to maintain an independent contractor relationship with us;

(x) If you either negligently or knowingly inaccurately report, or fail to report, any information in your franchise application;

(xi) If you or any owner, co-owner or principal of the Franchised Business commits an act, or permits an act to be committed, that violates any federal, state or local law that adversely impacts the Franchised Business;

(xii) If you fail to participate in any Rollout detailed in *Section 9.3*;

(xiii) If you violate any of the provisions of *Sections 2.3, 3.2, 9.2, 9.3* or *9.4* including the requirement that you: (a) sell or offer for sale only those products and services authorized by us; (b) purchase such authorized products and services only from suppliers or service providers who are approved in writing by us; and (c) utilize or switch to any of our designated approved suppliers, including a supplier who has entered into a national or regional master supplier agreement with us;

(xiv) If you transfer or attempt to transfer any rights or obligations under this Agreement or any other property or assets to any third-party in violation of the provisions of *Article 12*;

(xv) If you or any of your owners, officers, directors, managers, members, or partners (as applicable): (a) become subject to U.S. Executive Order 13224 or are involved in any activity that violates the U.S. Foreign Corrupt Practices Act or any other anti-corruption, bribery or any other laws, orders or governmental notices affecting your ability to conduct business in or with the United States, as may be amended and whether in effect as of the Effective Date or at any time during the Term, (b) are identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specialty Designated National and Blocked Persons list, or (c) receive any funding from any country that is subject to an embargo by the United States, any foreign government or government official, political party; or

(xvi) If you intentionally made any false representations and warranties under *Section 17.1.*

b. Cross-default: A default by you under this Agreement will be deemed a default of all agreements between: (i) you and your principals in his or her individual capacity or any other entity in which your principals are owners, members, managers, shareholders or partners (individually and collectively, "Franchisee Entity"); and (ii) us or any of our affiliates or predecessors (individually and collectively, "Franchisor Entity"). A Franchisee Entity's default of any other agreement, legal instrument or other document between the Franchisee Entity and a Franchisor Entity will be deemed a default under this Agreement. A default by any guarantor of your obligations under this Agreement or any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be deemed a default of this Agreement.

c. Termination: If you fail to cure any default to our satisfaction, within the applicable period following notice from us, if applicable, or otherwise breach this Agreement, we may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. This termination will be effective immediately upon the giving of notice pursuant to *Article 15*.

d. Cross-termination: If this Agreement is terminated as a result of your default of this Agreement or any other agreement related to the Franchised Business, we may, at our option, elect to terminate any or all other agreements, legal instruments or documents between a Franchisee Entity and a Franchisor Entity. If any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity is terminated as a result of a default by the Franchisee Entity, we may, at our sole discretion, elect to terminate this Agreement. It is agreed that an incurable or uncured default under this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be grounds for termination of this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity, without additional notice or opportunity to cure.

14.2 Opportunity to Cure.

a. Fourteen-Day Cure Period - Except as otherwise provided in this *Section 14.2*, you will have the right to cure your default under this Agreement within fourteen (14) days after notice of default is given by us pursuant to *Article 15*. Notwithstanding the foregoing, the following lesser periods will apply under the circumstances described:

b. Seven-Day Cure Period - A seven (7) day cure period will apply if you fail, refuse, or neglect to pay when due, any monies owing to us (including the Royalty Fee and Advertising Fee), or otherwise to any Advertising Fund (inclusive of any Association), or if you fail to maintain the insurance coverage set forth in this Agreement;

c. 48-Hour Cure Period – A forty-eight (48) hour cure period will apply (1) if you are in default of *Section 3.4* or (2) if you fail to participate in any limited time product offering, value offering, contest, promotion or charity event. You must initiate your participation in such offering, contest, promotion or event within forty-eight (48) hours and fully participate in such offering, contest, promotion or event as soon as reasonably possible, in our sole discretion, thereafter;

d. 24-Hour Cure Period - A twenty-four (24) hour cure period will apply to your violation of any law, regulation, order or our standards relating to health, sanitation or safety; or, except as provided in *Section 5.2*, if you cease to operate the Franchised Business for a period of forty-eight (48) hours without our prior written consent. In addition, a twenty-four (24) hour

cure period will apply if you post on any Site or direct others to any site or page, post, blog or other social media site where there are posted any defamatory or offensive comments about: other franchisees; the *Cold Stone Creamery* brand; other brands franchised by us or one of our affiliates; your or other franchisees' customers; any of our, your or franchisees' vendors; us or any of our affiliates; or any of our, your or franchisees' competitors;

e. Immediate Cure Period (less than 24 hours) – An immediate cure period (less than twenty-four (24) hours) will apply if you post any content to a Site in which the content includes any inappropriate public displays of affection, our or others' confidential information or materials, violations of health or safety standards, foul or obscene language, or any images of or information about any persons from whom you did not obtain prior written consent;

f. No Cure Period - No cure period will be available: (1) if you are in default of *Sections 3.1, 7.2, 9.4, 14.1a.(i), 14.1a.(iii), 14.1a.(vi), 14.1a.(vii), 14.1a.(viii)*, *14.1a.(xiv)*, *14.1a.(xv),* or *14.6*; (2) if you intentionally underreport weekly Gross Sales, falsify financial data, fail to promptly provide upon our request financial data and records specified in this Agreement, or otherwise commit an act of fraud with respect to your rights or obligations under this Agreement; (3) if you repeatedly fail to comply with the provisions of this Agreement, whether or not subsequently cured; (4) if you, having twice previously cured a default of this Agreement, commit the default again; (5) if you made any false representations and warranties under *Sections 17.1f., 17.1g., 17.1m.* or *17.1n.*; or (6) if you engage in trademark misuse or otherwise materially misuse or make an unauthorized use of any of the components of the System or commit any other act which does, or can reasonably be expected to, materially impair the goodwill or reputation associated with any aspect of the System;

g. Statutory Cure Period - If a statute in the state or municipality in which the Franchised Business is located requires application of that state or municipal law, and that statute requires a cure period for the applicable default which is longer than any cure period specified in this *Article 14*, the statutory cure period will apply.

14.3 Our Right to Take Over Management.

We have the right (but not the obligation), under the circumstances described below, to enter the Franchised Business and assume the Franchised Business' management for any period of time we feel is appropriate. If we assume the Franchised Business' management, you must pay us, in addition to the Royalty Fee and Advertising Fee, six percent (6%) of the Gross Sales, plus our direct out-of-pocket cost and expenses, for the period of time we assume the Franchised Business' management. If we assume the Franchised Business' management, you acknowledge that our duty is limited to using our reasonable efforts, and we will not be liable to you or your owners for any debts, losses or obligations the Franchised Business incurs, or to any of your creditors for any supplies or services the Franchised Business purchases. We may assume the Franchised Business' management if you abandon the Franchised Business or if you fail to comply with any provision of this Agreement and did not cure the failure within the time period we specify in our notice to you. You agree to complete and sign a letter of agency, letter of authorization, or equivalent and provide it to us upon our request if we assume the Franchised Business' management so that we may keep the existing telephone, facsimile, alarm, and credit card machine numbers (as applicable) in operation under our phone service provider. You also agree to keep the phone, water, gas, electric service (as applicable) turned on and active for one (1) week after we assume the Franchised Business's management to

allow us to switch the services over to us or our affiliate. Our exercise of our management rights under this *Section 14.3* will not affect our right to terminate this Agreement.

14.4 Remedies.

a. Interest, Costs and Damages - If you fail to remit when due any payments required under this Agreement, you agree to pay, in addition to the unpaid amounts, all of our collection costs and expenses, expert fees, reasonable attorneys' fees, and costs and expenses, including all fees, costs and expenses of court, including all appeals, with interest on the unpaid amounts at the Default Rate or the highest permissible rate. If you fail to cure a default, following notice, within the applicable time period set forth in *Section 14.2*, or if this Agreement is terminated as a result of your default, you shall pay to us all damages of any kind and nature whatsoever and all collection costs and expenses, expert fees, reasonable attorneys' fees, and costs and expenses, including all fees, costs and expenses of court, including all appeals, together with interest at the Default Rate or the highest permissible rate. If you fail to report Gross Sales in accordance with *Sections 5.2* and *5.6*, we may estimate your Royalty Fee and Advertising Fee based on prior reports, and may sue for and obtain judgment for such estimates unless you prove, prior to the entry of any default order or judgment, that your Royalty Fee and Advertising Fee are different than the estimates.

b. Waiver of Punitive Damages - Both we and you waive, to the full extent permitted by law, any right they otherwise may have had to claim, pursue, demand or receive any exemplary or punitive damages arising out of or related in any way to this Agreement and its addenda, amendments, appendices, exhibits and attachments.

c. If you breach any of the terms of this Agreement, including if you are in default of this Agreement, we may enforce our rights by injunction, specific performance, or any other remedy available under this Agreement, at law or in equity, including termination. These remedies are cumulative and not exclusive and we may use all remedies available. In addition, we may elect to terminate this Agreement and all your rights under it as set forth in *Section 14.5*.

d. If you breach any of the terms of this Agreement, including if you are in default of this Agreement, we have the right to have a receiver appointed to take possession, manage and control the assets of the Franchised Business, collect the profits, and pay the net income for the operation of the Franchised Business as ordered by a court of competent jurisdiction. The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists.

14.5 Effect of Termination or Expiration.

Upon termination or expiration of this Agreement, we can advise all suppliers of *Cold Stone Creamery* proprietary food items and other supplies bearing any of the Proprietary Marks or service marks to cease delivering the items and products to you.

Upon your abandonment of the Franchised Business (whether voluntary or involuntary), any termination of this Agreement (whether pursuant to *Sections 14.1, 14.2, 14.4*, or otherwise), or upon expiration of the Term, you must immediately cease to hold yourself out to the public as a franchise owner of the System, and you must comply with the following:

a. Immediately pay to us or any affiliate of ours all sums owing from you to us or such affiliate, including the Royalty Fee and Advertising Fee, for any period prior to the date of termination, the applicable Early Termination Damages (as defined in Section 14.9 below), and all amounts owed for services, supplies or other items purchased by you from us or any affiliate of ours, or that were financed by us or any affiliate of ours, or which we or any affiliate of ours loaned to you, together with any interest or late fees accrued thereon, together with all other sums due us under this Agreement, and all damages of any kind or nature whatsoever that may be allowed by law;

b. Immediately cease to use, in any manner whatsoever, including in all advertising, the Proprietary Marks, any Trade Secrets, any Confidential Information, any benefits of the System or any part thereof, any methods associated with the System, any forms, recipes, Confidential Manual, slogans, signs, sign posts, marks, symbols, or devices used in connection with the operation of the Franchised Business; and you must deliver or destroy all of the above-mentioned materials, including any materials containing or referencing any of the foregoing, to us as directed by us. If we do not recover any such items, such items shall be valued at their then-current replacement cost, for purposes of determining the damages owing by you to us for failure to return such items, if we pursue a damage claim as a result thereof;

c. Immediately discontinue all advertising as a franchisee of the System, and thereafter refrain from any advertising that would indicate that you are or ever were a franchisee or licensee of ours, or otherwise were affiliated with us or the System;

d. Immediately take such steps as may be necessary or appropriate to:

(i) delete your listing in all telephone directories, if applicable, and terminate any other listings that indicate that you are or were a franchisee or licensee of ours, or otherwise were affiliated with us or the System; and

(ii) transfer to our designee or us all telephone numbers used by you in connection with the Franchised Business. You acknowledge that between you and us, we have the sole right and interest in all telephone numbers and directory listings associated with any Proprietary Marks, and you authorize us and appoint us and any officer or agent of ours, as your attorney-in-fact, to direct the telephone company and all listings agencies to accept such direction, or this Agreement, as conclusive evidence of our exclusive rights in such telephone numbers and directory listings and our authority to direct their transfer;

e. Immediately take such action as may be required to cancel all fictitious or assumed names, amend any entity name, or dissolve any entity that contains any Proprietary Mark, in whole or in part, regardless of whether the entity name was authorized by us, and amend or cancel any and all equivalent registrations relating to your use of any Proprietary Mark. You acknowledge that between you and us, we have the sole right and interest in all such fictitious or assumed names, entity name, and equivalent registrations, and you authorize us and appoint us and any officer or agent of ours as your attorney-in-fact, to effect the termination or cancellation of such fictitious or assumed names or equivalent registrations should you fail or refuse to do so, and the appropriate federal, state, and local agencies may accept your direction or this Agreement as conclusive evidence of our exclusive rights in such fictitious or assumed names or equivalent registrations, and our authority to direct their termination or cancellation;

f. Comply with the confidentiality requirements and the covenant against competition in this Agreement for the specified period. You acknowledge that you, or (if an entity) your authorized representative, has carefully reviewed the confidentiality requirements and the covenant against competition in this Agreement; and that you have agreed to be bound by all the requirements and covenants; and

g. Maintain at a place made known to us all books, records and reports required under this Agreement for a period of not less than three (3) years after the date of termination or expiration of this Agreement, to allow us to make a final inspection of your books and records for the purpose of verifying that all amounts owing have been paid.

If you fail to do any of the foregoing, we may pursue any remedy available at law or in equity against: (i) you; (ii) any or all guarantors of your obligations under this Agreement; and (iii) you and any or all guarantors of your obligations under this Agreement.

h. Right of First Refusal. We have the right, but not the obligation, to purchase from you any assets or property (but not leasehold improvements) used in the operation of the Franchised Business for an amount equal to the Value (as defined below), as of the expiration date or termination date, as applicable ("RoFR"). If we are required, by law, regulation or court order, to purchase the equipment and other tangible assets used in connection with the Franchised Business, the purchase price will be equal to the Value. For purposes of this Agreement, the term "Value" means, subject to applicable law, an amount equal to your cost for such assets, less depreciation and amortization using a two hundred percent (200%) declining balance method over a five (5) year period. If all, or any portion of, your assets that are being purchased by us or our authorized representative are subject to lien(s), we or our authorized representative may pay, on your behalf, the lienholder(s) that portion of the purchase price for your assets (which may be the entire purchase price) that is necessary to obtain the release of those assets from the lien(s), in lieu of paying you those funds. Further, we may offset any amounts payable to you pursuant to this *Section 14.5.h*, or otherwise pursuant to this Agreement, against any unpaid amounts payable to us or our affiliates pursuant to this Agreement or any agreement executed in connection with this Agreement.

14.6 Covenant Not to Compete; Conflicting Interests.

a. During the Term and for a period of two (2) years after your abandonment of the Franchised Business, expiration of this Agreement, or termination of this Agreement (whether voluntary or involuntary), you shall not engage in any Competing Business (as defined in *Section 14.6c.*) with any *Cold Stone Creamery* restaurant, nor shall you have any Conflicting Interest (as defined in *Section 14.6d.*) in a Competing Business. The provisions of this Agreement bind you in any capacity, including as a franchisee, sole proprietor, partner, limited partner, member, employer, franchisor, shareholder, officer, director or employee.

b. During the Term, and for a period of two (2) years after your abandonment of the Franchised Business, expiration of this Agreement, or termination of this Agreement (whether voluntary or involuntary), you shall not divert or attempt to divert any business, customers, or potential customers of the *Cold Stone Creamery* System to any Competing Business, by direct or indirect inducement or otherwise. In addition, you shall not at any time do or perform any act, directly or indirectly, which harms the goodwill or reputation of us or the System.

c. For purposes of this *Section 14.6*, "Competing Business" means a business which is primarily engaged in the sale of ice cream, along with cakes, cupcakes, pies, smoothies and other dessert products prepared or served with ice cream or as an ingredient, and all variations thereof, within a geographical area consisting of: (1) during the Term, anywhere else; and (2) after abandonment, expiration or termination of this Agreement, within a ten (10) mile radius from the Location or location of any *Cold Stone Creamery* restaurant of ours, our third-party licensees or our third-party franchisees. The term "*Cold Stone Creamery* restaurant" includes not only the restaurants now in existence, but also those established at a later date. The term of this covenant will be extended by any time consumed in litigation to enforce it in both trial and appellate courts. If a court of competent jurisdiction determines that the restrictions in this paragraph are excessive in time, geographic scope, or otherwise, the court may reduce the restriction to the level that provides the maximum restriction allowed by law.

d. For purposes of this *Section 14.6*, "Conflicting Interest" means an interest by which you, or your executive officers, directors and shareholders (if you are a corporation), or your partners (if you are a partnership), or your members (if you are a limited liability company), or your designated manager, spouses, and/or guarantor(s) directly or indirectly, have a controlling interest in, lend money to, consult with or otherwise assist any Competing Business. If any of the persons named above do not sign this Agreement under the heading "Personal Acceptance of *Sections 7.1, 7.2, 14.6 and 14.8,*" then you agree to obtain the execution by such person of a written agreement setting forth the foregoing in a form acceptable to us.

14.7 Continuing Obligations.

All your obligations that expressly survive the expiration or termination of this Agreement, including *Sections 14.5* and *14.6*, or by the implicit nature thereof require performance after the expiration or termination of this Agreement, will continue in full force and effect (subsequent to, and notwithstanding, your abandonment of the Franchised Business (whether voluntary or involuntary) the expiration of the Term, or termination of this Agreement), until they are satisfied in full or by their nature expire. The indemnities and obligations set forth in *Article 8* will continue in full force and effect subsequent to, and notwithstanding, the expiration or termination of this Agreement.

14.8 Remedies.

You acknowledge and agree that the restrictions contained in this Agreement, including in this *Article 14*, are fair and reasonable and necessary for the protection of our legitimate business interests and you intend and agree that such restrictions be enforceable and enforced to their fullest extent. You further understand and agree that, notwithstanding any other provision of this Agreement, your breach of your obligations under this *Article 14*, will cause us irreparable harm for which recovery of monetary damages alone would not be an adequate remedy. Both parties shall be entitled to obtain timely injunctive relief, including a temporary restraining order, preliminary and permanent injunctions, to protect their rights under this Agreement, in addition to and not exclusive of any and all other remedies available to each party.

14.9 Early Termination Damages.

If you discontinue operating your Franchised Business before this Agreement expires, with or without obtaining our prior written consent, or in the event of a termination of this Agreement arising from or related to your default and breach of its provisions, you will become obligated to pay Franchisor early termination damages ("Early Termination Damages"). The Early Termination Damages shall be considered damages and not a penalty, are not in lieu of other damages, and your payment of these damages shall not constitute a release of any other obligation owed to us. Franchisor, Franchisee, each individual signing on behalf of Franchisee, and each guarantor guaranteeing Franchisee's obligations hereunder, hereby acknowledge and agree that Franchisor's losses due to Franchisee's unilateral closure of the Franchised Business or termination of this Agreement would be highly difficult or impossible to calculate with reasonable certainty and, therefore, have agreed at the outset of this Agreement that the Early Termination Damages, and the formula for calculating these damages, constitutes a reasonable, good faith forecast of Franchisor's estimated losses and damages due to the premature closure of the Franchised Business or termination of this Agreement.

The amount of the Early Termination Damages is calculated as follows:

a. Compute the average monthly Royalty Fee and Advertising Fee due for any consecutive twelve (12) month period within the forty-eight (48) months immediately preceding the date we receive notification of the closure, or if you failed to timely notify us of the closure then the date the Franchise Business closed, or, if the Franchised Business has been open for less than twelve (12) months, the average monthly Royalty Fee and Advertising Fee due since the opening of the Franchised Business ("Monthly Average");

b. Multiply the Monthly Average by the number of months remaining in the Term; and

c. Divide the resulting total computed in b. above by two (2).

For example purposes only: If the average monthly Royalty Fee and Advertising Fee were collectively $1,000 and there were five years (60 months) remaining in the Term, the Early Termination Damages would be $30,000, calculated as follows: $1,000 x 60 months = $60,000 ÷ 2 = $30,000.

If you unilaterally close the Franchised Business and/or unilaterally terminate this Agreement prior to the end of the Term, you must give us ninety (90) days prior notice of the early termination ("Early Termination Notice") ~~.~~ pursuant to the applicable notice requirements as set forth in Article 15 of this Agreement. For avoidance of doubt, sending the Early Termination Notice via facsimile, email or through other electronic means does not constitute proper notice). Within ten (10) days after our receipt of your Early Termination Notice, we will calculate the Early Termination Damages, which will be due and payable thirty (30) days prior to the closure of your Franchised Business. In the event of a closure or termination arising from or related to your default under this Agreement, or that you do not: (i) timely or properly provide us with the Early Termination Notice at least ninety (90) days prior to the early termination of your Franchised Business and this Agreement; (ii) remain open for at least ninety (90) days after providing us with the Early Termination Notice; and (iii) pay the Early Termination Damages in full at least thirty (30) days prior to closing of the Franchised Business, the Early Termination Damages due may, in our sole discretion, be increased as follows: it will be calculated by

multiplying the Monthly Average by the number of months remaining in the Term, and will not be divided by two (2).

If you have not paid your Royalty Fee and Advertising Fee for any period(s) within the forty-eight (48) months prior to notifying us of your early closure or termination, or if you have not reported your Gross Sales for any period(s) within the forty-eight (48) months prior to notifying us of your intended early termination, we will estimate the Royalty Fee and Advertising Fee based upon prior reports to calculate the Monthly Average.

ARTICLE 15. NOTICES

Unless otherwise provided in this *Article 15*, all notices specified by this Agreement or required by law must be in writing and given by personal delivery, sent by carrier (i.e., FedEx®, UPS®, etc.), U.S. certified mail, return receipt requested. All notices to us must be given at the address set forth on page 1 of this Agreement or to such other address as we may designate in writing from time to time in accordance with this *Article 15*. All notices to you may be given at the address set forth on page 1 of this Agreement, at the address of the Franchised Business, at any of your franchised restaurants, at your residence (if an individual), or at the residence of your principal shareholder(s), partner(s), or member(s) (if a business entity). Notices will be conclusively deemed to be given, delivered, and effective when sent pre-paid and actually left in the custody of an adult agent, employee or resident at a place of business or residence if given by personal delivery; or if given by carrier, twenty-four (24) hours after deposited with carrier, or if by U.S. certified mail, three (3) days after deposited with the U.S. Postal Service. You have an obligation to promptly notify us pursuant to this *Article 15* whenever your mailing address, phone number or email address change. Notwithstanding the foregoing, ~~we~~ only Franchisor ~~may~~ has the right to give you written notice via email to an email address you provide us regarding all notices specified by this Agreement or required by law, with such email notification to be deemed received by you twenty-four (24) hours after we send it, unless you otherwise earlier acknowledge receipt.

ARTICLE 16. CONSTRUCTION AND ENFORCEMENT; MISCELLANEOUS

16.1 Independent Contractors.

The relationship between you and us is that of independent contractors. You are in no way to be deemed our partner, joint venturer, agent, employee, or servant. You have no authority to bind us to any contractual obligation or incur any liability for or on our behalf. You shall identify yourself as an independent owner of the Franchised Business in all dealings with customers, lessors, contractors, suppliers, public officials, employees, and others.

16.2 Severability and Substitution of Provisions.

Except as provided to the contrary in this Agreement, each article, section, term and provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, or as a result of a final, non-appealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that regulation or ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may otherwise remain valid, and such other portions will continue to be given full force and effect and bind the parties to this Agreement. If the severed provision is material to this Agreement, we shall promptly provide a

substitute provision to replace the invalid severed provision consistent with then-current law and the original intent of the parties.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of, or refusal to renew, this Agreement than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable law, regulation, or court ruling of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice or other action required by such law, regulation, or court ruling will be substituted for the comparable provisions of this Agreement, and we will have the right, in our sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction, unless we elect to give them greater applicability, and otherwise shall be enforced as originally made and entered into in all other jurisdictions.

16.3 Dispute Resolution.

a. Except as otherwise provided herein, a*ny* dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto or the relationship between the parties, or the entry, making, interpretation, or performance of either party under this Agreement ("Dispute"), which cannot be resolved by mediation under *Section 16.3d.* or is not subject to mediation under the terms of this Agreement, shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules as modified below.

b. Any arbitration shall take place before a sole arbitrator in Maricopa County, Arizona or, if our headquarters are no longer located in Maricopa County, Arizona, then the arbitration shall take place in the county in which our headquarters are located at the time the arbitration is commenced. You agree that conducting the arbitration where we are located is appropriate due to the multiple locations throughout the United States where our franchisees are located. The parties agree that the arbitrator shall be an attorney licensed to practice law in the United States and must have a minimum of five (5) years of experience in franchise law. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs and expenses of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any other dispute, arbitration proceeding or litigation, except to the extent such issue may have been specifically determined in another proceeding between the parties. This agreement to arbitrate shall survive any termination or expiration of this Agreement, however effected. The parties agree that any arbitration shall be solely between them (including any affiliates) and shall not include as a party, by consolidation, joinder, or in any other manner, any other person or entity, unless both parties consent in writing. Both parties shall have the absolute right to refuse such consent. Further, the parties expressly waive any right to bring or participate in any class or other consolidated, joined or multi-party arbitration claim or proceeding, whether or not permissible under the AAA Commercial Arbitration Rules, including any claim brought on their behalf by an association of which it, he or she is a member. At the request of any party, the arbitration shall be conducted in a manner that maintains the confidentiality of the proceedings.

c. The arbitrator will issue a reasoned award, with findings of fact and conclusions of law. Actions to enforce an express obligation to pay monies may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. The Federal Arbitration Act shall govern, excluding all state arbitration laws. Arizona law will govern all other issues. With respect to discovery, the arbitrator shall require each party to make a good cause showing before any discovery exceeding that specifically authorized by the AAA Commercial Arbitration Rules will be granted.

d. Prior to the commencement of an arbitration proceeding, the parties must first submit any Dispute to non-binding mediation. At the request of any party, the mediation will be confidential. The mediation shall be conducted in Maricopa County, Arizona or in the county in which our headquarters are located at the time of mediation, unless the parties shall mutually agree to a different location. The parties to the mediation will share equally in its costs and expenses, except those costs and expenses incurred separately by each party, including counsel fees and expenses. The mediation process will be deemed "Completed" when the parties agree that it has been completed, the mediator declares that any impasse exists, or sixty (60) days have elapsed since the date of the initiating party's notice to the other party that it is initiating the mediation process, whichever occurs first.

e. Notwithstanding anything contained in this Agreement to the contrary, the provisions of Sections 16.3a., 16.3b., 16.3c. and 16.3d. do not apply to a Dispute where: (i) we bring an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action at law for damage to our goodwill, the Confidential Information, the Proprietary Marks or for fraudulent conduct by you; or (ii) the delay resulting from the mediation process may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist). For such disputes, we may bring an action in any federal or state court having jurisdiction, whether for monetary damages, temporary preliminary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to us. You hereby consent to and waive any objection or defense and agree not to contest venue, forum non conveniens or jurisdiction of such court or arbitration.

f. Disputes concerning the validity or scope of arbitration, including whether the Dispute is subject to arbitration, are beyond the authority of the arbitrator and will be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq., as amended from time to time.

g. Either party may appeal the final award of the arbitrator, if it is over One Hundred Thousand Dollars ($100,000), to the appropriate U.S. District Court. The Court's review of the arbitrator's findings of fact will be under the clearly erroneous standard, and the Court's review of all legal rulings will be *de novo*. If it should be determined that this provision for federal court review is not enforceable, then either party may appeal the arbitrator's final award, if it is over One Hundred Thousand Dollars ($100,000), to a panel of three (3) arbitrators chosen under AAA Optional Appellate Arbitration Rules , which will employ the same standards of review stated immediately above.

16.4 Applicable Law and Forum; Waiver of Jury; Statute of Limitations.

a. Except to the extent that the United States Trademark Act of 1946, as amended (15 U.S.C., § 1051 et seq.) or the franchising laws of any state that may be applicable, the laws

of the State of Arizona govern all rights and obligations of the parties under this Agreement without regard to conflict of law. The parties agree, subject to the mandatory mediation and arbitration provisions of *Section 16.3*, that any appropriate state or federal court located in Maricopa County, Arizona has exclusive jurisdiction over any Dispute arising under or in connection with this Agreement and is the proper forum in which to adjudicate the case or controversy. Notwithstanding the foregoing any action initiated by us may, at our election, be brought in any jurisdiction where you are domiciled or that has jurisdiction over you. The parties hereto irrevocably submit to the jurisdiction of, and venue in, any such court, and hereby waive any objection or defense thereto. THE PARTIES AGREE THAT ALL DISPUTES SUBMITTED TO THE COURT PURSUANT TO THIS SECTION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

b. Notwithstanding anything contained in this Agreement to the contrary, the parties agree that any claims under, arising out of, or related to, this Agreement must be brought within two (2) years of the date on which the underlying cause of action accrued, and the parties hereby waive any right to bring any such action after such two (2)-year period, except for the collection of any unpaid Royalty Fee, Advertising Fee, and any other amount due to us or our affiliate.

c. **YOU HEREBY WAIVE THE RIGHT TO SEEK OR COLLECT PUNITIVE, MULTIPLE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING ARBITRATION. YOU HEREBY FURTHER WAIVE THE RIGHT, IF ANY, OF ANY ASSOCIATION OR MEMBERSHIP GROUP TO ASSERT CLAIMS ON YOUR BEHALF IN ANY ACTION.**

d. **YOU HEREBY WAIVE THE RIGHT TO ANY DAMAGES IN CONNECTION WITH OR RESULTING FROM THE WRONGFUL ISSUANCE OF AN INJUNCTION.**

e. The parties agree that the maximum damages that you may recover in connection with a wrongful termination of your franchise and this Agreement will be an amount equal to the product of:

(i) the annual net profit (as defined below) multiplied by

(ii) the lesser of:

(a) The number of full years existing between the date on which the franchise and this agreement were wrongfully terminated and the date on which the Term would have otherwise expired; or

(b) Three.

For purposes of this Agreement, the term "net profit" means an amount equal to the net profits of your Franchised Business, as reflected on your tax return filed with the Internal Revenue Service prior to such termination; provided, however, that if such tax return reflects the operations of your Franchised Business for a period less than one (1) year, such net profits will be annualized based upon the net profits reflected in such tax return.

16.5 No Guarantee of Franchisee's Success.

You have been informed of and acknowledge the highly competitive nature of the business involved, and agree that the successful operation of your Franchised Business will depend in part, upon your best efforts, capabilities, management, and efficient operation; as well as the general economic trend and other market conditions.

16.6 Existence of Various Forms of Franchise Agreements.

You acknowledge that our present and future franchisees operate under a number of forms of franchise agreements and consequently, our obligations and rights with respect to our various franchisees may differ materially in certain instances. The existence of different forms or versions of the franchise agreement does not entitle you to benefit from any such difference; nor does it operate to alter or amend the agreement of the parties set forth in this Agreement.

16.7 Franchise Owner May Not Withhold Payments.

You agree that you will not, on grounds of alleged or actual nonperformance or breach by us of any of our obligations under this Agreement, withhold payment of any Royalty Fee, Advertising Fee, amounts due to us or any of our affiliates for goods or services purchased by you, or any other amounts due to us or any of our affiliates.

16.8 Remedies Are Cumulative.

The rights and remedies of the parties to this Agreement are cumulative and not exclusive, and no exercise or enforcement by either party of any right or remedy under this Agreement shall preclude the exercise or enforcement by such party of any other right or remedy under this Agreement or otherwise available at law or in equity to such party.

16.9 Interpretation.

All the terms and provisions of this Agreement will be binding upon and inure to the benefit of the successors and assigns of the parties. However, nothing in this *Section 16.9* may be construed as our consent to the Transfer of this Agreement or any rights by you.

16.10 Waiver.

Our failure to insist upon the strict performance of any term, covenant or condition contained in this Agreement will not constitute or be construed as a waiver or relinquishment of our right to enforce thereafter any such term, covenant or condition and such term, covenant or condition will continue in full force and effect. For example, Franchisor's acceptance of any payments made, or Franchisor's failure to require any payments, by Franchisee after a breach of this Agreement shall not be, nor be construed as, a waiver by Franchisor of any breach by Franchisee of any term, covenant or condition of this Agreement or of Franchisor's right to later require such payments as a result of such prior breach.

16.11 Litigation Expense.

If an action at law or suit in equity is brought to establish, obtain or enforce any right by either of the parties to this Agreement, the prevailing party in the suit or action, in the trial and

appellate courts, will be entitled to recover from the non-prevailing party reasonable attorneys' fees, costs and expenses and disbursements incurred in such suit or action.

16.12 No Third-Party Beneficiaries.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity shall be entitled to any rights hereunder by virtue of so-called "third-party beneficiary rights" or otherwise.

16.13 Binding Effect; Modification.

This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, personal representatives, heirs, permitted assigns and successors in interest. No amendment, change, or modification of this Agreement shall be binding on any party unless executed in writing by you and us.

16.14 Entire Agreement; Nature and Scope; Construction.

This Agreement, all exhibits, attachments, addendums, and amendments, constitute the entire understanding and agreement between the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. If required to be signed, any state specific addendums are incorporated herein by reference. Any representation not specifically contained in this Agreement made prior to entering into this Agreement does not survive subsequent to the execution of this Agreement. We and you have entered into this Agreement for the sole purpose of authorizing you to use the System licensed by this Agreement in the operation of the Franchised Business during the Term in which those specific items designated by us for sale and use in such locations are offered for sale and use in individual, face-to-face transactions with patrons visiting the Franchised Business (and equivalent telephone or mail transactions accepted as a convenience to that customer group). All consideration being furnished by us to you during the course of performance of this Agreement has been determined based on the limited rights and other limitations expressed herein. No other rights have been bargained for or paid for. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth in this Agreement. The parties further acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

16.15 Terminology.

In addition to the terms defined elsewhere in this Agreement, the following terms defined below are incorporated in this Agreement by reference and shall be deemed to include all persons who succeed to the interest of the original, where applicable:

The term “affiliate” means any person who, directly or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with any person;

The term “Dollars” means United States Dollars and all amounts due under this Agreement shall be paid in United States currency;

The use of the terms “includes” and “including” in any provision of this Agreement followed by specific examples used shall not be construed to limit application of the provision to only the specific examples used;

The term “person” means any natural person, corporation, partnership, trust, other entity, association or form of organization;

The term “will” and “shall” shall be synonymous, and shall be mandatory and not discretionary, unless otherwise specifically provided herein; and

Any references to articles or sections refer to articles and sections in this Agreement unless specified otherwise.

16.16 Counterparts.

This Agreement may be executed in one (1) or more original counterparts, and all of which, when taken together, shall be deemed to be one (1) original Agreement. The signatures required for execution may be transmitted to the other party via facsimile or a scanned .pdf file sent via email and such signature shall be deemed a duplicate original, shall be effective upon receipt by the other party, may be admitted in evidence and shall fully bind the party and person making such signature. A fully-executed copy of this Agreement shall be of the same force and effect as the original.

16.17 Offerings.

If you are a corporation, partnership or other entity, and if you intend to offer securities, partnership interests or other ownership interests in you through any public or private offering, you shall not use any Proprietary Marks in such public or private offering, except to reflect your franchise relationship with us; nor shall you misrepresent your relationship with us by any statement or omission of an essential statement. You shall indemnify and hold us harmless from any liability in connection with such offering. Nothing in the foregoing shall modify the provisions of *Article 12*, and no such offering shall be made without first complying with any applicable provisions of *Article 12*.

16.18 Time.

Time is of the essence of each and every provision of this Agreement.

16.19 Force Majeure.

Neither of the parties will be liable for loss or damage or be deemed to be in breach of this Agreement if the failure to perform the party’s obligations results from: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or

instructions of any government or any department or agency thereof, or (b) acts of God, and in each case being unforeseeable forces which Franchisee could not by the exercise of due diligence have avoided; provided however that Franchisee must: (i) immediately upon the start of the above-mentioned act, provide written notice to Franchisor that it expressly enacts its rights granted under this Section, and (ii) use all commercially reasonable efforts to mitigate the effect of the event of Force Majeure upon its performance and to fulfill its obligations under this Agreement. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that no such cause will excuse payments of amounts owed at the time of such occurrence or payment of the Royalty Fee and all other amounts due to us and our affiliates thereafter, or permit Franchisee to permanently close the Franchised Business.

16.20 Plurals and Captions.

Words in the singular number include the plural when the context requires (and vice-versa). The table of contents and the captions are inserted only for convenience and are not a part of this Agreement or a limitation of the scope of the particular article or section to which each refers.

16.21 Joint and Several Liability.

If you consist of two (2) or more individuals, whether in the form of separate individuals or a business entity controlled by the individuals, then each individual will be jointly and severally liable under the provisions of this Agreement.

16.22 Trademark Notice.

All trademarks referenced in this Agreement are those of their respective owners.

16.23 No Accord or Satisfaction.

If you pay, or we otherwise receive, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt may, in our sole discretion, be applied against the earliest amount due us. In addition, if interest or late fees are owed, we may, in our sole discretion, apply any amounts paid to the late fees and interest before such amounts are applied to the principal amount owed. We may accept any check or other payment in any amount without prejudice to our right to recover the entire balance of the amount due or to pursue any other right or remedy. No endorsement or statement by you on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

ARTICLE 17. ACKNOWLEDGMENTS AND REPRESENTATIONS OF FRANCHISEE

17.1 Certain Representations and Warranties of Franchisee.

You represent and warrant that the following statements are true and complete as of the Effective Date:

a. You do not seek to obtain the Franchised Business for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchised Business except as previously approved by Franchisor and subject and conditioned

to Article 12 of this Agreement.

b. You understand and acknowledge the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Confidential Manual and the necessity of operating the Franchised Business under the System Standards. You represent that you have the capabilities, professionally, financially and otherwise, to comply with our System Standards.

c. If you are a corporation, limited liability company, partnership, or other form of entity, you are duly incorporated, organized, or formed and are qualified to do business in the state and any other applicable jurisdiction within which the Franchised Business is located, and you are and shall remain duly organized and in good standing during the Term.

d. You represent and warrant that: (i) if you are an individual, you are; or (ii) if you are an entity, that each of your owners, shareholders, partners, and members are, a United States citizen or a lawful resident alien of the United States.

e. All financial and other information that you have provided to us or otherwise made available to us in connection with your application for this franchise is true, complete, accurate, and not intentionally misleading.

f. The execution of this Agreement by you will not constitute or violate any other agreement or commitment to which you are a party.

g. Any individual executing this Agreement on your behalf is duly authorized to do so and the Agreement shall constitute your valid and binding obligation and, if applicable, all of your partners, members, or shareholders, if you are a partnership, limited liability company, or corporation.

h. You have, or if you are a partnership, corporation or other entity, your partners or principals have, carefully read this Agreement and all other related documents to be executed by you concurrently or in conjunction with the execution hereof; that you have obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement; that you understand the nature of this Agreement and that you intend to comply with and be bound by this Agreement.

i. You have read and understand the information and disclosures made in the Disclosure Document provided to you as acknowledged in *Section 17.3e.* You understand and acknowledge that: (i) estimates for initial start-up expenses are estimates only and there can be additional start-up expenses; and (ii) your sales may differ substantially from any sales provided in Item 19 of the Disclosure Document, and there is no assurance that your sales will meet or exceed any sales listed in Item 19 of the Disclosure Document. You have had the opportunity to and have consulted or elected not to consult with your attorney, accountant and business advisors before entering into this Agreement.

j. You understand and agree that, while not applicable in every case, our past experience indicates that owner-operated restaurants generally perform better than absentee owners with hired managers. The food business is a personal business and is dependent upon your business skill and judgment. This includes your choice of employees. Your skill in hiring the right people to work in your Franchised Business is very important in determining whether

people decide to purchase menu items from your Franchised Business or from another restaurant in the same vicinity.

k. You understand and agree that ownership of a franchise and the Franchised Business carries certain risks. These risks include the loss of your initial investment, other continued financial losses such as rent payments due under lease obligations and other contractual obligations, the loss of your time and energy in starting up and running your Franchised Business, and loss of earnings and investment income from your investment in the Franchised Business. You understand and agree that the Franchised Business may make money and may lose money and are entering this business venture with this express understanding. You are not relying upon anything which is not contained within this Agreement or the Disclosure Document in determining and deciding to become a franchisee.

l. Notwithstanding the foregoing, you understand and agree that the System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, social trends and other market place variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition or other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer, modifying or substituting entirely the equipment, signage, trade dress, décor, color schemes and uniform System Standards and specifications and all other unit constructions, design, appearance and operation attributes which you are required to observe under this Agreement; and, abandoning, changing, improving, modifying or substituting the Proprietary Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations. You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed. Except as provided herein, we shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby.

m. You represent that neither you nor any of your affiliates, officers, directors, managers, members, or partners (as applicable) or funding sources are subject to U.S. Executive Order 13224, identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specially Designated National and Blocked Persons list, or any terrorist list or other blocked persons list. In addition, you represent that you have not received funding from, nor are you owned, controlled, or acting on behalf of the government of any country that is subject to an embargo by the United States, any foreign government official, political party or international organization, and that no foreign government or government official, political party or international organization has any financial interest in the Franchised Business or any monies earned by the Franchised Business.

n. You represent, warrant and agree that you, your officers, directors, managers, members, or partners (as applicable) will each at all times conduct themselves in an ethical manner and avoid any activity that might result in a violation of the U.S. Foreign Corrupt Practices Act, Anti-Terrorism Laws, or any other applicable anti-corruption or bribery laws.

17.2 Additional Information Respecting Franchisee.

a. You have delivered to us or will deliver concurrent herewith, complete and accurate copies of all of your organizational documents, including all partnership agreements, certificates of partnership, articles of organization, operating agreements, articles or certificates of incorporation, by-laws and shareholder agreements, including all amendments, side letters and other items modifying such documents.

b. Reserved.

17.3 Acknowledgements of Franchisee.

a. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that this business venture involves substantial business risks and will largely depend upon your ability. Other than the financial performance representation contained in Item 19 of the Disclosure Document, if any, we expressly disclaim making, and you acknowledge that you have not received or relied on, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the Franchised Business contemplated by this Agreement.

Franchisee Initials _____/_____

b. You hereby certify that none of our employees, no other person speaking on our behalf, and no Area Representative, if applicable, have: (i) made any oral, written, visual, or other representation, agreement, commitment, claim, or statement that stated or suggested any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise other than any financial performance representation contained in Item 19 of the Disclosure Document; or (ii) made any oral, written, visual, or other representation, agreement, commitment, claim, or statement from which any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise might be ascertained, related to a *Cold Stone Creamery* franchise, that is different from, contrary to, or not contained in the *Cold Stone Creamery* Disclosure Document; or (iii) made any representation, agreement, commitment, claim or statement to you that is different from, contrary to, or not contained in, the *Cold Stone Creamery* Disclosure Document. You acknowledge and agree that we do not make or endorse, nor do we allow any of our employees or other persons speaking on our behalf to make or endorse, any additional oral, written, visual, or other representation, agreement, commitment, claim, or statement that states or suggests any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise with respect to a *Cold Stone Creamery* franchise other than any financial performance representation contained in Item 19 of the Disclosure Document.

Franchisee Initials _____/_____

c. You acknowledge that you have received, read and understand this Agreement and the related exhibits, attachments and agreements and that we have afforded you sufficient time and opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

Franchisee Initials _____/_____

d. You understand that this Agreement, including any amendments and exhibits, contains the entire agreement between the parties concerning the Franchised Business, and that any prior oral or written statements that are not set out in this Agreement, including any amendments, exhibits and attachments will not be binding. You acknowledge and agree that we do not permit any representations, agreements, commitments, claims, or statements or approve any changes in this Agreement or any of the amendments, exhibits and attachments to this Agreement, except by means of a written amendment or addendum signed by all parties to this Agreement. You acknowledge that nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document.

Franchisee Initials _____/_____

e. You acknowledge receipt of our Disclosure Document fourteen (14) days prior to the execution of this Agreement or your payment of any monies to us or our agent (or sooner if required by applicable state law).

Franchisee Initials _____/_____

f. You acknowledge that, other than what was previously disclosed to you in our Disclosure Document to which you acknowledge receipt thereof, you have not: (1) received any financial statements for us or any of our parent or affiliated companies; or (2) relied on the financial condition of us or of any of our parent or affiliated companies when making the decision to purchase the Franchised Business.

Franchisee Initials _____/_____

g. You acknowledge, as detailed in *Section 2.3*, that you must, at your own cost and expense, use only our designated and approved Design Architect for the design of your Franchised Business.

Franchisee Initials _____/_____

h. You acknowledge that the following is your Area Representative (if applicable):

_____
_____
_____

Franchisee Initials _____/_____

i. If an Area Representative is identified in *Section 17.3h.*, you make the following representations with respect to the Area Representative:

(i) You have met or spoken to only _____, the Area Representative;

(ii) Other than any financial performance representation contained in Item 19 of the Disclosure Document, at no time did the Area Representative make any promises or statements, or projections or forecasts, or estimates or warranties or representations or other statement or agreement concerning profits or expenses or costs or actual or projected sales of any kind directly or by implication about *Cold Stone Creamery* restaurants or about the

Franchised Business that we desire to develop under this Agreement or about obtaining the confirmed Location or about any other matter other than what is contained in the *Cold Stone Creamery* Disclosure Document or *Cold Stone Creamery* restaurant brochure.

(iii) You acknowledge that you have not received any written materials from us or the Area Representative except for the *Cold Stone Creamery* brochure and Disclosure Document; and

If there are any exceptions to *Sections 17.3i.(i) – (iii)*, identify the item number and list the exception here:

_____

_____

Franchisee Initials _____/_____

j. You acknowledge there have been no other inducements made with any person or entity, including the Identified Area Representative, encouraging you to purchase the Franchised Business, such as a "side deal" or other promise or agreement not included in the Agreement.

Franchisee Initials _____/_____

k. You acknowledge and understand that *Article 6* covers the use of the *Cold Stone Creamery* trademark and prohibition on registration of our Proprietary Marks. You acknowledge the ownership of the Proprietary Marks by us, and you agree that during the Term and after its expiration or termination, you will not, directly or indirectly, apply to register, register or otherwise seek to use or control or in any way use "*Cold Stone Creamery*", or any other of our proprietary marks, or any confusingly similar form or variation, in any place or jurisdiction either within or outside the United States; nor will you assist any others to do so. You further agree that your corporate, partnership or other entity name will not include any of the Proprietary Marks or phrases similar thereto as a part thereof. Furthermore, you acknowledge and understand that you are prohibited from filing applications for the registration of our trade names used in connection with your Franchised Business.

Franchisee Initials _____/_____

l. You acknowledge and understand that in the event you have registered a trade name or entity name containing our trademarks, you will be required to immediately discontinue all further use of the trademark, all Proprietary Marks and any other marks or names confusingly similar thereto in your entity name. Furthermore, you will take such action as may be required to amend your entity name and affirmatively cancel or terminate and dissolve all fictitious or assumed names or other registrations that contain our Proprietary Marks. In the event you do not comply and execute any and all instruments and documents necessary to protect and maintain our interests in the Proprietary Marks, we will then have power of attorney to execute any documents necessary to protect and maintain our interests in the Proprietary Marks.

Franchisee Initials _____/_____

ARTICLE 18. SUBMISSION OF AGREEMENT

The submission of this Agreement to you does not constitute an offer and this Agreement shall become effective only upon the execution thereof by the parties. THIS AGREEMENT SHALL NOT BE BINDING ON US UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY FRANCHISOR.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each party hereto, by and through its respective representative with full rights, power and authority to enter into and bind his or her respective party without further consent or approval of any kind, has duly executed and delivered this Agreement as of the Effective Date.

FRANCHISEE: _____, a(n) _____

By:_____
[Name, Title]

By:_____
[Name, Title]

FRANCHISOR: KAHALA FRANCHISING, L.L.C., an Arizona limited liability company

By:_____
[Name, Title]

PERSONAL ACCEPTANCE OF SECTIONS 7.1, 7.2, 14.6, AND 14.8

Each of the undersigned individually and personally accepts and agrees to be bound by the provisions of Sections 7.1, 7.2, 14.6, and 14.8 of the foregoing Franchise Agreement.

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

_____, _____, an individual
(signature)
Date:_____

EXHIBIT H-1

TO THE FRANCHISE DISCLOSURE DOCUMENT

Rocky Mountain Chocolate Factory Addendum to Franchise Disclosure Document and Amendment to Franchise Agreement

ROCKY MOUNTAIN CHOCOLATE FACTORY
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following modifications are to the Cold Stone Creamery Franchise Disclosure Document and may supplement certain portions of the Franchise Disclosure Document and the Franchise Agreement.

ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

Kahala Franchise Corp. entered into a Master License Agreement dated August 17, 2009 ("Master License Agreement") with Rocky Mountain Chocolate Factory, Inc. ("RMCF") under which selected franchised and company-owned Cold Stone Creamery stores are allowed to sell RMCF's products in addition to the Cold Stone Creamery product offering ("Co-Branded Stores"). The Master License Agreement was assigned to Kahala Franchising effective August 2010. Under the Master License Agreement, RMCF has permitted us to grant to certain of our franchisees or company or affiliate-owned Cold Stone Creamery stores the right to use the RMCF Marks and the RMCF Methods (as defined below) in connection with the sale of selected RMCF Products within the premises of existing Cold Stone Creamery stores and in new Co-Branded Stores.

As of November 30, 2022~~2~~3, there were 101 *Cold Stone Creamery* franchises that sold RMCF Products.

RMCF has developed proprietary methods ("RMCF Methods") for the sale of gourmet chocolate and other premium confectionary products, featuring Rocky Mountain Chocolate Factory brand candy that you purchase from RMCF's factory in Durango, Colorado ("Factory Candy") and confectionary items that you may make in your *Cold Stone Creamery* store, such as caramel apples ("Store Candy") (collectively, the "RMCF Products") under the Rocky Mountain Chocolate Factory name and associated trademarks and service marks (the "RMCF Marks"). You may choose to sell the traditional line or the full line of RMCF Products in your store. All stores must be developed and operated to our specifications and standards, and sell only those products that we authorize. A *Cold Stone Creamery* store that is authorized to sell the RMCF Products is also referred to as the "Franchised Business" or the "Co-Branded Stores."

In order to sell the RMCF Products and use the RMCF Methods at your store, certain of the terms and conditions of your Franchise Agreement with us must be modified. You will be required to sign an Amendment to Cold Stone Creamery Franchise Agreement for Co-Branded Store in the form attached as Exhibit H-1 ("Amendment").

RMCF is an unaffiliated third party. We have no ownership rights or interests in the RMCF Marks, the RMCF Methods or the RMCF Products. We have negotiated the Master License Agreement to, among other things, permit us to sublicense to our franchisees the rights to use the RMCF Marks and the RMCF Methods and to sell the RMCF Products in their Cold Stone Creamery stores. Nonetheless, those rights and our ability to sublicense them to you remain subject at all times to the Master License Agreement remaining in full force and effect. If for any reason the Master License Agreement is terminated prior to the expiration of the term of your Amendment, your rights to use the RMCF Marks and the RMCF Methods and to sell the RMCF Products will immediately cease.

ITEM 5: INITIAL FEES

There are two types of RMCF Product lines; one is the full line of RMCF Products and the other is the traditional line of RMCF Products. The traditional line of RMCF Products offers a limited version of the full line of RMCF Products.

The initial franchise fee to sell the full line of RMCF Products in your Cold Stone Creamery store is $24,500 for the RMCF portion of your Co-Branded Store. This fee is payable in full to us when you sign the Amendment to Franchise Agreement to sell RMCF Products. This fee is in addition to the Initial Franchise Fee you are required to pay for a Cold Stone Creamery store.

The initial franchise fee to sell the traditional line of RMCF Products in your Cold Stone Creamery store is $6,000 for the RMCF portion of your Co-Branded Store. This fee is in addition to the Initial Franchise Fee you are required to pay for a Cold Stone Creamery store.

The initial franchise fees to sell RMCF Products in your Cold Stone Creamery store are non-refundable and there are no discounts for Eligible Military or 501(c)(3) organizations.

ITEM 6: OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee and Surcharge from the RMCF portion of your Co-Branded Store (Note 1)	9% of Gross Sales plus a maximum Surcharge of $10 per week (Note 2)	Withdrawn electronically from your designated bank account weekly (Note 3)	"RMCF Gross Sales" include all revenue earned from the sale of RMCF Products in your Co-Branded Store excluding sales tax and authorized refunds, credits and allowances.
Transfer Fee for the Rocky Mountain Chocolate Factory portion of a Co-Branded Store	$2,500	Upon closing of the transfer	Note 1

Notes:

(1) The sale of RMCF Products is included in the definition of Gross Sales as set forth in your Franchise Agreement for which you will pay us royalties. We, in turn, are responsible for any payments to RMCF attributable to your sale of RMCF Products. These fees are collected by us, are payable to us, and are non-refundable. The fees are uniformly imposed by us; however, we may, in our sole discretion, reduce or waive an ongoing fee for a defined period of time.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Sale of RMCF Products within Existing Cold Stone Creamery Store

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$ 6,000 to $24,500	Lump Sum	Upon signing the Amendment	Us
Travel and Living Expenses While Training	$1,000 to $1,500	As incurred	As incurred	Airlines, hotels & restaurants

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Architectural Fee	$1,700 to $5,000	Lump sum	Before opening RMCF portion of Co-Branded Store	Third party vendor
Leasehold Improvements[5]	$5,000 to $45,000	Lump sum	Before opening RMCF portion of Co-Branded Store	Contractor
Exterior and Interior Signage	$4,500 to $18,200	Lump sum	Before opening RMCF portion of Co-Branded Store	Third party vendor or us
Equipment and Fixtures	$16,000 to $62,000	Lump sum	Before opening RMCF portion of Co-Branded Store	Third party vendor or us
POS System	$0 to $2,000	Lump sum	Before opening RMCF portion of Co-Branded Store	Third party vendor
Initial Inventory	$3,500 to $12,500	Lump sum	Before opening RMCF portion of Co-Branded Store	RMCF
Employee Uniforms	$0 to $1,000	Lump sum	Before opening RMCF portion of Co-Branded Store	Third party vendor
Grand Opening Advertising	$0 to $1,500	Lump sum	Before opening RMCF portion of Co-Branded Store	Third party vendor
Permits and Licenses	$0 to $500	Lump sum	Before opening RMCF portion of Co-Branded Store	Governmental entities
Total	$ 37,700 to $173,700	For existing Cold Stone Creamery stores, there are typically no additional real property expenses, security deposits, or utility deposits to convert to a Co-Branded Store, unless required by the landlord.		

Note:

These estimates are based on constructing the required leasehold improvements within an approximately 200 square foot area within your existing store, and assume the availability of electrical requirements of 200 amps 3-phase, and HVAC of one ton per 150 square feet. You may, but are not required to, at your own cost and expense, use our designated and approved third party architect and project management firm for the design and construction oversight of your Co-Branded Stores.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as stated below, you have no obligation to purchase or lease goods, services, supplies, fixtures, equipment, inventory or computer hardware relating to the establishment or operation of your Co-Branded Store from us or from any of our designees, and you have the right to purchase them from any approved supplier or, for those products for which no approved supplier

exists, from any supplier whose products meet the minimum standards established by us or RMCF.

We will require you to use RMCF's designated and approved vendors for your purchases of RMCF Products and other items associated with the sale of RMCF Products in your Cold Stone Creamery store. RMCF is the designated supplier of 'Factory Candy' which includes chocolates and other candy manufactured by RMCF and some cooking supplies for making Store Candy. Apart from the Factory Candy sold by RMCF described above, neither we, nor RMCF, nor our respective officers or directors own an equity interest in the companies that are vendors or suppliers of the goods and services relating to the sale of RMCF Products.

RMCF reserves the right to receive rebates or allowances from designated or approved suppliers based on purchases made by RMCF's franchisees, and RMCF also reserves the right to receive rebates or allowances based on purchases made by you. These rebates may range from 1% to 5%. Any rebates and allowances will be included in RMCF's general revenue, and may be used by RMCF to benefit the RMCF system, in its sole and absolute discretion. We do not receive rebates or allowances from suppliers on your purchase of RMCF Products or supplies.

RMCF derives revenue from the sale of Factory Candy, Store Candy ingredients, packaging materials, other items and certain services to you. In the fiscal year ended February 28, ~~2021~~2023, RMCF's revenue from purchases by franchisees was $19,842,700~~18,587,900~~ or 64.67~~57~~% of its total revenues of $33,560,700~~32,342,600~~.

RMCF is not affiliated with any approved or designated suppliers. Except as described above, it does not derive income based on any required purchases or leases, except that in an effort to make sources or supplies available to its franchisees and to you and to monitor and maintain consistency throughout the system, it may negotiate with approved vendors from whom you can purchase items which meet our specifications. RMCF may collect a fee from approved vendors on the items its franchisees and you purchase from approved vendors. These vendors may sell you various items, raw materials for the preparation of Store Candy, such as fudge, brittles and caramel, packaging items such as bags and tins, and other items. We estimate that any purchases by you for which RMCF collects a fee will constitute less than 3% of your total cost of operating your Cold Stone Creamery store. Except as described above, RMCF does not negotiate purchase arrangements with suppliers for the benefit of its franchisees or for your benefit, although it reserves the right to do so in the future. RMCF has no purchasing or distribution cooperatives. RMCF does not give its franchisees or you any material benefits based on use of designated or approved sources or suppliers.

In addition, your Co-Branded Store must be consistent in color, design and style with the standards and specifications adopted and approved by us and RMCF, and we and RMCF may modify those standards periodically. You must maintain the appearance and atmosphere of your Co-Branded Store, and the equipment and premises used in connection with your Co-Branded Store, in accordance with the standards we and RMCF may adopt from time to time. Any variations in color, design, style, appearance or atmosphere must be approved in writing by us. RMCF's current standards and specifications are included in the RMCF Operating Manual, which will be provided to you.

You must purchase all of the Factory Candy and ingredients for Store Candy that you sell from RMCF or a source we designate. If you would like to purchase or lease any food, supplies, equipment, signage, decor and other goods that will be used to sell RMCF Products from a vendor or supplier that is not on our or RMCF's then-current list of approved vendors and suppliers, you must follow the approval process for suppliers described in Item 8 of this franchise disclosure document.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in RMCF Amendment	Disclosure Document Item
a. Site selection and acquisition/lease	Not Applicable	7 and 11
b. Pre-opening purchases and leases	2	5, 7, 8 and 11
c. Site development and other pre-opening requirements	2	7, 8 and 11
d. Initial and ongoing training	3	11
e. Opening	2, 4, 8	7 and 11
f. Fees	5	5, 6, 7 and 11
g. Compliance with standards and policies/Confidential Operations Manuals	2, 4	8, 11, 14 and 16
h. Trademarks and proprietary information	6	13 and 14
i. Restrictions on products/ services offered	2, 4	8 and 16
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development and sales quotas	Not applicable	11
l. Ongoing product/service purchases	Not applicable	8
m. Maintenance, appearance and remodeling requirements	Not applicable	7 and 11
n. Insurance	8	7
o. Advertising	5	6, 7 and 11
p. Indemnification	8	13 and 14
q. Owner's participation/ management/staffing	Not applicable	11 and 15
r. Records and reports	Not applicable	6 and 11
s. Inspections and audits	Not applicable	6 and 11
t. Transfer	Not applicable	6, 16 and 17
u. Renewal	Not applicable	6, 16 and 17
v. Post-termination obligations	7	17
w. Non-competition covenants	8	15 and 17

Obligation	Section in RMCF Amendment	Disclosure Document Item
x. Dispute resolution	Not applicable	17

ITEM 10: FINANCING

We do not, directly or indirectly, offer you financing or guarantee any of your obligations.

We do not require any security interests to be given by you as we do not offer any financing arrangement. In addition, we do not have any financing arrangement with the franchisee and therefore, we do not intend to sell, assign or discount to a third party any financing arrangement. Because there is no financing arrangement between us and the franchisee, there are no waiver of defenses or other legal rights executed by the franchisee. We do not arrange financing from other sources; therefore, we do not receive direct or indirect payments from placing financing.

No part of your initial investment to develop or convert to a Co-Branded Store will be financed by us. RMCF may or may not offer financing for a portion of your initial investment if you are converting an existing Cold Stone Creamery store to a Co-Branded Store and if you meet RMCF's conditions for eligibility. If RMCF offers financing, the terms of any such financing would be between you and RMCF. We receive no benefit from RMCF if they provide financing to you.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as disclosed below, Kahala Franchising is not required to provide you with any assistance.

RMCF Training

Before you open your Co-Branded Store, one of RMCF's designated trainers will train you and, at your option, your General Manager, or one other person to operate the Co-Branded Store using RMCF's Methods ("RMCF Training Program"). The designated trainers include certain qualified employees, Area Representatives and RMCF Field Consultants. The RMCF Training Program will consist of the topics outlined below. However, certain portions of the RMCF Training Program may be altered or eliminated, and/or the number of hours may be adjusted, depending upon your background and your ability to comprehend the information.

RMCF CO-BRAND TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of on-the-job training	Column 4 Location
Introduction to Rocky Mountain Chocolate Factory	2	0	Durango, Colorado (or another specified location)
Product Knowledge/Candy Identification	3	0	Durango, Colorado (or another specified location)

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of on-the-job training	Column 4 Location
RMCF Factory Tour	0	1	Durango, Colorado (or another specified location)
RMCF Customer Service Department – Ordering and Shipping	1	0	Durango, Colorado (or another specified location)
Inventory Control/Daily Record Keeping/Vendor Sheet	1.75	0	Durango, Colorado (or another specified location)
Cooking	0	17	Durango, Colorado (or another specified location)
Introduction to Retail (Customer Service)	1	0	Durango, Colorado (or another specified location)
RMCF Accounting Policies	.25	0	Durango, Colorado (or another specified location)
Survey	.25	0	Durango, Colorado (or another specified location)
Online Tools	.50	0	Durango, Colorado (or another specified location)
Merchandising and Marketing Techniques	4	1	Durango, Colorado (or another specified location)
		0	Durango, Colorado (or another specified location)
Employees – Hiring, Firing and Maintaining	1	0	Durango, Colorado (or another specified location)
TOTAL	14.75	19	

RMCF and other designated trainers hold training classes for Cold Stone franchisees opening a Co-Branded Store on an as needed basis. You must attend training after you sign the Amendment and before you begin selling RMCF Products in your Co-Branded Store. If you attend training at RMCF's headquarters in Durango, Colorado, the primary instructors are Donna Coupe, RMCF's Vice President of Franchise Support since June 2008; Fred Sabatini, our Director of Franchise Support and Operations since June 2015;;Mairead McGuire, Manager of Retail Operations since July 2020/Heather Demacopoulos, RMCF's Franchise Field Consultant since September 2013; ;Katie Johnson, Franchise Field Consultant since March 2021. Wendy Smith, our Franchise Field Consultant since March 2019; Laura Trujillo, RMCF's Franchise Field Consultant since September 2006; Erika Lightburne, RMCF's Co-brand Liason since April 2011, and Lisa Taylor, RMCF's Director of Franchise Support since August 2006. The training material consists of written, video and audiotape instruction. The initial training program includes hands-on training in a mock retail store in RMCF's training center if you attend training in Durango, Colorado. If you attend training elsewhere, the on-the-job training will be conducted at a Co-Branded Store in your store's market area on a schedule agreed upon in advance. We will try to assign you to a training store that is geographically convenient to you.

Attendees must satisfactorily complete the RMCF Training Program, in our and RMCF's discretion. The training classes are held daily for four consecutive days.

The consequence of your failure to successfully complete the RMCF Training Program to our, and RMCF's satisfaction is that you will not be permitted to convert your Cold Stone Creamery store to a Co-Branded Store.

Neither you nor anyone else attending the RMCF Training Program will be deemed to be RMCF's franchisee or employee for any purpose.

Attendance at the entire training program is mandatory for you and either your General Manager, or at your option, one other person. All of your attendees must complete, to our and RMCF's satisfaction, the RMCF Training Program. All managers, officers and employees will be subject to a covenant not to compete and confidentiality and other obligations, in the form attached as Attachment 2 to Exhibit H-1. We and RMCF may require you to attend additional training or bear the costs associated with sending a trainer to your Cold Stone Creamery store for additional training if you have not satisfactorily completed the training program.

We do not charge a fee for two individuals to attend the RMCF Training Program. All training program attendees bear their own travel, lodging and meal expenditures in connection with attending the training program.

Additional training programs and refresher courses may be required from time to time. You will be required to bear your own travel, lodging and meal expenditures in connection with attendance. In addition, you must attend, at your expense, all annual and other meetings and conference calls that we determine are mandatory for all Co-Branded Stores, or Co-Branded Stores located within a particular geographic region. We may impose a charge for your failure to attend those programs, courses, meetings and conference calls.

RMCF Operating Manual

Before you open your Co-Branded Store, we or RMCF will loan to you a copy of RMCF's operating manual ("RMCF Operating Manual"), which contains standards of operations, the equipment and fixtures required to operate the franchise, operating procedures and policies. The RMCF Operating Manual for Co-Branded Stores contains 163 pages. The table of contents of the RMCF Operating Manual is contained in Attachment 1 of Exhibit H-1 to this Franchise Disclosure Document.

You must operate your Co-Branded Store strictly in accordance with the operating procedures and policies, as contained in the RMCF Operating Manual, as it may be amended from time to time. The RMCF Operating Manual is strictly confidential and must be returned promptly to us or RMCF upon your Store ceasing to be a Co-Branded Store.

ITEM 12: TERRITORY

You will not receive an exclusive territory. You may face competition from (i) RMCF franchisees or RMCF company-owned outlets, (ii) other Cold Stone Creamery Stores that will also sell RMCF Products, and (iii) other channels of distribution that RMCF controls. We (and/or our affiliates) may establish other franchised or company-owned Co-Branded Stores that may compete with your location, including across the street from your location or in the same venue as your location. One or more future Co-Branded Stores may have an adverse effect on the revenues and profitability of existing Co-Branded Stores, including your Co-Branded Store.

We will endeavor to resolve any conflicts which arise from the operation of your Co-Branded Store concerning our distribution activities, or involving territory, customer or support. If you have a conflict, you should contact the legal department, for their independent review and decision. Conflict cases will be addressed on a case-by-case basis.

The Amendment does not provide you with any options, rights of first refusal, or similar rights to acquire additional Co-Branded Stores.

There are no restrictions on the customers to whom you may sell the RMCF Products, but all sales must be made at your Co-Branded Store premises. You may not sell any RMCF Products from or to any location other than your Co-Branded Store premises.

ITEM 13: TRADEMARKS

Co-Branded Stores will have the right to use the following RMCF Marks that are owned by RMCF and registered on the Principal Register of the USPTO:

Trademark	Registration Number	Registration Date
Rocky Mountain Chocolate Factory	1552146	August 15, 1989
Rocky Mountain Chocolate Factory and Design	1718498	September 22, 1992

RMCF has filed all required affidavits and renewals for these Marks. There are no agreements currently in effect which limit our right to use or license the use of the RMCF Marks which are in any manner material to you.

There are no currently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending opposition or cancellation proceeding, or any pending material litigation, involving the RMCF Marks which is relevant to their use by you.

We have entered into the Master License Agreement with RMCF. This Master License Agreement gives us the right to use, and to license our franchisees to use, the RMCF Marks listed above solely in connection with the sale of RMCF Products at Co-Branded Stores. Either party may terminate the Master License Agreement upon the occurrence of a material breach of the agreement or upon certain other events. In the event of termination both we and our franchisees must immediately discontinue any further use of the RMCF Marks.

There are no superior prior rights or infringing uses of the principal RMCF Marks actually known to RMCF, which rights or uses could materially affect your use of the principal RMCF Marks in any state. There are no agreements currently in effect that significantly limit RMCF's rights to use or license the use of the principal RMCF Marks. You must promptly notify us of any suspected unauthorized use of, or challenge to the validity of, the RMCF Marks or any challenge to RMCF's ownership of, or right to use or license others to use, the RMCF Marks. RMCF will have the right to direct and control any administrative proceeding or litigation involving the RMCF Marks, including any settlement thereof. RMCF has the right, but not the obligation, to take action against uses by others that may constitute infringement of the RMCF Marks. We, or RMCF, will defend you against any third-party claim, suit, or demand arising out of your use of the RMCF Marks. If we, in our sole discretion, determine that you have used the RMCF Marks in a manner authorized by the Amendment, the cost of such defense, including the cost of any judgment or settlement, will be borne by us. If we, in our sole discretion, determine that you have not used the RMCF Marks in a manner authorized by the Amendment, the cost of such defense, including the cost of any judgment or settlement, will be borne by you. In the event of any litigation relating to your use of the

RMCF Marks, you must execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party in any legal action. Except to the extent that such litigation is the result of your use of the RMCF Marks in a manner inconsistent with the terms of the Amendment, we will reimburse you for your out-of-pocket litigation costs in doing such acts.

We, or RMCF, may require you to use different trademarks for use in identifying the RMCF Products if the RMCF Marks can no longer be used, or if RMCF, in its sole discretion, determines that substitution of different proprietary marks will be beneficial to the RMCF system. In such circumstances, the use of the substituted trademarks will be governed by the terms of the Amendment.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

RMCF claims all statutory copyrights that attach to all, or part of, any original materials used in the RMCF system, including their RMCF Operating Manual, advertising and promotional materials, and all other written materials we provide you.

To date, RMCF has not registered any items for copyright protection. However, their copyright protection will extend for 100 years from the date of each item's creation or 75 years from the date of each item's publication, whichever is shorter.

The RMCF Operating Manual is an integral part of the RMCF system licensed to you under the terms of the Amendment. All of the disclosures appearing in Item 14 of this franchise disclosure document also apply with respect to a) the RMCF Operating Manual and b) any confidential information you may receive about RMCF or the manner in which it conducts business.

You and your General Manager, principals, officers, managers and employees of your Co-Branded Store also must sign RMCF's Confidentiality and Non-Competition Agreement in the form appearing as Exhibit B to the Amendment.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell at your Co-Branded Store the RMCF Products in a manner consistent with RMCF's comprehensive standards and requirements as applied by us to Co-Branded Stores. In addition, we may incorporate new products and services that we believe will be successful.

You will be obligated to offer and sell those new RMCF Products and to participate in any RMCF local, regional and promotional programs, initiatives and campaigns adopted by us in which we require you to participate.

You may not offer or sell any products or services specified by us in any configuration, form or manner (including items for resale) other than that specifically approved by us. You may not market your Co-Branded Store or use the RMCF Marks on the Internet or in any other form of electronic communication.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Rocky Mountain Chocolate Factory Amendment to Franchise Agreement

This table lists certain important provisions of the Amendment. You should read these provisions in the Amendment attached to this disclosure document.

Provision	Section in Amendment to Franchise Agreement	Summary
a. Length of the term	Opening paragraph	Remaining term of your franchise agreement.
b. Renewal or extension of the term	Opening paragraph	Renewal terms of your franchise agreement.
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without Cause	19.3c	Immediately upon termination of the Master License Agreement
f. Termination by us with Cause	19.3a and 19.3b	See (g) and (h)
g. "Cause" defined–curable defaults	19.3a and 19.3b	Failure to maintain standards; unauthorized business or sale of unauthorized products; failure to obtain consent as required by Amendment; failure to comply with the RMCF Operating Manual; breach of related agreements; failure to pay RMCF for Factory Candy.
h. "Cause" defined-non-curable defaults	19.3	Abandonment of the sale of RMCF Products, misuse of the RMCF Marks; unauthorized disclosure of confidential information; unauthorized transfer of your Co-Branded Stores; termination of the Franchise Agreement; transfer of your Store without transfer of the RMCF rights.
i. Your obligations on termination /non-renewal	19.3e	Cease to identify as a Co-Branded Stores return RMCF Operating Manual; cease using any RMCF's proprietary information and the trade dress; Pay all amounts outstanding to us and our affiliates within 10 days.
j. Assignment of the contract by us	Not Applicable	Not Applicable
k. "Transfer" by you-definition	Not Applicable	Not Applicable
l. Our approval of transfer by you	Not Applicable	Not Applicable
m. Conditions for our approval of transfer	Not Applicable	Not Applicable
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Not Applicable	Not Applicable

Provision	Section in Amendment to Franchise Agreement	Summary
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	19.6	You and your principals (and their immediate family members) may not own, operate, or have any relationship with, any business that is the same or similar, or offers products or services which are the same or similar, to a Cold Stone Creamery or a Rocky Mountain Chocolate Factory Store (collectively "Similar Business"), nor employ or seek to employ persons already employed by us or by any of our franchisees.
r. Non-competition covenants after the franchise is terminated or expires	19.6	You and your principals may not for a period of 1 year following the Amendment, own, operate, or have any relationship with, a Similar Business which is located (i) at the Co-Branded Stores premises; (ii) within a 10 mile radius of the Co-Branded Store premises; or (iii) within a 10 mile radius of any other store operated by us, RMCF, or any of our respective franchisees or affiliates at the time you signed the Franchise Agreement.
s. Modification of the agreement	Not Applicable	Not Applicable
t. Integration /merger clause	Not Applicable	Not Applicable
u. Dispute resolution by arbitration or mediation	Not applicable	Not Applicable
v. Choice of forum	Not Applicable	Not Applicable
w. Choice of law	Not Applicable	Not Applicable

Note: Section references are to the Amendment to Cold Stone Creamery Franchise Agreement for Co-Branded Store unless stated otherwise. This table must be read in conjunction with the table relating to the Franchise Agreement in this item. The Franchise Agreement provisions also are applicable and will apply to the sale of RMCF Products at your Co-Branded Store.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If

you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting John Wuycheck, Kahala Franchising, L.L.C., 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (480) 362-4800, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2020~~0~~1 to 2022~~2~~3
(United States)

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	97	~~96~~98	-1
	2022	~~96~~98	~~96~~101	~~0~~3
	2023	101	100	-1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	97	~~96~~98	-1
	2022	~~96~~98	~~96~~101	~~0~~3
	2023	101	100	-1

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Arizona	2021	0
	2022	0
	2023	0
California	2021	2
	2022	0
	2023	2
Colorado	2021	0
	2022	1
	2023	1
Florida	2021	1
	2022	0
	2023	0
Indiana	2021	1
	2022	2
	2023	3
Illinois	2021	0
	2022	0
	2023	1
Maryland	2021	2
	2022	0
	2023	1
New Jersey	2021	1
	2022	1
	2023	0
New York	2021	0
	2022	1
	2023	0
North Carolina	2021	0
	2022	0
	2023	0
Ohio	2021	4
	2022	0
	2023	2
Tennessee	2021	0
	2022	0
	2023	0
Utah	2021	0

	2022	3
	2023	1
Virginia	2021	0
	2022	0
	2023	1
W Virginia	2021	1
	2022	0
	2023	0
Wisconsin	2021	0
	2022	0
	2023	0
Total	2021	12
	2022	8
	2023	13

Table No. 3

Status of Franchised Outlets
For years 2021 to 2023

Col. 1 State	Col.2 Year	Col.3 Outlets at Start of Year	Col.4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
Arizona	2021	3	0	0	0	0	0	3
	2022	3	~~0~~1	0	0	0	0	~~3~~4
	2023	4	0	0	0	0	0	4
California	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	1	9
Colorado	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Florida	2021	5	0	0	1	0	0	4
	2022	4	0	0	0	0	1	3
	2023	3	0	0	0	0	0	3
Idaho	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Iowa	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	3	1	0	0	0	0	4

	2022	4	~~0~~1	0	0	0	0	~~4~~5
	2023	5	0	0	1	0	0	4
Indiana	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
Kansas	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	1	5
Kentucky	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Maryland	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Michigan	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Missouri	2021	2	~~0~~1	0	0	0	0	~~2~~3
	2022	~~2~~3	1	0	0	0	0	~~3~~4
	2023	4	0	0	0	0	0	4
Nebraska	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
New Jersey	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
New York	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
North Carolina	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	1	3
	2023	3	1	0	0	0	0	4
Ohio	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Oregon	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TN	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	1	~~0~~1	0	0	0	0	~~1~~2
	2022	~~1~~2	~~1~~2	0	0	0	0	~~2~~4
	2023	4	1	0	0	0	0	5
Utah	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14

Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
West Virginia	2021	1	0	0	0	0	0	11
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wyoming	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021	97	~~1~~3	0	1	0	1	~~96~~98
	2022	~~96~~98	~~2~~4	0	0	0	2	~~96~~101
	2023	101	3	0	1	0	3	100

Table No. 4

Status of Company Owned Outlets
For years 2021 to 2023

Col. 1 State	Col.2 Year	Col.3 Outlets at Start of Year	Col.4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

Table No. 5

Projected Openings As Of November 30, 2023

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year

AZ	0	0	0
IL	0	0	0
MO	0	0	0
TX	0	0	0
UT	0	0	0
WA	0	0	0
Total	0	0	0

We had ~~two~~ four Franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreements during the year ending November 30, 202~~2~~3.

Franchisees who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the year ending November 30, 202~~2~~3:

Company Name	Owner Names	Owner Cities	Owner States	Owner Phones
Amritsar Corp	Amarjit Kaur,Sabgun Kaur,Sarangpreet Padda,Tajinder Singh	Olivehurst,Plumas Lake	CA	530-588-8829,530-844-8468,669-258-7562
Kulwant 21408 LLC	Kulwant Benipal	Plainfield	IN	317-341-4254
QUICK PICK, INC	Nageeb Alhaj	Dodge City	KS	620-338-8267
Kold Kreation LLP	Bela Shah,Udayan "Dave" Shah	Hoffman Estates	IL	847-359-5358,847-937-9607

Franchisees who had an outlet transfer during the year ending November 30, 202~~2~~3

Prior Company Name	Prior Franchisee Names	City	State	Phone
Oospecka LLC	Jeremy Yarbrough,Larry Yarbrough	Cortez	CO	970-560-2311,970-759-8409
Murali Ramanathan	Murali Ramanathan	Sacramento	CA	916.517.3625
Riffle Legendairy Creameries, LLC	Adam Riffle,Andrew Riffle,Jessica Riffle,Kalie Sanders	Ansonia	OH	419-569-0988,937-417-7240,937-545-4000,937-670-2858
Jolly Group Valpo, LLC	Candace Jorden,Michael Jorden,Russell Dewes	Crown Point	IN	219-712-2315,219-712-4400,2197416979
Jolly Group, LLC	Candace Jorden,Michael Jorden,Russell Dewes	Crown Point	IN	219-712-2315,219-712-4400,2197416979
MAC Mo LLC	Maclaine Morris	Otis Orchards	WA	270-823-4115

ALK Guild, LLC	Chad Price	Powell	OH	614-537-0410
FAMA Enterprises, LLC	Fabio DeMelo	Salt Lake City	UT	801-910-2892
Glazier, Jared & DeWayne	DeWayne Glazier,Jared Glazier	Draper	UT	801-673-4404
A.V. Ice Creamery, Inc.	Lacey Bilbruck,Lory Axtman	Acton	CA	661-726-4661
Syed Shah & Numaan Shah, Individuals	Numaan Shah,Syed Saif Ul Islam Shah	Pomfret,White Plains	MD	301-934-4678
Shah Ventures LLC	Numaan Shah,Syed Saif Ul Islam Shah	Pomfret,White Plains	MD	301-934-4678
Scoops N Sweets LLC	David Smith,Lawrena Colombo	Barrington Hills	IL	224-523-5818,847-829-4146

We have not had any franchisees who have not communicated with us for the 10-week period before the date of this Disclosure Document. We had two franchisees who had their Franchise Agreements terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreements during the year ending November 30, 2022~~2~~3 for a store that never opened, and we had no franchisees that transferred their Franchise Agreements during the year ending November 30, 2022~~2~~3 for a store that was not yet open.

Franchisees who had their Franchise Agreements terminated during the year ending November 30, 2022~~2~~3 for a store that never opened during the year ending November 30, 2022~~2~~3

None

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. Some of our franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the *Cold Stone Creamery* franchise system and the sale of RMCF Products in their stores. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

COLD STONE CREAMERY FRANCHISEES WHO SOLD RMCF PRODUCTS IN THEIR STORES
FRANCHISEE LIST - AS OF November 30, 2022~~2~~3

The name of the franchisee, store address and store telephone number of the open stores are listed below

Franchise Company	Owner	Address	City	State	Zip	Phone
Crazy Cone Company LLC	Khalid Yarash,Mariyam Ahmadi,Omedullah Hamedullah	4705 Clairemont Dr	San Diego	CA	92117	8582705552
RAYN DRZR Corporation	Dilawar Khan,Rabia Khan	2686 Dublin Blvd	Dublin	CA	94568	9258751333
Gill Stone Inc	Jaskaran Singh,Navdip Kaur	1859 West 11th St	Tracy	CA	95376	2098327461
Osborne Ventures LLC	Pamela Osborne,Jeff Osborne	9918 W Happy Valley Rd	Peoria	AZ	85383	6235661400
Cooler South Enterprises, LLC	Chad Eads	30 Town Square Blvd.	Asheville	NC	28803	8286503013
Jimmy C., LLC	Kathryn Shepard,Jonathan Shepard	215 South Sligo Street	Cortez	CO	81321	9705652725
Rock and Ricky LLC	Ricky Garcia	11088 US Highway 15/501	Aberdeen	NC	28315	9106929440
Nice Creams, Inc.	Yolanda Castro	2049 N Imperial Ave	El Centro	CA	92243	7603533633
CSC Webster LLC	Allan (Lanny) Auchter	1028 Ridge Road	Webster	NY	14580	5856456445
Silver Scoop Chocolate LLC	Nishantha Vithana,Shermila Vithana	1930 State Route 57	Hackettstown	NJ	07840	9088509901
Ahluwalia, Ranjit	Ranjit Ahluwalia	3401 Dale Rd	Modesto	CA	95356	2095791097
The Sweet Place LLC	Bart Place,Jolyn Place,Chase Place,Audra Place,Dalton Place	936 North Main Street	Layton	UT	84041	8014440701
Red Emerald Equity LLC	Donald Webb,Tamara Webb,Mark.Hatch,Errolyn. Hatch	456 E State Rd	American Fork	UT	84003	8017637540
Midwest Creamery LLC	Faisal Hemani	3700 Rigby Road	Miamisburg	OH	45342	9372475658
Zileli LLC	Feridun Zilelioglu	64 Washington Ave	Pleasantville	NY	10570	9144094959
Twin Scoop, L.L.C.	Rob Cruz,Rick Cruz	2227 NW 185th Ave	Hillsboro	OR	97124	5036458959

Jolly Group Valpo, LLC	Michael Jorden,Candace Jorden	71 Silhavy Rd	Valparaiso	IN	46383	2194763430
ILEC LLC	Ebru Savas Mustafa	708 Center Dr	San Marcos	CA	92069	7607474385
Scott, Omer Buddy	Omer Scott	610 Wildwood Drive	Jefferson City	MO	65109	5736362653
Our Creamery Inc	Dilafroz Ahmed,Waliul Chowdhury,Zahir Mahmud,Arshad Khwaja	84 Main St	Gaithersburg	MD	20878	3015900009
Chicago Scoops, LLC	Tim Watkins,Antonio Gracias,Kyle Welch,Jonathan Shulkin	2100 Troy Rd	Edwardsville	IL	62025	6186551480
GOBOGH, Inc.	Jared Glazier,DeWayne Glazier	3781 West Center Park Drive	West Jordan	UT	84084	8016734404
Marsella LLC	James Markino,Michael Biasella	48 Park Lane	Hudson	OH	44236	3306552990
D&P Ice Cream, L.L.C.	Paul Deininger,Debbie Deininger	17503 La Cantera Pkwy	San Antonio	TX	78257	2105612776
Chicago Scoops, LLC	Jonathan Shulkin,Kyle Welch,Tim Watkins,Antonio Gracias	1005 Pearson Drive	Hudson	WI	54016	7153819899
KPOG, Inc	Kelli Turner,Jeremy (Petey) Helm	1087 South Hover Street	Longmont	CO	80501	3036825680
KAT ENTERPRISES, LLC	Kathryn Harr,Andrea Watros	1718 Hill Road North	Pickerington	OH	43147-8880	6148689801
Foods In The Ville, L.L.C.	Robert Hayes,Alan Rizza	1225 Moro St.	Manhattan	KS	66502	7855395336
WILLIAMS A LA MODE, INC.	Shawn Williams,Cindy Williams	3220 Farnam St	Omaha	NE	68131	4023591719
Mission Investment Company	Allan Emerly	647 Massachusetts St	Lawrence	KS	66044	7858430990
TRACKS Investments, LLC	Sheryl Shoaf,Rodney Shoaf	1626 Highwoods Blvd	Greensboro	NC	27410	3362920321
Sonny & Boua Baccam, Inc.	Santhiphone Sonny Baccam,Boua Baccam	14941 W. 119th St.	Olathe	KS	66062	9137824815
Stone Cold Confections-Logan, LC	Josh Christensen,Eldon Haacke	1400 N 505 E	Logan	UT	84341	4357533339
Jolly Group, LLC	Michael Jorden,Candace Jorden	11 West 112th Ave	Crown Point	IN	46307	2196639010
Chicago Scoops, LLC	Jonathan Shulkin,Tim Watkins,Antonio Gracias,Kyle Welch	1197 N Main St	Tooele	UT	84074	4352280120

Niagara Investments Company, L.L.C.	Jeraldine Fitzgerald,Mike Fitzgerald,Tim Fitzgerald	8441 S Yosemite St	Lone Tree	CO	80124	3037088771
Marsella LLC	James Markino,Michael Biasella	4966 Portage St NW	North Canton	OH	44720	3304943600
Fun Rockaway, Inc.	Gayan Ondaatjie	321 Mount Hope Ave	Rockaway	NJ	07866	9735378200
T.L.C. Creamery LLC	Jill Medlock,David Medlock	939 E 2nd St	Casper	WY	82601	3072373960
RBC Ice Cream, LLC	Robin Christensen,Becky Christensen	1191 E Main St	Price	UT	84501	4356132653
AB Creamery LLC	Madeline Pinkston,Neil Pinkston	6401 E Lloyd Expy	Evansville	IN	47715	8124372653
Magic Stone Creamery, LLC	Nancy Lee,Kent Lee	799 Cheney Dr	Twin Falls	ID	83301	2087364656
Scoops & Apples, Inc.	Faizi Haque,Narmeen Haque	31961 Gratiot Avenue	Roseville	MI	48066	5862942013
MasterMind Tech, LLC	Sneham Bika Sanem,Divya Ravula	7038 Hospital Drive	Dublin	OH	43016	6147180333
Temple Group, Inc.	Kassie Temple,Jeremiah Temple	2019 South 25th E	Ammon	ID	83406	2085223347
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	320 N Main St	Spanish Fork	UT	84660	3126831900
Price, Lane & Jana Jenson	Lane A. Price,Jana Jenson-Price	273 W 500 S	Bountiful	UT	84010	8019162220
Wessco Enterprises, Inc	Douglas Wessley,Rhonda Wessley	2441 N Maize Rd	Wichita	KS	67205	3167294245
Khalid and Sons Ltd.	Syed Khalid Rizvi,Syed Yawar Khalid	80 Route 6	Somers	NY	10505	9146210201
Benevedes, Inc.	Annette Benevedes	186 N 12th Ave	Hanford	CA	93230	5595839000
Kamilia, LLC	Kami Tan,Eric Tan	2015 S. Hurstbourne Pkwy.	Louisville	KY	40220	5024997750
DEV KUSH, INC	Raman Patel	7080 Mannheim Rd	Rosemont	IL	60018	8478246670
Dattani Creamery Inc.	Vijay.Dattani	8145 International Dr	Orlando	FL	32819	4074921880
OM II Management Inc	Anjali Sarwal,Alok Sarwal	6300 E Hampden Ave	Denver	CO	80222	3037595454
HamburgLex CSC LLC	Bhavesh Patel	2337 Sir Barton Way	Lexington	KY	40509	8592430694

WEBB GROUP I, LLC	Donald Webb,Tamara Webb,Brittany Moreno,Raul Moreno	1376 North Redwood Rd	Saratoga Springs	UT	84045	8013418470
MACAG Flemington Partners LLC	Richard Agnolet,Scott MacMillan	325 US Highway 202	Flemington	NJ	08822	9087880770
TLDP Ventures LLC	Terry Walker	10493 S Redwood Rd	South Jordan	UT	84095	8014461095
M&N's Joy LLC	Jianliang Yu,Jing Yu	14550 Clay Terrace Blvd	Carmel	IN	46032	3175697170
MMM786 Creamery Corp	Mohammed Ali Razai,Akm Masud Hasan,Mustaque Ahmed	1475 Western Ave	Albany	NY	12203	5185424316
Wessco Enterprises, Inc	Douglas Wessley,Rhonda Wessley	7325 W Taft St	Wichita	KS	67209	3168691823
The Sweet Place LLC	Audra Place,Bart Place,Jolyn Place,Chase Place,Dalton Place	175 25th St	Ogden	UT	84401	3853334731
Beasley Enterprises LLC	Daniel Beasley,Nathanial Beasley	10 Pullman Square	Huntington	WV	25701	6812045945
Marsella LLC	Michael Biasella,James Markino	3900 Medina Rd	Fairlawn	OH	44333	3306654466
G.W. Sweis Investments, LLC	Gassab Sweis	510 Monroe St	Detroit	MI	48226	3139642715
Jai Shree Laxmi Inc.	Jalpa Patel,Hitesh Patel	3801 Mall Rd	Lexington	KY	40503	8592802264
We All Scream, LLC	Jeremy (Petey) Helm,Kelli Turner	14239 W Colfax Ave	Lakewood	CO	80401	3032159364
The Sweet Place LLC	Bart Place,Jolyn Place,Chase Place,Audra Place,Dalton Place	1917 W 1800 N	Clinton	UT	84015	3853937071
PS & MS VENTURES LLC	Srinadh Chowdary.Kandru,Sambasivarao Bellam	10101 Twin Rivers Rd.	Columbia	MD	21044	513-557-2191
Garrett, Elizabeth	Elizabeth Garrett	12418 Olive Blvd	Creve Coeur	MO	63141	3145763945
Glazier, Jared	Jared Glazier	5287 South State Street	Murray	UT	84107	8012700801
Glendale Desserts LLC	Bailey Murphy,Jennifer Murphy	20022 N 67th Ave	Glendale	AZ	85308	6235669400
Scooper Trouper, Inc.	Syed Malik	1201 West Rancho Vista Blvd	Palmdale	CA	93551	6612742650
WILLIAMS A LA	Cynthia.Williams,Shawn Williams	12746 Westport	La Vista	NE	68138	4029052897

MODE, INC.		Parkway				
Sweet Dreams, LLC	Rita McCay	100 Chestnut Street	Chattanooga	TN	37402	4232670888
HLR Scoopers, LLC	James Melluish	6800 South Westnedge Avenue	Portage	MI	49002	2693274674
Cold Creations LLC	Conrad Hauca	10710 State Road 54	New Port Richey	FL	34655	813-383-8510
S&J Foods LLC	Jennifer Leon	1877 East Williams Field Rd., Suite 105	Gilbert	AZ	85295	480-307-6990
Dastani Enterprises, Inc.	Keikhosrow Dastani	2700 Campus Way North	Lanham	MD	20706	3013243888
CALIFORNIA DESERT BUSINESS INVESTMENTS, LLC	Sarah.Aziz,Arshad Abid,Usman Aziz	6485 Adobe Road	Twentynine Palms	CA	92277	7603617777
RKPearson Enterprises LLC	Russell Pearson,Karilynne Pearson	1820 West Highway 40	Vernal	UT	84078	4357816349
Tasty Treats, LLC	Andrew.Martin,Dawn.Martin	1631 SW Main Street, Suite 102	Ankeny	IA	50023	0000000000
California Creamery LLC	Syed Saif Ul Islam Shah	44980 St. Andrews Church Rd.	California	MD	20619	2402378296
W.G. Sweis Investments, LLC	Gassab Sweis,William Sweis	16823 Kercheval Ave	Grosse Pointe	MI	48230	3138864020
DHC Ventures, LLC	Joshua Davis,Amber Davis	20 Homegrown Way	Yulee	FL	32097	9045486193
WILLIAMSA LA MODE, INC.	Shawn Williams,Cindy Williams	17304 Davenport St	Omaha	NE	68118	4025054192
WILLIAMSA LA MODE, INC.	Shawn Williams,Cynthia.Williams	2110 S 67th St	Omaha	NE	68106	5314667619
OM III Management, Inc.	Alok Sarwal,Anjali Sarwal	4906 N Tower Rd	Denver	CO	80249	7204751403
SJ SCOOPS LLC	Romil Mehta,Dharikkumar Patel	9982 Brook Rd	Glen Allen	VA	23059-6501	8042625490
Martha Robbins and David De La Paz	Martha.Robbins,David.De-La-Paz	620 US Hwy 287 N Frontage Rd	Mansfield	TX	76063	972-921-1122

SSAS LLC	Anil Kondaveeti,Srimala Kantamneni	20330 N Deer Park Blvd	Deer Park	IL	60010	3122035118
MJM Enterprise Company LLC	Satyan Bakhai,Satyan Bakhai	9300 NE 83rd Terrace	Kansas City	MO	64158	8167364015
Acharya, Daxesh & Swati	Daxesh.Acharya,Swati Acharya	1750 N Loop 1604 E	San Antonio	TX	78232	2104449801
Alaqmar, Inc.	Ahmed Zakiuddin,Yusuf Vajihuddin	1153 Brookforest Avenue	Shorewood	IL	60413	8156091893
CPS ENTERPRISE LLC	Sunil.Annapureddy,Praveen.Pati,Chandan.Samireddy	1949 W Ray Rd	Chandler	AZ	85224	4804861909
MJM Enterprise Company LLC	Satyan Bakhai	8600 Ward Parkway	Kansas City	MO	64114	8168771849
V&L Creamery, LLC	Victor Vidaurri,Lorena Vidaurri	2333 South Georgia Street	Amarillo	TX	79109	8063318032
Yousef, Muhammad	Muhammad Masood Yousef	6911 Fayetteville Rd	Durham	NC	27713	9192518087
DAWNTODUSKCOFFEE LLC	Vijayabalan.Babu,Chitra.Babu	3259 Preston Rd	Frisco	TX	75034	9722945440
WILLIAMSA LA MODE, INC.	Shawn Williams,Cynthia.Williams	21209 Nebraska Crossing Dr	Gretna	NE	68028	4023320331

Cold Stone Creamery Franchisees who have signed Franchise Agreements
and the Amendment to sell RMCF Products in their store
but whose stores were not yet open as of November 30, 2022~~2~~3

Franchise Company	**Owners**	**Address**	**City**	**State**	**Zip**	**Phone**	**Owner Emails**
Kamlesh Modi and Jagruti Modi	Kamlesh Hiralal Modi,Jagruti Kamlesh Modi	TBD	Plano	TX		972-276-0008	anki_5226@hotmail.com
V&L Creamery, LLC	Victor Vidaurri,Lorena Vidaurri	7406 SW 34th Ave	Amarillo	TX	9121	806-200-4368	1stophic@gmail.com
Husted, Daniel & Marlena	Daniel.Husted,Marlena.Husted	211 Town Center Ave	Big Sky	MT	59716	7722339680	dshusted@hotmail.com,marlenahusted@gmail.com

Mehta, Ankita et. al.	Ankita Mehta,Dharmesh.Mehta,Hetal.Bhatt,Ridham.Bhatt,Kamlesh Hiralal Modi,Jagruti Kamlesh Modi,Ratnakar Mody,Lalitaben Mody		The Colony	TX			anki_5226@hotmail.com,sarjoo1976@hotmail.com,hkmodi85@gmail.com,bhattridham@gmail.com,coldstone2108@gmail.com
Shri Modheshwari-Allen, Inc.	Ratnakar Mody,Kamlesh Hiralal Modi,Ankita Mehta	190 E Stacy Road	Allen	TX	75002		Sarjoo1976@hotmail.com,anki_5226@hotmail.com
Aslma, K. & Kashif Q.	Kashif.Aslam,Qurat.Kashif		Sugar Land	TX			kashifaslam44@yahoo.com,asho.kashill@yahoo.com
Leon Creamery LLC	Luis.Leon,Adriana.Leon		Maricopa	AZ			luisleoncpa@outlook.com,aleon5614@outlook.com
OM Management, Inc.	Anjali Sarwal,Alok Sarwal	14132 E Cedar Avenue	Aurora	CO	80012		microfredo@msn.com,a_sarwal@msn.com
Sweis, W. & Sweis, G	William Sweis,Gassab Sweis	25217 Evergreen Road	Southfield	MI	48075		bsweis1@gmail.com,gsweis1@gmail.com

* Note: Where no store city, state, or phone number was available, the Franchisee's city, state, and office telephone number (or home telephone number if no office telephone number is available) or email address is listed above.

ATTACHMENT 1
TO EXHIBIT H-1 OF FRANCHISE DISCLOSURE DOCUMENT

Rocky Mountain Chocolate Factory / CSC
Operations Manual

ROCKY MOUNTAIN CHOCOLATE FACTORY / CSC
OPERATIONS MANUAL

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ATTACHMENT 2
TO EXHIBIT H-1 OF FRANCHISE DISCLOSURE DOCUMENT

Amendment to Cold Stone Creamery Franchise Agreement

[Store #]
[doc#]

[FIRST] AMENDMENT TO FRANCHISE AGREEMENT
[to add Rocky Mountain Chocolate Factory products]

This [FIRST] AMENDMENT TO FRANCHISE AGREEMENT ("[First] Amendment") dated _____ ___, 20____ ("[First] Amendment Effective Date"), to the Franchise Agreement dated _____ ___, 20___ (collectively the "Agreement"), for the *Cold Stone Creamery*® location at _____ ("Location") by and between Kahala Franchising, L.L.C., an Arizona limited liability company ("Franchisor") and _____ ("Franchisee"), is entered into by such parties to amend the Agreement as set forth in this [First] Amendment. To the extent this [First] Amendment contains terms and conditions that differ from those contained in the Agreement, this [First] Amendment shall control. The parties agree that a concept or principle covered in this [First] Amendment shall apply and be incorporated into all other provisions of the Agreement in which the concept or principle is also applicable, notwithstanding the absence of any specific cross reference thereto. All capitalized terms not otherwise defined in this [First] Amendment will have the same meanings ascribed to such terms in the Agreement.

1. The following **Article 19**, "**Rocky Mountain Chocolate Factory® License: Terms and Conditions**," is hereby added to the Agreement immediately following the end of **Article 18**, "**Submission of Agreement**":

ARTICLE 19. ROCKY MOUNTAIN CHOCOLATE FACTORY® LICENSE; TERMS AND CONDITIONS

19.1 Right to Offer and Sell Rocky Mountain Chocolate Factory Products.

a. Grant of *RMCF* Rights. We hereby authorize you to offer and sell the approved *Rocky Mountain Chocolate Factory* ("*RMCF*") gourmet chocolates and confections (individually and collectively, "*RMCF* Products"), as provided in writing from time to time during the Term by us or Rocky Mountain Chocolate Factory, Inc. ("RMCF Inc."), the franchisor of the *RMCF* brand. The *RMCF* Products shall only be offered and sold in compliance with the trademarks and methods of RMCF Inc. (collectively, "*RMCF* System"). All rights hereby granted to you under this *Article 19* and in connection with your right to use the *RMCF* System shall hereinafter be referred to as the "*RMCF* Rights."

b. *RMCF* Trademarks. The *RMCF* trademarks, service marks, trade names, and trade dress approved for your use under this Agreement, as may be amended from time to time by RMCF Inc., are listed in Attachment "A," attached hereto and incorporated herein by reference (individually and collectively, "*RMCF Trademarks*"). All *RMCF* Trademarks used in connection with the *RMCF* Products and *RMCF* System are and shall remain the sole property of RMCF Inc. and any and all goodwill associated with and identified by your use of the *RMCF* Trademarks will inure directly and exclusively to the benefit of RMCF Inc. We hereby grant you a non-exclusive, non-transferable sublicense to use the *RMCF* Trademarks solely as authorized by this Agreement and in compliance with the terms of the Master License Agreement entered into by our affiliate, as ultimately assigned to us, and RMCF Inc., dated August 17, 2009, as amended

("*RMCF* Master License Agreement"). You hereby assign all proprietary rights, including copyrights, in works created by you or on your behalf or any of your owners, officers, employees, contractors or agents in connection with the use of the *RMCF* System to RMCF Inc. without additional consideration. You hereby assign and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed, in whole or in part, in relation to the *RMCF* System during the Term, as we or RMCF Inc. may deem necessary, to enable RMCF Inc., at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or to transfer to RMCF Inc. all right, title, and interest in said property. You will promptly disclose to us and RMCF Inc. all inventions, discoveries, improvements, recipes, creations, patents, copyrights, trademarks and confidential information relating to the *RMCF* System which you or any of your owners, officers, employees, contractors or agents have made or may make solely, jointly or commonly with others, and will promptly create a written record of the same. In addition to the foregoing, you acknowledge and agree that any improvements or modifications, whether copyrightable, directly related to the sale of *RMCF* Products will be deemed to be a part of the *RMCF* System and will inure to the benefit of RMCF Inc.

c. *RMCF* Operations. You acknowledge the layout, design, decoration, color scheme, signage, and equipment associated with the *RMCF* System is an integral part thereof. Accordingly:

1. You will convert, design and decorate a portion of the Location as specified by us for use in the sale of *RMCF* Products and in accordance with the plans and specifications which are contained in the confidential *RMCF* operating manual provided to you by either us or RMCF Inc., which also contains standards, specifications, policies and other directives and information relevant to the *RMCF* System, as may be amended by from time to time by RMCF Inc. ("*RMCF* Operating Manual"). Prior to any implementation or construction of such *RMCF* designs, you must receive our and our third party approved architect's approval of the *RMCF* design plans. You may, in our sole discretion, be charged a fee of One Thousand Seven Hundred Dollars ($1,700) for such review and approval, in addition to any fee charged for the review of the Plans for the Franchised Business. You acknowledge that such approval is solely for complying with the *RMCF* System, and not for determining compliance with codes, ordinances or other legal requirements. You are solely responsible for ensuring that the Location, including the *RMCF* design plans, conform to all codes, ordinances and other legal requirements, including the ADA. Upon completion of all approvals, a copy of the final approved store design plans shall be attached to and incorporated in this Agreement as Attachment "B."

2. You must acquire for use at the Location all signage and other items that display the *RMCF* Trademarks and ensure compliance with the *RMCF* standards and specifications that are contained in the *RMCF* Operating Manual. It is your sole responsibility to ensure that any signs used at the Location also comply with applicable local ordinances, building

codes and zoning regulations. Any modifications to the standards and specifications for *RMCF* signs that must be made due to local ordinances, codes or regulations must be submitted to us for submission to RMCF Inc. for prior written approval. You acknowledge the *RMCF* Trademarks, or any other name, symbol or identifying marks on any signs associated with the *RMCF* System, may only be used in accordance with standards and specifications set forth in this Agreement and only with the prior written approval of RMCF Inc.

3. You must acquire for use at the Location the equipment of a type and in an amount which complies with the *RMCF* System. You acknowledge that the type, quality, configuration, capability and performance of the equipment are all standards and specifications which are a part of the *RMCF* System and therefore such equipment must be purchased, leased, or otherwise obtained in accordance with RMCF Inc.'s standards and specifications and only from suppliers or other sources approved by RMCF Inc.

4. We will determine the initial inventory of *RMCF* Products and *RMCF* equipment that you will purchase from RMCF Inc. or its designated or approved suppliers to be used, offered and sold in connection with the Franchised Business. You agree to offer such *RMCF* Products as we shall designate and you shall not offer any products or services under the *RMCF* Trademarks not previously approved by us in writing. Depending on several factors, which include the size and configuration of your Location, we may permit you to manufacture certain confections, *RMCF* Products, and cooking supplies on-site at your Location using RMCF Inc.'s proprietary recipes (individually and collectively, "Store Candy") and we may require that you purchase certain confections, *RMCF* Products, and cooking supplies manufactured by RMCF Inc. in its factory (individually and collectively, "Factory Candy"). A franchised business permitted by us to manufacture a full line of Store Candy, including dipping caramel, is referred to as a "Full *RMCF* Store." A franchised business which is permitted by us to manufacture a more limited amount of Store Candy is referred to as "Traditional *RMCF* Stores."

5. RMCF Inc. reserves the right to change the price for Factory Candy and related products from time to time as may be set forth in the most recent price bulletin sent to all franchisees or the then-current *RMCF* Operating Manual. With respect to the offer and sale of all *RMCF* menu items, *RMCF* Products and *RMCF* services, you are free to set your own resale prices, provided that we may, where allowed by applicable law, establish maximum resale prices that may be charged based on an analysis of the market and to facilitate advertising and competitive strategies.

6. You shall obtain all permits and certifications as may be required to lawfully sell *RMCF* Products, together with all certifications from government authorities having jurisdiction over the Location. You must certify to us before commencing the sale of *RMCF* Products that all requirements for construction and operation have been met, including zoning, access, sign, health, safety requirements, building and other

required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances.

7. You shall be responsible for the cost of obtaining all governmental construction permits, certifications, and licenses necessary to lawfully sell *RMCF* Products, and must, at your expense, comply with all laws, zoning ordinances, rules and regulations of any governmental agencies that may govern the construction of or modifications to the Location for the sale of *RMCF* Products. You agree to allow our authorized representatives, at any and all times while construction is in progress, to meet with the licensed architect and general contractor and enter the Location for this purpose. If we determine in good faith that the provisions of this *Section 19.1c7* are not being observed, you will, at your expense, immediately take all necessary corrective action.

d. Your *RMCF* Representations and Warranties. You represent and warrant that the following statements are true and complete in regards to your *RMCF* operations:

1. You do not seek to obtain the *RMCF* Rights for speculative or investment purposes and have no present intention to sell or transfer, or attempt to sell or transfer, its *RMCF* Rights.

2. You understand and acknowledge the value to the *RMCF* brand of uniform and ethical standards of quality, appearance and service described in and required by the *RMCF* Operating Manual and the necessity of operating the Location under the standards set forth in the *RMCF* Operating Manual. You represent that you have the capabilities, professionally, financially and otherwise, to comply with our standards and the standards of RMCF Inc.

3. You have read and understand the information and disclosures made in the *RMCF* Disclosure Document provided to you by us or RMCF Inc. You understand and acknowledge that estimates for initial startup expenses are estimates only. You understand that there can be and likely will be additional start-up expenses. You have had the opportunity to and have consulted or elected not to consult with your attorney and accountant and business advisors before entering into this Agreement.

4. You understand and acknowledge that you may make money and may lose money and are entering this *RMCF* business venture with this express understanding. You are not relying upon anything which is not contained within this Agreement or any related Disclosure Document in determining and deciding to sell *RMCF* Products.

5. Notwithstanding the foregoing, you understand and agree that the *RMCF* System must not remain static if it is to meet (without limitation) presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, social trends and other market place variables, and if it is to best serve the interests of

the *RMCF* brand, you and all other *RMCF* franchisees. Accordingly, you expressly understand and agree that RMCF Inc. may from time to time change the components of the *RMCF* System, including altering the products, programs, services, methods, standards, forms, policies and procedures of that *RMCF* System; abandoning the *RMCF* System altogether in favor of another system in connection with a merger, acquisition or other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which under *Article 19* you are authorized or required to offer, modifying or substituting entirely the *RMCF* System, including the *RMCF* equipment, signage, trade dress, décor, color schemes, and other specifications and all other unit constructions, design, appearance and operation attributes which you are required to observe under this Agreement; and, abandoning, changing, improving, modifying or substituting the *RMCF* Trademarks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations. You shall accept, use and effectuate any such changes or modifications to, or substitution of, the *RMCF* System as if they were part of the *RMCF* System at the time that this Agreement was executed. Except as provided herein, neither we nor RMCF Inc. shall be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby.

6. You represent that neither you nor any of your affiliates, officers, directors, managers, members, or partners (as applicable) or funding sources are subject to U.S. Executive Order 13224, identified on the U.S. Department of the Treasury's Office of Foreign Assets Control Specially Designated National and Blocked Persons list, or any terrorist list or other blocked persons list. In addition, you represent that you have not received funding from nor are you owned, controlled, or acting on behalf of the government of any country that is subject to an embargo by the United States, any foreign government official, political party or international organization, and that no foreign government or government official, political party or international organization has any financial interest in your *RMCF* Rights or any monies earned by your exercise of the *RMCF* Rights.

7. You, or any member of your immediate family in the case of an individual, are not currently and will not at any time in the future be engaged in, or participate as an owner, officer, partner, director, agent, employee, shareholder, member, manager, or otherwise in any other *RMCF* Competitive Business without having first obtained RMCF Inc.'s written consent. For the purposes of this *Article 19*, "*RMCF* Competitive Business" means any business operating, or granting franchises or licenses to others to operate, a retail, wholesale, distribution or manufacturing business with either of the following attributes: (i) a business deriving a total of ten percent (10%) or more of its gross receipts from the sale, processing or manufacturing of one or a combination of any of the following: boxed chocolate candies, products which are the same as or substantially similar to candy made by you at the Location, or products made with recipes, or processes, included in the *RMCF* Operating Manual; or (ii) a business devoting a total of ten percent (10%) or more of its retail display space to one or a combination of the following: boxed chocolate candies, products

which are the same as or substantially similar to candy made by you at the Location, or products made with recipes, or processes, included in the *RMCF* Operating Manual.

e. *RMCF* Training. You, or if you are an entity then the natural person designated by you to assume primary responsibility for the management of the Franchised Business ("General Manager"), are required to attend and successfully complete an initial training program for the sale of *RMCF* Products as offered by RMCF Inc., or by authorized employees or representatives of ours who have been approved to conduct *RMCF* Product training ("*RMCF* Initial Training"). The *RMCF* Initial Training will consist of classroom and on-the-job training, lasting approximately thirty (30) hours (plus an additional seven (7) days if you transition to a Full *RMCF* Store), and will be held in Durango, Colorado, or such other location as designated by us or *RMCF* Inc. You may, at your option, send one (1) additional person to the *RMCF* Initial Training. The *RMCF* Initial Training program will be provided without charge of a tuition or fee; however, you will be responsible for any and all travel and living expenses incurred in connection with attendance at the *RMCF* Initial Training. You must successfully complete the *RMCF* Initial Training before you will be permitted to sell *RMCF* Products or to exercise any of its other *RMCF* Rights. You acknowledge that adequate knowledge regarding the *RMCF* brand is essential to the promotion of the *RMCF* System. Based upon your prior experience in the food service industry and subject to RMCF Inc.'s approval, your requirement to attend the *RMCF* Initial Training may be waived by us or RMCF Inc.

f. *RMCF* Non-Disparagement. You will not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of RMCF Inc. or us, of either of our employees, representatives or agents, or the *RMCF* System, or that would tend to be injurious to the reputation or goodwill of RMCF Inc. or us, or either of our respective employees, representatives or agents, or the *RMCF* System, or which may interfere in any manner with our or RMCF Inc.'s business affairs or business relations, or either of our respective employees, representatives or agents.

g. Reservation of Rights. You acknowledge that the *RMCF* Rights granted herein are non-exclusive and that, pursuant to the *RMCF* Master License Agreement, RMCF Inc. retains the rights, among others: (1) to use, and to license others to use, the *RMCF* System for the operation of *RMCF* stores, kiosk stores, satellite stores, temporary stores and other co-branded stores, at any location other than at the Location; (2) to use the *RMCF* System to identify services and products, promotional and marketing efforts or related items, and to identify products and services similar to or the same as those which you will sell, but made available through alternative channels of distribution other than through traditional *RMCF* stores, at any location other than at the Location, including through satellite stores, temporary stores, kiosk stores, other co-branded stores, by way of mail order, (including electronic mail order), the Internet, catalog, telemarketing, other direct marketing methods, television, retail store display or through the wholesale sale of its products to unrelated retail

outlets or to candy distributors or outlets located in stadiums, arenas, airports, turnpike rest stops or supermarkets; and (3) to use and license the use of other proprietary marks or methods in connection with the sale of products and services similar to those which you will sell or in connection with the operation of retail stores selling chocolate and other products, at any location other than at the Location, which stores are the same as, or similar to, or different from a traditional *RMCF* store or a satellite store, a temporary store, a co-branded store or a kiosk store, on any terms and conditions as RMCF Inc. deems advisable, and without granting you any rights therein.

19.2 Rocky Mountain Chocolate Factory Fees.

a. Initial *RMCF* License Fee. You shall pay to us an Initial *RMCF* License Fee in the amount of Six Thousand Dollars ($6,000) [IF GRANTED THE RIGHTS TO A TRADITIONAL *RMCF* STORE; OR "Twenty Four Thousand Five Hundred Dollars ("$24,500)" IF GRANTED THE RIGHTS TO A FULL *RMCF* STORE] ("*RMCF* License Fee"). The *RMCF* License Fee is in addition to the Initial Franchise Fee for the Franchised Business as set forth in *Section 5.1*, and will be due and payable by you to us by cashier's check, wire transfer or other form of immediately available funds acceptable to us, upon your execution of the First Amendment to Franchise Agreement, subjection to *Section 19.2a1*. You and we agree that our grant of the *RMCF* Rights and your payment of the *RMCF* License Fee does not give you any rights with respect to other franchises or licenses, if any, as we in our sole discretion may elect to make available in the future. The *RMCF* License Fee will be fully earned by us upon the [First] Amendment Effective Date and will be nonrefundable.

1. If you are initially granted the rights to a Traditional *RMCF* Store and are later granted the rights to a Full *RMCF* Store, the remaining balance amount of the *RMCF* License Fee due pursuant to *Section 19.2a*, raising the total *RMCF* License Fee due to Twenty-Four Thousand Five Hundred Dollars ($24,500), will be payable by you to us upon your execution of an amendment granting you the additional rights to become a Full *RMCF* Store.

b. *RMCF* Royalties. For the period of time commencing on the later of the date that you sign the [First] Amendment to Franchise Agreement or the date you begin to sell *RMCF* Product to the public, and for the duration of the Term, you must pay to us a weekly royalty fee equal to nine percent (9%) of total *RMCF* Gross Sales (as defined below) ("*RMCF* Royalty Fee"). This *RMCF* Royalty Fee is in addition to the Royalty Fee set forth in *Section 5.2*. During a temporary closure of your Franchised Business, if any, and as set forth in *Section 5.2*, you are not required to pay the *RMCF* Royalty Fee.

c. *RMCF* Transfer Fee. A transfer fee of Two Thousand Five Hundred Dollars ($2,500) ("*RMCF* Transfer Fee") is payable to us when you sell the rights granted you under this *Article 19*. This *RMCF* Transfer Fee is in addition to the Transfer Fee set forth in *Section 5.13*.

d. *RMCF* Gross Sales. For the purpose of this *Article 19*, "*RMCF* Gross Sales" means all sales, money or things of value, received or receivable, directly or indirectly, by you on account of the sale of *RMCF* Products, less applicable sales taxes and any documented refunds, credits and allowances given by you to customers in accordance with the *RMCF* Operating Manual, but without deducting any of your costs and expenses. All sales made from catering services of *RMCF* Product must be included in *RMCF* Gross Sales.

e. *RMCF* Reporting. You are required to report *RMCF* Gross Sales to our designated accounting office via the Internet at http://franchisee.kahalamgmt.com, as set forth by us, by the close of business on each Tuesday for the week ending the preceding Tuesday, commencing on the [First] Amendment Effective Date and continuing through the Term. The *RMCF* Gross Sales reports shall detail the *RMCF* Gross Sales derived from the sale of *RMCF* Products separately from the Gross Sales as set forth in *Section 5.2*. You acknowledge and agree that we may share all *RMCF* Gross Sales reports with RMCF Inc.

f. *RMCF* Payment Terms. Payment of *RMCF* Royalty Fees and all other fees due to us under this *Article 19* shall be made in the same manner as payments required under *Article 5*. This includes:

1. Your requirement to make payments via electronic transfer of funds;

2. Our right to debit your Depository Account at any time upon notice to you for any amounts owed by you or your affiliates under any agreement by and between you or any of your affiliates and us or any of our affiliates;

3. Our right to charge you interest accruing on late payments (from the date payment is due until the date it is paid) at an interest rate of eighteen percent (18%) per annum, which amount, plus a late charge of five percent (5%) of the unpaid amount or One Hundred Dollars ($100), whichever is greater, shall be added to each late payment; and

4. Our right to inspect and audit, or cause to be inspected and audited, the business records, cash control devices, bookkeeping and accounting records, sales and income tax records and returns and other records of the Franchised Business and your entity's books and records as they relate to the *RMCF* System.

19.3 Rocky Mountain Chocolate Factory Default; Termination.

a. Termination by Us - Effective upon Notice. We have the right, in our sole discretion, to terminate any and all of your *RMCF* Rights without affording you any opportunity to cure (subject only to any termination pre-requisites in any state franchise law whose applicability, as a matter of law supersedes the choice-of-law provision set forth in this Agreement), and such termination will be effective upon your receipt of written notice upon

the occurrence of any of the following events:

1. Abandonment. If you cease to sell *RMCF* Products for a period of five (5) consecutive days, or any shorter period that indicates an intent by you to discontinue sale of the *RMCF* Products, unless and only to the extent that full operation of the Franchised Business is suspended or terminated due to fire, flood, earthquake or other similar causes beyond your control and not related to the availability of funds to you;

2. Misuse of *RMCF* Trademarks. If, within ten (10) days after notification from us, you fail, with respect to the *RMCF* Trademarks, either to correct any misuse, or to follow our or RMCF Inc.'s directions and guidelines concerning proper use;

3. Unauthorized Disclosure. If you intentionally or negligently disclose to any unauthorized person the contents of or any part of the *RMCF* Operating Manual or any other trade secrets or confidential information related to the *RMCF* System;

4. Unauthorized Transfer. If you sell, transfer or otherwise assign the *RMCF* Rights, or attempt to transfer *RMCF* Rights in any manner not in full compliance with the transfer provisions set forth in this Agreement, and such transfer is not part of the simultaneous transfer of this Agreement. You specifically understand and agree that this *Article 19* is indivisible from this Agreement, and may not be transferred, except as part of an approved transfer of this Agreement.

5. Failure to Pay. If you fail to pay RMCF Inc. for purchases of *RMCF* Products and other items on a timely basis, and that failure has not been cured within thirty (30) days after we or RMCF Inc. have provided notice of such failure to you.

b. Termination by Us - Effective upon Thirty (30) Days' Notice. We have the right to terminate your *RMCF* Rights (subject only to any termination pre-requisites in any state franchise law whose applicability, as a matter of law supersedes the choice-of-law provision set forth in this Agreement), effective upon thirty (30) days' written notice to you, if you breach any provision of this *Article 19* other than those listed in *Section 19.3a* and fail to cure the default during such thirty (30) day period. In that event, your *RMCF* Rights will terminate without further notice to you, effective upon expiration of the thirty (30) day period. Defaults include the following:

1. Failure to Maintain Standards. You fail to maintain the then-current operating procedures and adhere to the specifications and standards established by the *RMCF* Operating Manual or otherwise communicated to you;

2. Deceptive Practices. You engage in any unauthorized business or practice or sell any unauthorized product or service under the *RMCF* Trademarks or under a name or mark which is confusingly similar to the *RMCF* Trademarks;

3. Failure to Obtain Consent. You fail, refuse or neglect to obtain our or RMCF Inc.'s prior written approval or consent as required; or

4. Failure to Comply with the *RMCF* Operating Manual. You fail or refuse to comply with the then-current requirements of the *RMCF* Operating Manual.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such thirty (30) day period and you have commenced and are continuing to make good faith efforts to cure the breach during such thirty (30) day period, as determined in our sole discretion, then you may be given an additional reasonable period of time to cure the same, and the *RMCF* Rights will not automatically terminate without written notice from us.

c. Termination of *RMCF* Master License Agreement. You acknowledge that the *RMCF* Rights are granted pursuant to, and remain conditional upon, the continued existence of the *RMCF* Master License Agreement. The *RMCF* Rights will automatically terminate upon the expiration or termination of the *RMCF* Master License Agreement, regardless of the cause of such termination and neither we nor RMCF Inc. shall have any further liability or obligation to you arising from or in connection with the termination or this *Article 19*. Upon termination of the *RMCF* Rights, you may, at your own expense, be required to return the Location to the condition reasonably similar to those prior to the renovations made pursuant to *Section 19.1*.

d. Scope of *RMCF* Rights Termination. At your option, a termination of the *RMCF* Rights may relate *solely* to your rights and obligations with respect to the *RMCF* System and shall not affect the validity or ongoing enforceability of the remainder of this Agreement, including your rights in connection with the *Cold Stone Creamery* brand. Termination of the RMCF Rights for any reason does not release you or us from the respective obligations under any other section of this Agreement or any other agreement, including any lease or promissory note, between the parties.

e. Your Obligations upon Termination of the *RMCF* Rights. You are obligated upon termination of your RMCF Rights to immediately:

1. Cease use of and remove all *RMCF* Trademarks, including signs, symbols, devices, trade names, trademarks or other materials;

2. Renovate, paint or otherwise change the interior and exterior of the Location to remove any trade dress or other leasehold improvements, equipment, fixtures, candy cases and other items that identify with the *RMCF* System;

3. Deliver to us, or our designee, all items of inventory that bear *RMCF* Trademarks, including packaged chocolates, confections, signs, sign-faces, advertising materials, forms and other materials;

4. Deliver to us, or our designee, the *RMCF* Operating Manual and all other information, documents and copies thereof associated with the *RMCF* System;

5. Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any *RMCF* Trademarks which are under the exclusive control of RMCF Inc. or, at the option of RMCF Inc., assign the same to the RMCF Inc.;

6. If applicable, notify all telephone directory publishers of the termination or expiration of your right to use any regular, classified or other telephone directory listings associated with any *RMCF* Trademarks and to authorize transfer thereof to RMCF Inc., or its designee. You acknowledge that, as between you and us, we have the sole rights to and interest in all directory listings associated with any *RMCF* Trademark. You authorize us, and hereby appoint us and any of our officers, as your attorney-in-fact, to direct the telephone directory publishers to transfer to us or our designee or cancel any directory listings relating to the Location. Should you fail or refuse to do so, you understand and agree that the telephone directory publishers may accept a copy of this *Article 19* as conclusive evidence of our exclusive rights in such directory listings and our authority to direct their transfer or cancellation;

7. Sign a general release, in a form satisfactory to us, of any and all claims against us, RMCF Inc., and each of our affiliates and each respective officer, director, employee and agent; and

8. If applicable, take such action as may be required to remove from the Internet all sites referring to your former association with the *RMCF* System and to cancel or assign to us or our designee, in our sole discretion, all rights to any domain names for any sites on the Internet that refer to any such association.

19.4 Rocky Mountain Chocolate Factory Indemnification.

a. Indemnification of RMCF Inc. and Us. You agree to indemnify, defend, and hold RMCF Inc., us and each of our respective affiliates (including parent and subsidiary companies), and its stockholders, directors, officers, members, managers, partners, joint venturers, attorneys, employees, contractors, agents, guarantors, successors and assignees (collectively, "*RMCF* Indemnified Parties") harmless for, from and against any and all claims, liabilities, causes of action, demands, obligations, costs and expenses, damages, liabilities, judgments, proceedings, of every kind and nature, including reasonable attorneys' fees, (individually and collectively, "*RMCF* Claims") suffered or incurred by any of the *RMCF* Indemnified Parties arising out of or relating to your *RMCF* Rights, including your failure to comply with PCI DSS or any law, statute, regulation, order, rule, or ordinance, or management of the Franchised Business and the *RMCF* System, except for *RMCF* Claims held to have resulted solely from our or RMCF Inc.'s gross negligence or willful misconduct. Notwithstanding the foregoing, RMCF Inc. will have the right, at its option, to defend any *RMCF* Claim, but you must reimburse RMCF Inc. upon demand for the

costs of such defense.

b. RMCF Inc. Indemnification of You. RMCF Inc. agrees to indemnify, defend, and hold you and your affiliates, and their stockholders, directors, officers, members, managers, partners, employees, agents, successors and assignees harmless for, from and against any and all *RMCF* Claims, liabilities, causes of action, demands, obligations, costs and expenses, including reasonable attorneys' fees, arising out of any alleged infringement or unfair competition in connection with your authorized use of the *RMCF* Trademarks and *RMCF* confidential information, provided that such use is in accordance with the provisions of this Agreement. However, if RMCF Inc. requires you to modify or discontinue use of its proprietary information or use other information or rights in its place at any time other than upon renewal of this Agreement, and that requirement is a direct result of proceedings or litigation that determined that its and its sublicensees' use of the proprietary information infringed upon a third party's rights, RMCF Inc. will bear the cost of those modifications or discontinuances.

19.5 Rocky Mountain Chocolate Factory Insurance.

You shall obtain insurance coverage applicable to RMCF Inc. in accordance and in addition to its insurance obligations under *Section 9.5*, including adding RMCF Inc. and its affiliates and each of their respective directors, shareholders, employees and agents as additional insureds, with primary non-contributory coverage, on all insurance policies that you are obligated to maintain pursuant to this Agreement, as well as any additional insurance coverage, policy amounts, or other obligations that may be contained in the *RMCF* Operating Manual.

19.6 Rocky Mountain Chocolate Factory Non-Competition.

You acknowledge and agree that the provisions of *Section 14.6* shall apply equally to a business operating, or granting franchises or licenses to others to operate, a retail, wholesale, distribution or manufacturing business with either of the following attributes: (i) a business deriving a total of ten percent (10%) or more of its gross receipts from the sale, processing or manufacturing of one or a combination of any of the following: boxed chocolate candies; or products which are the same as or substantially similar to Store Candy; or products made with recipes, or processes, included in the *RMCF* Operating Manual; or (ii) a business devoting a total of ten percent (10%) or more of its retail display space to one or a combination of the following: boxed chocolate candies; or products which are the same as or substantially similar to Store Candy; or products made with recipes, or processes, included in the *RMCF* Operating Manual. For purposes of enforcing *Section 14.6*, all references to us shall also include RMCF Inc.

19.7 Rocky Mountain Chocolate Factory Confidentiality Agreement.

You agree to treat the *RMCF* Operating Manual in the same confidential manner as our confidential Operations Manual. At our request, each individual referenced in *Section 14.6d* will sign the *RMCF* Confidentiality

and Non-Competition Agreement set forth in Attachment "C," attached hereto and incorporated herein by reference.

19.8 Rocky Mountain Chocolate Factory Acknowledgements of Franchisee.

In addition to the acknowledgements of Franchisee set forth in *Section 17.3* of this Agreement:

a. Franchisee recognizes that the success of the *RMCF* Product offering involves substantial business risks. Franchisor expressly disclaims making, and Franchisee acknowledges that it has not received or relied on any warranty or guarantee, express or implied, as to the potential volume, profits or success of such offering contemplated by this Agreement.

Franchisee Initials _____/_____

b. Franchisee acknowledges that the *RMCF* Rights granted in this Agreement are contingent upon the ongoing relationship between Franchisor and RMCF Inc. and will immediately terminate in the event of a termination or expiration of the *RMCF* Master License Agreement.

Franchisee Initials _____/_____

c. Franchisee acknowledges that its financial obligations under any promissory note it may have signed in connection with the *RMCF* Rights will continue regardless of the success that Franchisee has in connection with such *RMCF* Rights.

Franchisee Initials _____/_____

d. Franchisee acknowledges that it will be required to meet the operating standards of Franchisor and RMCF Inc., and any additional operating standards established by Franchisor and/or RMCF Inc. with respect to the *RMCF* Rights, including, but not limited to, manager and staff uniforms, hours of operation, and pricing of products.

Franchisee Initials _____/_____

e. Franchisee acknowledges that it will be required to fully execute the national marketing calendar provided to it by Franchisor that incorporates marketing for *RMCF* Products.

Franchisee Initials _____/_____

f. Franchisee acknowledges receipt of Franchisor and RMCF's Disclosure Document at least 14 days prior to the execution of this [First] Amendment or payment of any monies to Franchisor or Franchisor's agent.

Franchisee Initials _____/_____

19.9 Construction.

You and we agree that the purpose of this *Article 19* is not to change or alter the terms of this Agreement except as necessary to accomplish the objective of this *Article 19*. Therefore, in respect to the *RMCF* System, if the terms listed in this Agreement outside of this *Article 19* conflict with this *Article 19*, the language shall be construed, to the maximum extent possible, to avoid any direct conflict and, if such construction is unavoidable, then the terms of this *Article 19* shall govern.

2. Attachments "A," "B" and "C" hereto are hereby added to and incorporated in the Agreement by this reference.

3. Except as set forth in this [First] Amendment, the terms and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by and through their respective authorized representatives, who each have full rights, power and authority to enter into and bind his or her respective party to the obligations set forth in this [First] Amendment without further consent or approval of any kind, have duly executed and delivered this [First] Amendment as of the [First] Amendment Effective Date.

FRANCHISOR: KAHALA FRANCHISING, L.L.C., an Arizona limited liability company

By:_____
[Name, Title]

FRANCHISEE: _____, a(n) _____

By:_____
[Name, Title]

By:_____
[Name, Title]

ATTACHMENT "A"

RMCF Trademarks

The term "*RMCF* Trademarks" includes the following:

1. "Rocky Mountain Chocolate Factory" (word mark);
2. "Rocky Mountain Chocolate Factory" and design; and
3. All other trademarks and service marks that are included in the *RMCF* Operating Manual from time to time that are authorized for use in the Franchised Business with products offered under the "Cold Stone Creamery" Proprietary Marks.

ATTACHMENT "B"

Location Floor Plan

ATTACHMENT "C"

Confidentiality and Non-Competition Agreement

[*See attached*]

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

This *CONFIDENTIALITY AND NONCOMPETITION* AGREEMENT ("**Agreement**"), dated _____ __, 20__, by and between ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. ("**RMCF**") and [INDIVIDUALS], of [FRANCHISEE ENTITY], a [TYPE OF FRANCHISEE ENTITY] (collectively, "**Franchisee**"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement, defined below.

Kahala Franchising, L.L.C. has granted to Franchisee, pursuant to that certain Franchise Agreement dated _____, 20__, ("**Franchise Agreement**") and amendment thereto granting Franchisee rights to use the RMCF System, as defined in the First Amendment to Franchise Agreement dated _____, 20__ ("**Amendment**"), the right to offer Cold Stone Creamery® products and Rocky Mountain Chocolate Factory® products in the same store ("**Store**"). The undersigned, in consideration of the receipt and/or use of the Operating Manual and other information proprietary to RMCF, including but not limited to methods, strategies and techniques developed by RMCF relating to operations, marketing, training, advertising, trade secrets, recipes and other confidential data (collectively referred to as "**Proprietary Information**"), agrees with RMCF as follows:

(1) The undersigned acknowledges that the Operating Manual and other Proprietary Information now or hereafter provided to Franchisee by or on behalf of RMCF is proprietary to RMCF and must be held in the utmost and strictest confidence.

(2) The undersigned represents and agrees that the undersigned will not, without the prior written consent of RMCF, either:

(i) Duplicate or otherwise reproduce the Operating Manual or other Proprietary Information;

(ii) Deliver or make available the Operating Manual or other Proprietary Information to any person other than an authorized representative of RMCF;

(iii) Discuss or otherwise disclose the contents of the Operating Manual or other Proprietary Information to any person other than an authorized representative of RMCF; or

(iv) Use the Operating Manual or other Proprietary Information to his, her or its commercial advantage other than in connection with the operation of the franchise created and granted by the Franchise Agreement.

(3) While the Franchise Agreement and the Amendment are in effect, neither the undersigned, nor any member of his or her immediate family, shall engage in, or participate as an owner, officer, partner, director, agent, employee, shareholder, member, manager, or otherwise in any other Competitive Business without having first obtained RMCF's written consent. For the purposes of this Agreement, "**Competitive Business**" shall mean any business operating, or granting franchises or licenses to others to operate, a retail, wholesale, distribution or manufacturing business with either of the following attributes: (i) a business deriving a total of 10% or more of its gross receipts from the sale, processing or manufacturing of one or a combination of any of the following: boxed chocolate candies; or products which are the same as or substantially similar to Store Candy; or products made with recipes, or processes, included in the Operating Manual; or (ii) a business devoting a total of 10% or more of its retail display space to one or a

combination of the following: boxed chocolate candies; or products which are the same as or substantially similar to Store Candy; or products made with recipes, or processes, included in the Operating Manual.

(4) The undersigned has acquired from RMCF, or its authorized representative, confidential information regarding RMCF's trade secrets and franchised methods which, in the event of a termination of the Franchise Agreement and Amendment, could be used to injure RMCF. As a result, neither the undersigned, nor any member of his or her immediate family, shall, for a period of 1 year from the date of termination, transfer or expiration of the Franchise Agreement and Amendment, without having first obtained RMCF's written consent, engage in or participate as an owner, officer, partner, director, agent, employee, shareholder, member, manager, or otherwise in any Competitive Business which is located or operating, as of the date of such termination, transfer or expiration, within a 10-mile radius of the Franchisee's former Location as defined in the Franchise Agreement, or within a 10-mile radius of any other franchised or company-owned or co-branded *Rocky Mountain Chocolate Factory* store, unless such right is granted pursuant to a separate agreement with RMCF.

(5) The undersigned agrees that during the term of the Franchise Agreement, and for a period of 1 year thereafter, it shall in no way divert or attempt to divert the business of customers, or interfere with the business relationship established with customers of the Store or of any Competitive Business.

(6) The undersigned agrees that all copyrightable works created by the undersigned, the Franchisee or any of its owners, officers or employees in connection with the Proprietary Information shall be the sole property of RMCF. The Franchisee has assigned all proprietary rights, including copyrights, in these works to RMCF without additional consideration. The undersigned and the Franchisee hereby assign and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights and trade secrets developed in part or in whole in relation to the Store, during the term of the Agreement, as RMCF may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to RMCF all right, title and interest in said property. The undersigned and the Franchisee shall promptly disclose to RMCF all inventions, discoveries, improvements, recipes, creations, patents, copyrights, trademarks and confidential information relating to the Store which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, the undersigned and the Franchisee acknowledge and agree that any improvements or modifications, whether or not copyrightable, directly or indirectly related to the Store, shall be deemed to be a part of the RMCF System and shall inure to the benefit of RMCF.

(7) The undersigned agrees that it shall not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of RMCF or the RMCF System or would tend to be injurious to the reputation or goodwill of RMCF or its Marks, or which in any manner may interfere with the business affairs or business relations of RMCF.

IN WITNESS WHEREOF, this Agreement has been executed by the undersigned as of the date set forth above.

AGREED TO BY:

[NAME], a [ENTITY TYPE]

By: _____
[NAME, TITLE]

By: _____
[NAME, TITLE]

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC.

By: _____
Title: _____

EXHIBIT U

TO THE FRANCHISE DISCLOSURE DOCUMENT

List of Franchise Owners

Cold Stone Creamery Franchise List as of November 30, 2022~~2~~3

The name of the franchisee, store address and telephone numbers of the stores are listed below:

Franchise Company	Owners	Address	City	State	Zip	Phone
KVAC Creamery LLC	Kaden James Vacendak	1830 E Parks Hwy	Wasilla	AK	99654	9073572653
KVAC Creamery LLC	Kaden James Vacendak	11432 Business Blvd	Eagle River	AK	99577	9076963441
KH2 Corporation	Kim Hwang,Kevin Hwang	12350 Industry Way	Anchorage	AK	99515	9078681030
	Kim Hwang,Kevin Hwang	7731 E Northern Lights Blvd	Anchorage	AK	99504	9073372044
KVAC Creamery LLC	Kaden James Vacendak	930 Old Steese Hwy	Fairbanks	AK	99701	9074561624
KH2 Corporation	Kevin Hwang,Kim Hwang	1300 W Northern Lights Blvd	Anchorage	AK	99503	9078658630
Manner, Inc	Bushra Elsayed,Hisham Zeinelabdin	2750 Carl T Jones Dr SE	Huntsville	AL	35802	2568836868
Four Star Creamery, LLC	Dana DePew	1430 Gadsden Hwy	Trussville	AL	35235	2056553776
MPM Company, L.L.C.	Phillip Kitchens,Marsha Kitchens	4871 Montgomery Hwy	Dothan	AL	36303	3346710041
Sweet Dreams, Inc.	Mauricio Aguilar	12800 Chenal Pkwy	Little Rock	AR	72211	5012257000
AR Hearts Ice Cream, LLC	Melody Meersman,Michael Meersman	3301 S Market St	Rogers	AR	72758	4792718530
AR Hearts Ice Cream, LLC	Melody Meersman,Michael Meersman	160 E Joyce Blvd	Fayetteville	AR	72703	4795829050
Sweet Dreams, Inc.	Mauricio Aguilar	1120 E Oak St, Suite 101	Conway	AR	72032	5013586800
POSITIVE PLUS LLC	Rupesh Patel,Chandravadan Patel,Shailja Patel	3330 S McClintock Dr	Tempe	AZ	85282	4804911331
Wild Spirit Ice Cream University, LLC	Dawn.Daniel,John.Daniel	1927 E Speedway Blvd	Tucson	AZ	85719	5207957576
Anya LLC	Jigar Saraiya,Rina Saraiya	8215 W Bell Rd	Peoria	AZ	85382	6233345016
Kavish Investments LLC	Jinal Parikh,Palak	1949 E Camelback Rd	Phoenix	AZ	85016	6022489250

	Parikh					
Willis & Wolf LLC	Donna Willis,Andreas Wolf,Fred Willis	12625 N Tatum Blvd	Phoenix	AZ	85032	6027650591
Ice Realms, LLC	Rick Miller,Scarlett Miller	7131 W Ray Rd	Chandler	AZ	85226	4809618099
VG Enterprises LLC	Somasekhara (Soma) Yarrapureddy,Indravathi Nallapareddy	2501 W Happy Valley Rd	Phoenix	AZ	85085	6238699469
Chaudhry L.L.C.	Sameera Chaudhry,Humayun Chaudhry	440 E Bell Rd	Phoenix	AZ	85022	6024049202
Lowers AZ Creameries, LLC	Douglas Lowers,Kimberly Lowers,Jon Lowers	1959 S Power Rd	Mesa	AZ	85206	4803257422
Tasty Treats LLC	Rupesh Patel,Nayan Patel	2915 S Alma School Rd	Chandler	AZ	85286	4807868506
Chaudhry L.L.C.	Sameera Chaudhry,Humayun Chaudhry	3301 N Litchfield Rd	Goodyear	AZ	85338	6239357878
Wild Spirit Ice Cream Old Spanish Trail, LLC	John.Daniel,Dawn.Daniel	9565 E 22nd St	Tucson	AZ	85748	5207218488
Rare Cone Creamery, L.L.C.	Somasekhara (Soma) Yarrapureddy,Indravathi Nallapareddy	1649 S Stapley Dr	Mesa	AZ	85204	4805076424
Willis & Willis Investments, Inc.	Fred Willis,Donna Willis	21001 N Tatum Blvd	Phoenix	AZ	85050	4805857952
Willis & Willis Investments, Inc.	Fred Willis,Donna Willis	10210 W McDowell Rd	Avondale	AZ	85392	6239329205
CS Core L.L.C.	Chung Keun Kang,Angela Kyung Sook Kang	455 N 3rd St	Phoenix	AZ	85004	6022525572
VE Enterprises LLC	Somasekhara (Soma) Yarrapureddy,Indravathi Nallapareddy,Alekhya Reddy,Suma Yarrapureddy,Somasekhara (Soma)	2815 W Peoria Ave	Phoenix	AZ	85029	6023710144

	Yarrapureddy,Indravathi Nallapareddy,Alekhya Reddy,Suma Yarrapureddy					
V.W. Enterprises L.L.C.	Somasekhara (Soma) Yarrapureddy,Indravathi Nallapareddy	14858 N Frank Lloyd Wright Blvd	Scottsdale	AZ	85260	4804515996
Radha Krishna LLC	Harsh Patel,Trushna Patel	2170 E Baseline Rd	Phoenix	AZ	85042	6022437837
B5 DISTRIBUTING, INC.	Patricia Schoenhardt,Bret t Schoenhardt	1829 N Power Rd	Mesa	AZ	85205	4803967544
CSCR - Corp	Rochan Goswami,Rocha n Goswami	2080 S Milton Rd	Flagstaff	AZ	86001	9287792856
Tasty Treats LLC	Rupesh Patel,Nayan Patel	2970 E Germann Rd	Chandler	AZ	85286	4808211570
Kolnick, Laura	Laura Kolnick	7507 S Power Rd	Queen Creek	AZ	85142	4808403300
Glendale Desserts LLC	Jennifer Murphy,Bailey Murphy	20022 N 67th Ave	Glendale	AZ	85308	6235669400
Arizona Ice Cream Company, Inc.	Rodney Lands	1317 S Yuma Palms Pkwy	Yuma	AZ	85365	9287837202
Osborne Ventures LLC	Pamela Osborne,Jeff Osborne	101 N State Route 89A	Sedona	AZ	86336	9282037700
Wild Spirit Ice Cream Tanque Verde, LLC	Dawn.Daniel,John.Daniel	7113 E Tanque Verde Rd	Tucson	AZ	85715	5202900229
Canyon Son LLC	Bill Egler,Gwen McCourt Egler,Bill Egler,Gwen McCourt Egler	9380 W Westgate Blvd	Glendale	AZ	85305	6238771580
Osborne Ventures LLC	Jeff Osborne,Pamela Osborne	9918 W Happy Valley Rd	Peoria	AZ	85383	6235661400
Arizona Ice Cream Company, Inc.	Rodney Lands	480 North AZ 90, Suite #A-4	Sierra Vista	AZ	85635	5204591854
Arizona Ice Cream Company, Inc.	Rodney Lands	5435 S Calle Santa Cruz	Tucson	AZ	85706	5208894770

Arizona Ice Cream Company, Inc.	Rodney Lands	475 W Wetmore Rd	Tucson	AZ	85705	5208873131
Finest Creamery LLC	Timothy Guerra,Angel Carlo	1752 S Signal Butte Rd	Mesa	AZ	85209	4809844063
Willis & Willis Investments, Inc.	Donna Willis,Fred Willis	2000 E Rio Salado Pkwy	Tempe	AZ	85281	4809681255
Megha Group LLC	Jay Megha,Purvi Megha	3699 Highway 95	Bullhead City	AZ	86442	9287636500
Lowers AZ Creameries, LLC	Douglas Lowers,Kimberly Lowers,Jon Lowers	1940 S Val Vista Drive	Mesa	AZ	85204	4806325517
Wild Spirit Ice Cream Broadway, LLC	Dawn.Daniel,John.Daniel	5870 E Broadway Blvd	Tucson	AZ	85711	5207901003
Willis & Willis Investments, Inc.	Fred Willis,Donna Willis	13681 N Litchfield Rd	Surprise	AZ	85379	6235848180
S&J Foods LLC	Jennifer Leon	1877 East Williams Field Rd., Suite 105	Gilbert	AZ	85295	4803076990
Wild Spirit Ice Cream LLC	Dawn.Daniel,John.Daniel	9210 S Houghton Rd	Tucson	AZ	85747	5208495902
CPS ENTERPRISE LLC	Sunil.Annapureddy,Praveen.Pati,Chandan.Samireddy	1949 W Ray Rd	Chandler	AZ	85224	4804861909
Chaudhry L.L.C.	Humayun Chaudhry,Sameera Chaudhry	430 S Watson Rd	Buckeye	AZ	85326	6233207768
Sweet Cream of Sherman Oaks, Inc.	Faramarz Talehakimi,Haleh Roshan-Kashani	14622 Ventura Blvd	Sherman Oaks	CA	91403	8189072702
R&J GLOBAL, INC.	Curtis Chang,Margaret Chang	2950 Johnson Dr	Ventura	CA	93003	8056581129
Moon River Pacific, Inc	Sun Park,Edward Park,Young Park	5718 Calle Real	Goleta	CA	93117	8056921598
Idyllic Eateries, LLC	Michael Conboy,Amy Conboy	6145 El Cajon Blvd	San Diego	CA	92115	6195833361
Crazy Cone Company LLC	Khalid Yarash,Mariyam Ahmadi,Omedullah Hamedullah	4705 Clairemont Dr	San Diego	CA	92117	8582705552
Smita Parida, Inc.	Smita Parida	14797 Pomerado Rd	Poway	CA	92064	8587489340
A & R Creamery, Inc.	Alan Arabo,Renae Arabo	2963 Jamacha Rd	El Cajon	CA	92019	6196605151
YMS Enterprise Inc	Yooseok Kim	2967 Carlsbad Blvd	Carlsbad	CA	92008	7607202974

Reyes International Enterprises, Inc.	Alberto Reyes Hernandez	374 E H St	Chula Vista	CA	91910	6194202064
Tang, Kia	Kia Tang	757 E El Camino Real	Sunnyvale	CA	94087	4087394420
Sajj Enterprises Inc.	Stephen Johnson,Xiao Hua (Aisha) Johnson	412 Sycamore Valley Rd W	Danville	CA	94526	9258374080
Jera Investments, Inc.	Joe Lin,Esther Wong	409 Mission Ave	Oceanside	CA	92054	7607220880
Mesa Creations LLC	Gaurav Sharma,Roohi Sharma	5500 Grossmont Center Dr	La Mesa	CA	91942	6196976521
Jera Investments, Inc.	Esther Wong,Joe Lin	1158 W San Marcos Blvd	San Marcos	CA	92078	7605109347
Alvarez International Inc	Luis Alvarez,Elizabeth Perez	101 W Main St	Alhambra	CA	91801	6262828886
Coburn, Steven	Steve C Coburn	60 Crescent Dr	Pleasant Hill	CA	94523	9252880388
AAG Enterprises, LLC	Ahsan Qazi,Nawazish Qazi,Ahsan Qazi Jr.	40688 Winchester Rd	Temecula	CA	92591-5504	9517193151
Ice Star Foods, LLC	Gulizar Yildiz	416 Olive Avenue	Huntington Beach	CA	92648	7143746744
ICWON, CORP.	John Chung,Teresa Chung	14370 Culver Dr	Irvine	CA	92604	9498570430
Smita Parida, Inc.	Smita Parida	10716 Westview Pkwy	San Diego	CA	92126	8586959771
Benevedes, Inc.	Annette Benevedes	5076 N Palm Ave	Fresno	CA	93704	5592250437
A.F.F. Holding Corporation	Asad Jalil,Muhammad Wadood,Muhammad Haque	19500 Plummer St	Northridge	CA	91324	8187001443
CHENGLI CORPORATION	Guowei Zhang,Kevin Lei,Wendy Li,Cathryn Cheng	426 Great Mall Drive	Milpitas	CA	95035	4086493699
Maestro Choco LLC	Yassine Harbaoui,Wafa Rebaaoui	22342 El Paseo	Rancho Santa Margarita	CA	92688	9498889160
Humphrey & Reanesey Enterprises, Inc.	Reangsey Kok,Mom Kok,Franklin Hok	1940 W Whittier Blvd	La Habra	CA	90631	5626904922
Aujla Ventures, LLC	Kevin Aujla	1901 Junipero Serra Blvd	Daly City	CA	94014	6509923889
Business House of Moeens Inc.	Moeen Ul Haq,Ayesha Moeen	131 E Palm Ave	Burbank	CA	91502	8182389931

SSR Enterprises	Sandeep Randhawa,Navneet Randhawa	1228 Galleria Blvd	Roseville	CA	95678	9167804700
Sood Delights LLC	Kavita Sood,Manish Sood	2791 E Bidwell St	Folsom	CA	95630	9168172776
MJV Investments, Inc.	Jodi Vettese,Mark Vettese	72840 Highway 111	Palm Desert	CA	92260	7608370071
KHUSMEHR INC.	Prabhdeep Mann,Ramneek Singh	4001 Woodcreek Oaks Blvd	Roseville	CA	95747	9167897508
Gonzalez, Leo	Leo Gonzalez	2448 San Diego Ave	San Diego	CA	92110	6195439057
Hephaistos Investments, Inc.	Joseph Xie,Junfang Sun,Chi Chen,Cindy Lu	39085 Fremont Hub	Fremont	CA	94538	5105050556
Mix & Joy, Inc.	Tae Soon Lee,Jung Hyun Lee	627 Spectrum Center Drive	Irvine	CA	92618	9494539738
Idyllic Eateries, LLC	Michael Conboy,Amy Conboy	2169 Fenton Pkwy	San Diego	CA	92108	6195216794
Team Mohsin Ice Creams, Inc.	Siddiqa Mohsin,Muhammad Mohsin Shafi	27071 McBean Pkwy	Santa Clarita	CA	91355	6612534123
Scoop This! LLC	Charlene Stueve,Jerry Stueve, Jr.	9160 Rosedale Hwy	Bakersfield	CA	93312	6615885707
Simjas Creamery Corner LLC	Jaspreet Kaur,Sharanjit Sandhu	3801 Pelandale Ave	Modesto	CA	95356	2095431751
Spectra Hospitality Group	Carolina Leticia Barba-Ortiz,Daniel Ortiz	9514 Culver Blvd	Culver City	CA	90232	3102800100
KHUSMEHR INC.	Prabhdeep Mann,Ramneek Singh	874 W Benjamin Holt Dr	Stockton	CA	95207	2094751191
DBGK LLC	Gulce Kabakci,Zerrin Baran	7071 Warner Ave	Huntington Beach	CA	92647	7143750859
Dugum, Ramzi	Ramzi Dugum	18740-A Soledad Canyon Road	Santa Clarita	CA	91351	6612521300
Benevedes, Inc.	Annette Benevedes	7971 N Blackstone Ave	Fresno	CA	93720	5594498155
Benevedes, Inc.	Annette Benevedes	1845 Herndon Ave	Clovis	CA	93611	5592989301
NK786	Kashif Mirza	431 W Main St	Merced	CA	95340	2097259350
Benevedes, Inc.	Annette Benevedes	4128 S Mooney Blvd	Visalia	CA	93277	5597130710

R Brothers Enterprises, LLC	Ramneek Singh,Prabhdeep Mann	115 W Elm St	Lodi	CA	95240	2093691233
1ST INFINITY ENTERPRISE	Sandeep Hans	3501 McHenry Ave	Modesto	CA	95356	2095214273
Cooler West Enterprise	Karen Petrosyan,Raymond Zargaryan	101 Main St	Seal Beach	CA	90740	5626268151
PKD Raj & Associates, Inc.	Ajay Shah,Punita Shah	1201 1st St	Coronado	CA	92118	6194376919
Reyes International Enterprises, Inc.	Alberto Reyes Hernandez	2295 Otay Lakes Rd	Chula Vista	CA	91915	6194217172
LKC Enterprises Inc	Lawrence Cassel,Krista Cassel	26711 Aliso Creek Rd	Aliso Viejo	CA	92656	9498311145
King Kone & Herx, Inc.	Jorge Nava,Angelica Hernandez	4869 S Bradley Rd	Orcutt	CA	93455	8059349545
RDL Capital, Inc.	Ron D. Lee,Lori Lee	25 Aquarium Way	Long Beach	CA	90802	5626282343
Shahalemi, Karima & Zakialla Rahimi	Zakialla Rahimi,Karima Shahalemi	33215 Temecula Pkwy	Temecula	CA	92592	9513020634
Roogee LLC	Gaurav Sharma,Roohi Sharma	30 Main St	Vista	CA	92083	7607588805
KAMIZAK INC.	Maureen Kaczmarski,John Kaczmarski	25395 Madison Ave	Murrieta	CA	92562	9513049777
KB ZAK, INC	Stacy Gierczak,Rick Gierczak	9868 Mission Gorge Rd	Santee	CA	92071	6192582510
M&L Enterprises (270448) Inc.	Rajwinder Singh	1010 Court Street	San Rafael	CA	94901	4152580105
Sugar Bears, LLC	Li Yang Xiao,Nathan Liu	11407 South St	Cerritos	CA	90703	5628650088
SGQ Inc.	Shan Qadeer,Syed Qadeer	43440 10th St W	Lancaster	CA	93534	6617264661
Sidiqi, Khoja & Botelho, Patricia	Khoja Sidiqi,Patricia Botelho	301 S McDowell Blvd	Petaluma	CA	94954	7077621824
CSC Del Monte LLC	Eun Chan "Jacob" Park,Charles Lin	1470 Del Monte Ctr	Monterey	CA	93940	8316491346
Venkatesan, Shyamsundar & Thotta, Srivani	Shyamsundar Venkatesan,Srivani Thotta	1584 Northridge Mall	Salinas	CA	93906	8314492870
SRA Venture Corporation	Syed Rizwan,Saira	600 Market Pl	San Ramon	CA	94583	9253281014

	Rizwan					
Scoop This! LLC	Charlene Stueve,Jerry Stueve, Jr.	9000 Ming Ave	Bakersfield	CA	93311	6616644950
JNK Investments, Inc.	James P Mitchell,Karen Mitchell	913 Dana Dr	Redding	CA	96003	5307221070
SSR Enterprises	Sandeep Randhawa,Navneet Randhawa	9170 W Stockton Blvd	Elk Grove	CA	95758	9166893446
Coldscoop Carson LLC	Hamdi Harbaoui	210 E Sepulveda Blvd	Carson	CA	90745	4243640454
Gill Stone Inc	Jaskaran Singh,Navdip Kaur	1859 West 11th St	Tracy	CA	95376	2098327461
Ahluwalia, Ranjit	Ranjit Ahluwalia	3401 Dale Rd	Modesto	CA	95356	2095775500
L&L National Investment LLC.	Lap Nguyen,Lan Vo	4957 Katella Ave	Los Alamitos	CA	90720	7142291860
Chino Hills Creations LLC	Gaurav Sharma,Mandeep "Mike" Takhar	13065 Peyton Dr	Chino Hills	CA	91709	9099020015
CSI America Corp	Jeongmo Koo	28154 S Western Ave	San Pedro	CA	90732	3105193614
Rafiu, Inc.	Figen Incesu,Bora Incesu	5107 Candlewood Street	Lakewood	CA	90712	5629251500
MEGHA INVESTMENTS, LLC	Purvi Megha,Jay Megha	215 Orangefair Mall	Fullerton	CA	92832	7144499054
MEGHA INVESTMENTS, LLC	Jay Megha,Purvi Megha	5626 E La Palma Ave	Anaheim Hills	CA	92807	7147227376
MB's Ice Cream Inc	Sachin Mayer	1515 N Mountain Ave	Ontario	CA	91762	9099881881
Scooper Trouper, Inc.	Syed Malik	1201 West Rancho Vista Blvd	Palmdale	CA	93551	6612742650
Rishtaa Inc.	Neha Patel,Niraj Patel	2085 Vine St	El Dorado Hills	CA	95762	9169336377
All Profit Enterprises LLC	Wesley Kim	12451 N Mainstreet	Rancho Cucamonga	CA	91739	9093412420
Ghumman, Umar	Umar Ghumman	9385 Elk Grove Blvd	Elk Grove	CA	95624	9167148720
Chabi, Inc	Uzma Choudhery,Farhan Choudhery	2252 Las Positas Rd	Livermore	CA	94551	9253718290
S.J. Dhillon Corporation	Jasvinder Kaur,Sonu Dhillon	1449 E F St	Oakdale	CA	95361	2098452459

CSC Riverbank Enterprise	Sandeep Hans	2213 Claribel Rd	Riverbank	CA	95367	2098630176
Shree Balaji Foods Inc	Mukesh Kumar,Rishabh Singh	3934 Rivermark Plz	Santa Clara	CA	95054	4086549137
Ghayoor786, Inc.	Aisha Imtiaz,Ghayoor Ghumman	1473 Fitzgerald Dr	Pinole	CA	94564	5102233700
Ghayoor786, Inc.	Aisha Imtiaz,Ghayoor Ghumman	173 Plaza Dr	Vallejo	CA	94591	7075532642
AFK Ventures, Inc.	Muhammad Haque,Muhammad Wadood,Asad Jalil	215A N Moorpark Rd	Thousand Oaks	CA	91360	8055570600
Latino Ventures 3 LLC	Luis.Cortez,Jennifer.McQueary,Melissa Martinez,Christofer Rivas,Blanca Sanchez	1009 W Arrow Hwy	San Dimas	CA	91773	9093059368
Ahmedina LLC	Ahmed Elgamil,Dina Elgamil	9867 Magnolia Ave	Riverside	CA	92503	9516370920
C M Roth, Inc.	Cynthia M. Roth,Steven Weightman	4247 Atlantic Avenue	Long Beach	CA	90807	5629971945
CC&J Ventures LLC	John Evans	1001 Heavenly Village Way	South Lake Tahoe	CA	96150	5305412040
Coldscoop Garden Grove LLC	Hamdi Harbaoui	9971 Chapman Ave	Garden Grove	CA	92841	7145902188
CSCDN Corp	Terry Kim,Minyoung Lee	12024 Lakewood Blvd	Downey	CA	90242	5628037848
M&L Enterprises (270448) Inc.	Rajwinder Singh	1586 Gateway Blvd	Fairfield	CA	94533	7077594228
Kido Investments, Inc.	Ara Kizirian	130 E Grand Ave	El Segundo	CA	90245	3106406149
First Marshall Enterprises LLC	Robert Marshall,Marjorie Marshall	2916 Tapo Canyon Rd	Simi Valley	CA	93063	8053061184
CSC SC LLC	Charles Lin,Eun Chan "Jacob" Park	1129 Pacific Avenue	Santa Cruz	CA	95060	8314237015
SKR Investment, Inc	Balwinder Singh	22503 Mission Blvd	Hayward	CA	94541	5107271203
Gill, Devinder and Brar, Ramanjit	Ramanjit Brar,Devinder Gill	25960 Iris Ave	Moreno Valley	CA	92551	9512475036
Sripada Inc	Srivani Thotta,Shyamsun	636 San Antonio Road	Mountain View	CA	94040	6509411222

	dar Venkatesan					
D&R Lim, Inc.	Rona Lim,Dennis Lim	2091 Harbison Dr	Vacaville	CA	95688	7079995855
S3A Oswal Enterprises, LLC	Sapna Oswal,Arvind Oswal	8974 Trautwein Rd	Riverside	CA	92506	9514131060
Coldscoop West Hills LLC	Hamdi Harbaoui,Meriam Harbaoui	22820 Vanowen St	West Hills	CA	91307	8188870524
Yimin LLC	Christine Feng,Xue Yi Feng	441 Rohnert Park Expy W	Rohnert Park	CA	94928	7075841877
AAG Enterprises, LLC	Ahsan Qazi,Nawazish Qazi,Ahsan Qazi Jr.	1404 N Azusa Ave	Covina	CA	91722	6263314449
Alchehayed, Mansour Andy & Anderiana	Anderiana Alchehayed,Andy Alchehayed,Mansour Alchehayed	5244 University Pkwy	San Bernardino	CA	92407	9098806465
Zulki Corporation	Zulqarnain (Isaac) Muhammad	1065 Brea Mall	Brea	CA	92821	7145291499
DBGK LLC	Gulce Kabakci,Zerrin Baran	43562 Christy Street	Fremont	CA	94538	5106513500
Nassers Group Inc.	Nader Nasser,Samira Koro,Omar Nasser	3540 Riverside Plaza Dr	Riverside	CA	92506	9517799595
Jera Investments, Inc.	Joe Lin,Esther Wong	4635 Frazee Rd	Oceanside	CA	92057	7604338658
Mahmoud & Zahra, Inc.	Mustafa Ali,Idris Ali	8536 Whittier Blvd	Pico Rivera	CA	90660	5624631103
RCJM Teamworks, INC.	Yaquelinda Martin,Juliana Martin	7000 Eastern Ave	Bell Gardens	CA	90201	3235622888
RAJ & Associates	Ajay Shah,Punita Shah	2401 Truxtun Rd	San Diego	CA	92106	6192218291
Chaudhry SM & AZ Corp.	Sharjeel Chaudhry,Mobeela Chaudhry	2465 E Palm Canyon Dr	Palm Springs	CA	92264	7603254444
Humphrey & Reanesey Enterprises, Inc.	Reangsey Kok,Mom Kok,Franklin Hok	2169 Pacific Coast Hwy	Lomita	CA	90717	3105392284
Cold Scoop Torrance LLC	Hamdi Harbaoui	17362 Hawthorne Blvd	Torrance	CA	90504	3102141123
Walnut Creations LLC	Gaurav Sharma,Mandeep "Mike" Takhar	505 N Grand Ave	Walnut	CA	91789	9095951432

MJ Global, Inc.	Myoung Jong O,Sung Eun Shin	12569 Limonite Ave	Mira Loma	CA	91752	9513600333
Rabeh Associates, Inc	Atef Ben Rabeh	2630 Tuscany St	Corona	CA	92881	9515498444
Good ARZ, LLC	Nosrat Abtahi,Nouri Abtahi Motameni,Aazam Abtahi,Fatemeh Abtahi	27512 W Lugonia Ave	Redlands	CA	92374	9097921556
Delgado Cheng & Associates	Jose Delgado,Brandon Delgado	832 11th St	Paso Robles	CA	93446	8052269330
M&O Alexandria LLC	Moustafa Elsayed,Omnia Elzeny	15282 Rosecrans Ave	La Mirada	CA	90638	7149949646
Hamdi Harbaoui	Hamdi Harbaoui	17270 Saticoy Street	Van Nuys	CA	91406	8183429917
CHENGLI CORPORATION	Wendy Li,Kevin Lei,Guowei Zhang,Cathryn Cheng	1150 El Camino Real	San Bruno	CA	94066	6504096768
Benevedes, Inc.	Annette Benevedes	3047 E Campus Pointe Dr	Fresno	CA	93710	5593221987
CHAUDHRY A & Z LLC	Sharjeel Chaudhry,Mobeela Chaudhry	78380 Highway 111	La Quinta	CA	92253	7607718242
Pun, Melvin and Doris Pun	Melvin Pun,Doris Pun	375 2nd Ave	San Mateo	CA	94401	6503470500
Benevedes, Inc.	Annette Benevedes	186 N 12th Ave	Hanford	CA	93230	5595839000
Creamery Heaven, Inc.	Baldev Singh,Mandeep "Mike" Takhar	15068 Summit Ave	Fontana	CA	92336	9096469449
Bella's Ice Cream LLC	Melissa Martinez,Blanca Sanchez	121 W Foothill Blvd	Upland	CA	91786	9099465808
J.E. CH CORPORATION	Joon Young Kim	261 W 5th St	Oxnard	CA	93030	8053857201
AQ & T Inc.	Kelley Bader	4603 Mission Blvd	San Diego	CA	92109	8588867575
Dove Investments LLC	Arturo Vidaurri,Ignacio Haddad	24000 Alicia Pkwy	Mission Viejo	CA	92691	9497683715
ILEC LLC	Ebru Savas Mustafa	708 Center Dr	San Marcos	CA	92069	7607437735
Nesos, Inc.	Arda Sari,Murat Solmaz	909 Prospect St	La Jolla	CA	92037	8584544840
Mira KH, Inc	Rachid Ayachi,Amira Ayachi	10875 W Pico Blvd	Los Angeles	CA	90064	3104701260

Stata LLC	Rohit Patel,Maheshkumar Patel,Rohit Patel,Maheshkumar Patel	2433 W Florida Ave	Hemet	CA	92545	9516525400
Srika Inc	Shyamsundar Venkatesan,Srivani Thotta	611 Santa Cruz Ave	Menlo Park	CA	94025	6503254500
Gierczak Investments, Inc.	Rick Gierczak,Stacy Gierczak	655 Saturn Blvd	Imperial Beach	CA	92154	6195755200
Hsu, Jim	Jim Hsu	4730 Natomas Blvd	Sacramento	CA	95835	9162857211
ANASANDZEEST LLC	Sharjeel Chaudhry,Mobeela Chaudhry	36957 Cook St	Palm Desert	CA	92211	7605651990
Coldscoop North Hills LLC	Hamdi Harbaoui,Meriam Harbaoui	9004 Sepulveda Blvd	North Hills	CA	91343	8188916021
Scoop This! LLC	Jerry Stueve, Jr.,Charlene Stueve	2625 Mount Vernon Ave	Bakersfield	CA	93306	6618716402
C&J Global Inc.	Curtis Chang	3388 W Century Blvd	Inglewood	CA	90303	3106711010
GAP Kingdom Inc	Gurwinder Rasoday	2280 Mendocino Ave	Santa Rosa	CA	95403	7075711888
ESAS LLC	Mansoor Shaikh,Maddiha Payami	5779 Lone Tree Way	Antioch	CA	94531	9257764440
Lani Kalima Enterprise, Inc	Carol Nittayo,Catherine Nittayo,Brian Nittayo	3580 Rosemead Blvd	Rosemead	CA	91770	6262806246
MARESP Corporation	Esperanza Ochoa,Marlan Cooper	3730 S Figueroa St	Los Angeles	CA	90007	2137472744
Balch Family Ice Cream, Inc.	Christopher Balch,William Balch,Allison Iskenderian,Brian Balch,Cara Frazer	5022 W Avenue N	Palmdale	CA	93551	6617223553
Patel, Maheshkumar and Bharat	Bharat Patel,Maheshkumar Patel	30628 Benton Rd	Winchester	CA	92596	9519264654
FRENCH SUN, LLC	Ebrahim Pourhassan,Mehdi Pourhassan	1824 Wilshire Blvd	Santa Monica	CA	90403	3104537653
Spectra Hospitality Group	Carolina Leticia Barba-Ortiz,Daniel Ortiz	36 Washington Blvd	Marina del Rey	CA	90292	3108232464
Nice Creams, Inc.	Yolanda Castro	2049 N Imperial Ave	El Centro	CA	92243	7603533633

Qare, Saliba	Saliba Qare	1319 Linda Mar Shopping Center	Pacifica	CA	94044	6503550419
Cool Creation, Inc.	Anthony Wong,Boo Kay Chan,Gui Mei Cheng	30985 Courthouse Drive	Union City	CA	94587	5104779520
Cooler G, Inc	Karen Petrosyan	901 S Coast Dr	Costa Mesa	CA	92626	7145598039
Scalzo Hospitality, Inc.	Carmen Baird,Grace Lindsay,Patricia Durand,Patrick Durand	1570 S Harbor Blvd	Anaheim	CA	92802	7146357800
Artur Hunanyan and Tereza Oganesyan	Arthur Hunanyan,Tereza Oganesyan	6801 Hollywood Blvd	Hollywood	CA	90028	3239623199
Amritsar Corp	Sabgun Kaur,Sarangpreet Padda,Tajinder Singh,Amarjit Kaur	6105 Sunrise Blvd	Citrus Heights	CA	95610	9168993392
Kanoni Family Inc.	Mustafa Ali,Idris Ali	2112 E Florence Ave	Walnut Park	CA	90255	3235858796
Mira KH, Inc	Rachid Ayachi,Amira Ayachi	408 S Myrtle Ave	Monrovia	CA	91016	6263583359
Jera Investments, Inc.	Joe Lin,Esther Wong	358 W Valley Pkwy	Escondido	CA	92025	7607815388
Leeshin, Inc	Daniel Won Lee	2233 N Tustin St	Orange	CA	92865	7146851715
Rafiu, Inc.	Figen Incesu,Bora Incesu	8300 La Palma Ave	Buena Park	CA	90620	7145279955
Rafiu, Inc.	Figen Incesu,Bora Incesu	18641 Brookhurst Street	Fountain Valley	CA	92708	7149630019
MEGHA INVESTMENTS, LLC	Purvi Megha,Jay Megha	2260 Callagan Hwy	San Diego	CA	92136	6194879064
KHUSMEHR INC.	Prabhdeep Mann,Ramneek Singh	1340 E Yosemite Ave	Manteca	CA	95336	2096472482
Meri Maa Investment Group, LLC	Ansheel.Raj,Sharon.Raj	2055 Town Center Plaza	West Sacramento	CA	95691	9163727992
Benevedes, Inc.	Annette Benevedes,Jeffery.Benevedes Family Trust	6493 N Riverside Dr	Fresno	CA	93722	5593751068
ECCJJ LLC	Criselda Diaz	1689 Arden Way	Sacramento	CA	95815	9169292500
SRARJ, INC.	Monica.Patel,Ritesh.Patel	1653 North Schnoor, STE #101	Madera	CA	93637	5593954193

AAR Venture LLC	Syed Rizwan,Saira Rizwan	3040 Bernal Avenue, Suite 310	Pleasanton	CA	94566	9253997323
CALIFORNIA DESERT BUSINESS INVESTMENTS, LLC	Arshad Abid,Usman Aziz,Sarah.Aziz	6485 Adobe Road	Twentynine Palms	CA	92277	7603617777
ECCJJ LLC	Criselda Diaz	2855 Stevens Creek Blvd	Santa Clara	CA	95050	4087539052
Cheeny Mama LLC	Jonaid.Khan,Ijaz Khan	48553 Morongo Trail	Banning	CA	92230	9519222888
NY&Z L.L.C.	Faisal Saeed,Ilyas Khan	1036 Cherry Valley Blvd	Calimesa	CA	92320	9097955755
Scoop This! LLC	Jerry Stueve, Jr.,Charlene Stueve	3134 W. Balboa Blvd	Newport Beach	CA	92663	9496522663
Taunk Enterprise LLC	Raj.Taunk,Kamni.Taunk	2517 E Mitchell Rd	Ceres	CA	95307	2095672930
Dhatt, Harvinderpal and Tanvir	Harvinderpal.Dhatt,Tanvir.Dhatt	714 W Onstott Frontage Rd	Yuba City	CA	95991	5304432105
Gig Creamery Inc.	Devie.Basuki,Elvi.Basuki	26612 Towne Centre Dr	Foothill Ranch	CA	92610	9493289059
ECCJJ LLC	Criselda Diaz	925 Blossom Hill Road	San Jose	CA	95123	4086228370
Shafik's Creamery LLC	Shamel.Shafik,Mohamed.Shafik	2585-G Canyon Spring Pkwy	Riverside	CA	92507	9512553614
Anaya G LLC	Huma.Khan,Abdul.Gill	33946 Yucaipa Blvd	Yucaipa	CA	92399	9097973331
CS Bellflower LLC	Rajat.Batta,Utsav Sampat,Shivani Patel	15737 Bellflower Blvd	Bellflower	CA	90706	5622029412
Singh, Jaspreet	Jaspreet.Singh	8166 Delta Shores Cir	Sacramento	CA	95832	9166299342
CSC Gilroy LLC	Charles Lin,Eun Chan "Jacob" Park	681 Leavesley Road	Gilroy	CA	95020	4087672203
Dou Xing LLC	Meng.Fang,Wencan.Xie	5965 Village Way	San Diego	CA	92130	8582610290
DKDB LLC	Gaurav Sharma,Mandeep "Mike" Takhar	420 N Main St	Corona	CA	92880	9512561275
Latino Ventures LLC	Melissa Martinez,Blanca Sanchez,Luis.Cortez,Jennifer.McQueary	2085 W Baseline Rd	Upland	CA	91784	9099319737
Ghumman, Adil	Adil.Ghumman	4700 Freeport Blvd	Sacramento	CA	95822	9164979082

S&IK L.L.C.	Faisal Saeed,Ilyas Khan	11882 De Palma Rd	Corona	CA	92883	9516385013
R and M Ice Cream LLC	Rene.Arevalo,Maria.Arevalo	11840 Whittier Blvd	Whittier	CA	90601	5622035409
3 Scoops, Inc.	Rahul.Wadwa	2231 West Malvern Ave	Fullerton	CA	92833	7148693074
Omni 108, Inc.	Lakshmi.Kapoor, Raj Kapoor	1106 S Diamond Bar Blvd	Diamond Bar	CA	91765	9093966161
Niagara Investments Company, L.L.C.	Jeraldine Fitzgerald,Mike Fitzgerald,Tim Fitzgerald	8441 S Yosemite St	Lone Tree	CO	80124	3037088771
We All Scream, LLC	Jeremy (Petey) Helm,Kelli Turner	14239 W Colfax Ave	Lakewood	CO	80401	3032159364
Backyard Breeze, Inc.	Alan W Weldon,Karen E Weldon	17051 Lincoln Ave	Parker	CO	80134	3038051888
Sweet Investments, Inc.	Gene Bergmeier,Brandy Bergmeier	3235 Cinema Pt	Colorado Springs	CO	80922	7195914441
ROK Springs, Inc.	Lynn Kozeliski,Steve Kozeliski	7230 N Academy Blvd	Colorado Springs	CO	80920	7193881997
Triple "J" Management, LLC	Jeffrey Schifano	7420 W Bowles Ave	Littleton	CO	80123	3039481000
Four Scoops Enterprises, Inc.	Randall Helm,Sandra Helm,Miranda Hunter	1821 E Harmony Rd	Fort Collins	CO	80528	9702041284
OM Management, Inc.	Alok Sarwal,Anjali Sarwal	14132 E Cedar Ave	Aurora	CO	80012	3033408200
Backyard Breeze, Inc.	Alan W Weldon,Karen E Weldon	6770 S Cornerstar Way	Aurora	CO	80016	3034001997
You Scream, LLC	Jeremy (Petey) Helm,Kelli Turner	5545 Wadsworth Byp	Arvada	CO	80002	3034249900
KPOG, Inc	Kelli Turner,Jeremy (Petey) Helm	1087 South Hover Street	Longmont	CO	80501	3036825680
Triple "J" Management, LLC	Jeffrey Schifano	7850 W Alameda Ave	Lakewood	CO	80226	3039885650
N Lord Properties Inc.	Natalie Lord	4626 Centerplace Dr	Greeley	CO	80634	9703305426
Rehoboth, LLC	Yemeserach Ketema	7473 E 29th Pl	Denver	CO	80238	3033201205
OM IV Management Inc	Alok Sarwal,Anjali Sarwal	4251 S Buckley Rd	Aurora	CO	80013	3036808044

Smith's Creamery Inc.	Dustin Smith,Linda Smith	2474 Highway 6 And 50	Grand Junction	CO	81505	9702570100
D&C Maas, LLC	Dustin Maas,Casey Maas	4200 N Freeway Rd	Pueblo	CO	81008	7195447678
Coral Bells Hospitality	Ariel Noreen,Joshua Noreen	312 Metzler Dr	Castle Rock	CO	80108	7207339971
Colorado Cold Treats Inc	Joshua Noreen,Ariel Noreen	9338 Dorchester St	Highlands Ranch	CO	80129	3036833222
I Scream, LLC	Jeremy (Petey) Helm,Kelli Turner	10443 Town Center Dr	Westminster	CO	80021	3034388727
OM II Management Inc	Anjali Sarwal,Alok Sarwal	6300 E Hampden Ave	Denver	CO	80222	3037595454
Frozen Lotus Restaurant Group Inc.	Joshua Noreen,Ariel Noreen,Anthony Passarelli	15400 W 64th Ave	Arvada	CO	80007	3034870505
SSJ Enterprises, Corp.	Steve Selenke	23973 E Prospect Ave	Aurora	CO	80016	3036275465
Sweet Success, Inc.	Lorie Haun,John Haun	1281 E 120th Ave	Thornton	CO	80233	3034509552
D&C Maas, LLC	Dustin Maas,Casey Maas	127 Justice Center Rd	Canon City	CO	81212	7192761166
JC Incorporated	Joseph Gardner,Carolin Gardner	245 Pavilions Pl	Brighton	CO	80601	3036559002
KPOG, Inc	Kelli Turner,Jeremy (Petey) Helm	2412 Arapahoe Avenue	Boulder	CO	80302	3034408915
Rehoboth, LLC	Yemeserach Ketema	8286 E Northfield Blvd	Denver	CO	80238	3033730500
K&M Creamery LLC	Dustin Smith	219 S 5th St	Montrose	CO	81401	9707872480
Jimmy C., LLC	Jonathan Shepard,Kathryn Shepard	215 South Sligo Street	Cortez	CO	81321	9705652725
Lue Enterprises LLC	Joseph Luethmers,Andrea Luethmers	1135 Eagle Dr	Loveland	CO	80537	9707752236
Lue Enterprises LLC	Joseph Luethmers,Andrea Luethmers	1335 W Elizabeth St	Fort Collins	CO	80521	9704843415
OM III Management, Inc.	Anjali Sarwal,Alok Sarwal	4906 N Tower Rd	Denver	CO	80249	7204751403
NL INVESTMENTS, INC	Natalie Lord	18168 W 92nd Lane	Arvada	CO	80007	7205312921

TWO BY TWO SCOOPS ENTERPRISES, INC	Sandra Helm,Miranda Hunter,Randall Helm	1525 Main St	Windsor	CO	80550	9704600675
Zileli CT LLC		7 Glenwood Road	Clinton	CT	06413	8607881817
Chahal, Inc	Muhammad Ismail	1109 High Ridge Road	Stamford	CT	06905	2034877400
New Scoop LLC	Muhammad Ismail	909 Hartford Tpke	Waterford	CT	06385	8604470530
Chahal, Inc	Muhammad Ismail	2323 Black Rock Tpke	Fairfield	CT	06825	2033714111
Z Creamery LLC	Usman Syed,Tehmina Syed	28 Backus Avenue	Danbury	CT	06810	2037436061
KH - Corp	Nirav Gandhi,Purvi Gandhi	297 Boston Post Road	Orange	CT	06477	2038918313
New Scoop LLC	Muhammad Ismail	490 S Broad St	Meriden	CT	06450	2034435019
Sweet Treats Corp	Olatunji.Umaru	1201 Half St SE	Washington	DC	20003	2028639000
CostaGuys LLC	Naga.Sai Anil Kumar Veeramachaneni, Sireesh.Chigurupati,Jagadeep Tatineni	3501 Connecticut Avenue NW, Unit 12A	Washington	DC	20008	2025975705
Wu'nderful Creations Corporation	Awawu Umaru	2430 Market St NE	Washington	DC	20018	2024640072
H&R Group, Inc.	Haythum Issa	2470 Pulaski Hwy	Newark	DE	19702	3028382992
M&N Dover Investments Inc	Mohamed Elghandour	1051 N Dupont Hwy	Dover	DE	19901	3026784782
Shivstone Inc	Neeru Chaudhari,Dhairya R Chaudhari	3822 W Newberry Rd	Gainesville	FL	32607	3522717437
Dr. Ice LLC	Ahmed Elsehimy	2312 S Kirkman Rd	Orlando	FL	32811	4075632181
Toledano Trade LLC	Yael Halimi,Daniel Toledano	10240 Forest Hill Blvd	Wellington	FL	33414	5617988737
MSS & Associates LLC	Muhammad Sikandar,Shezan Sikandar	9059 S Dixie Hwy	Miami	FL	33156	3057400995
Spiegel Investment PL Company	Frederick Spiegel,Queila Spiegel,Ruth Spiegel,Stephen Spiegel	819 N Nob Hill Rd	Plantation	FL	33324	9544765747

JKCI VALRICO CORPORATION	Kelly Cook,Joshua Cook	250 N Atlantic Ave	Daytona Beach	FL	32118	3862545111
IC Naples, Inc.	Terri Gravett,Anthony Gravett	740 N Collier Blvd	Marco Island	FL	34145	2393930046
AARAV Creamery, Inc.	Hitesh Barvaliya	6420 Naples Blvd	Naples	FL	34109	2395921600
D&Y Partners, LLC	Yael Halimi,Daniel Toledano	15641 Sheridan St	Davie	FL	33331	9548800014
Shivstone Inc	Dhairya R Chaudhari,Lokita Chaudhari	3443 SW Archer Rd	Gainesville	FL	32608	3523777520
Hassan, Tahira	Tahira Hassan	1501 SE 17th St	Fort Lauderdale	FL	33316	9548472006
Spiegel Investment Company	Ruth Spiegel,Frederick Spiegel	10343 Royal Palm Blvd	Coral Springs	FL	33065	9547575557
Dragon House, LLC	Michael Dragovich,Jennifer Dragovich	1787 N Congress Ave	Boynton Beach	FL	33426	5617395353
JKCI VALRICO CORPORATION	Kelly Cook,Joshua Cook	3426 Lithia Pinecrest Rd	Valrico	FL	33596-6301	8136812223
DW Operations, LLC	Daniel Wegweiser	2024 Badlands Dr	Brandon	FL	33511	8136898873
Insei, Inc.	Edwin Woon	4535 Weston Rd	Weston	FL	33331	9546591988
The Creamery of Lake Mary Inc.	Hojin Bryant Kang,Charlie Kang	944 Colonial Grand Lane	Lake Mary	FL	32746	4078330320
Spiegel Investment CC Company	Stephen Spiegel,Ruth Spiegel,Queila Spiegel,Frederick Spiegel	4425 Lyons Rd	Coconut Creek	FL	33073	9549779555
Bawa & Preeti, Inc.	Tejinder Singh,Amanpreet Singh	13711 S Tamiami Trl	Fort Myers	FL	33912	2399850888
Satyawati, INC	Tejinder Singh	2311 Santa Barbara Blvd	Cape Coral	FL	33991	2395731006
Meyer Franchises, LLC	Julie Hurstfield-Meyer	3261 Hollywood Blvd	Hollywood	FL	33021	9548949044
TROPICAL SCOOPS, INC.	Dawn Lopez,Ralph Lopez,Adriana Campa Lopez	2937 SW 160th Avenue	Miramar	FL	33027	9544361990
P&Z Partners, LLC	Yael Halimi,Daniel Toledano	8747 Stirling Road	Cooper City	FL	33328	9548800160
786 Nazneen 2 LLC	Masudali Saiyed,Subhasis	1615 Town Center Drive	Lakeland	FL	33803	8636861813

	Misra					
S.M.A.K. Creamery, LLC	Mildred Wright,Stanley Wright	3810 W Neptune St	Tampa	FL	33629	8132586269
Ice Cream BRD, LLC	Sam Stinehelfer,Jeanna Stinehelfer	7476 Cortez Rd W	Bradenton	FL	34210	9417613252
S.M.A.K. Creamery, LLC	Mildred Wright,Stanley Wright	2774 E Fowler Ave	Tampa	FL	33612	8139750102
Viera Creamery Incorporated	Bernard Kellett	2250 Town Center Ave	Viera	FL	32940	3216371450
Seaside Creamery, LLC	Kathryn Durham,Richard Beaudoin	2 5th Ave	Indialantic	FL	32903	3219843292
G&L Creamery, Inc.	George Koukourinis,Lucy Perez-Koukourinis	14226 SW 8th Street	Miami	FL	33184	3052261234
Old Cutler Creamery LLC	Minali Patel,Rajan Patel	20571 Old Cutler Road	Cutler Bay	FL	33189	3052323232
Talya and Alp LLC	Ebru Uyan,Serkan Uyan	18225 Biscayne Blvd	Aventura	FL	33160	3054666626
Gaboozo, LLC.	Miryam Toledano,Daniel Toledano	6230 Coral Ridge Dr	Coral Springs	FL	33076	9543418033
Spiegel Investment ML Company	Frederick Spiegel,Stephen Spiegel,Ruth Spiegel,Queila Spiegel	6723 Main Street	Miami Lakes	FL	33014	7866390004
786 Nazneen 1 LLC	Masudali Saiyed,Subhasis Misra	17519 Preserve Walk Lane	Tampa	FL	33647-3244	8139770024
DHC Ventures, LLC	Joshua Davis,Amber Davis	808 Sadler Road	Fernandina Beach	FL	32034	9044918227
Dattani, Hasmukh and Biren Dattani	Hasmukh Dattani,Biren Dattani	2701 SW College Rd	Ocala	FL	34474	3528610590
Andreams Corp	Andrea Kashtan	35607 US Highway 19 N	Palm Harbor	FL	34684	7277851300
JKCI VALRICO CORPORATION	Joshua Cook,Kelly Cook	1444 W Tennessee St	Tallahassee	FL	32304	8504251150
Spiegel Investment PS Company	Frederick Spiegel,Stephen Spiegel,Queila Spiegel,Ruth Spiegel	2101 N Federal Hwy	Pompano Beach	FL	33062	9547834200
MSRS Associates LLC	Shezan Sikandar,Rahila Sikandar,Muham	8448 SW 8th St	Miami	FL	33144	7862758888

	mad Sikandar					
Silver Scoops, Inc.	Ralph Lopez,Adriana Campa Lopez,Dawn Lopez	12124 Miramar Pkwy	Miramar	FL	33027	9544415350
Sundae Pleasure, LLC	William Buttler,Sonia Amber	3619 NW Federal Hwy	Jensen Beach	FL	34957	7722329399
GMKBD Inc	Divyesh Shah,Binaben Shah	2189 SE Federal Hwy	Stuart	FL	34994	7722883030
GHP of Florida LLC	Hitesh Barvaliya	10035 Gulf Center Dr	Fort Myers	FL	33913	2394542653
Dattani Management Corp	Hasmukh Dattani,Biren Dattani,Karishma Dattani,Labhu Dattani	3310 Daniels Rd	Winter Garden	FL	34787	4078773744
Kendall Creamery, LLC	Rajan Patel	13624 SW 88th Street	Miami	FL	33186	3053870550
Dragon House, LLC	Michael Dragovich,Jennifer Dragovich	6346 Lantana Rd	Lake Worth	FL	33463	5619683515
ArchTowne, LLC	Tom Archbold,Sheila Archbold	7220 US Highway 19 N	Pinellas Park	FL	33781	7275227840
DHC Ventures, LLC	Joshua Davis,Amber Davis	9960 Southside Blvd	Jacksonville	FL	32256	9045383870
Kandhy3 Creamery, Inc	Tanisha Kalipersaud,Tanisha Kalipersaud,Natasha Kalipersaud	6607 S Semoran Blvd	Orlando	FL	32822	4078164260
S.M.A.K. Creamery II, LLC	Mildred Wright,Stanley Wright	9214 Anderson Road	Tampa	FL	33634	8138864714
Cold Creations LLC	Conrad Hauca	10710 State Road 54	New Port Richey	FL	34655	7278169696
Andam Inc.	Andrea Kashtan	100 Main St	Safety Harbor	FL	34695	7277253696
786 NAZNEEN 3 LLC	Masudali Saiyed,Subhasis Misra	2923 W Bay Dr	Belleair Bluffs	FL	33770	7272707010
JKCI VALRICO CORPORATION	Joshua Cook,Kelly Cook	5543 S Williamson Blvd	Port Orange	FL	32128	3864925941
Dattani, Hasmukh and Biren Dattani	Hasmukh Dattani,Biren Dattani	229 E Altamonte Dr	Altamonte Springs	FL	32701	4078349900
Innerwealth Group Inc.	Jerson Daganzo	11565 University Blvd	Orlando	FL	32817	4072432362

Blue Ice Cream, Inc.	Sara_ Kim,Angela Kim	13586 Village Park Dr	Orlando	FL	32837	4074389169
Low Overrun, Inc.	Joshua Davis,Kerri Davis	840 Nautica Dr	Jacksonville	FL	32218	9047570637
Blue Ice Cream, Inc.	Angela Kim,Sara_ Kim	15 Blake Blvd	Kissimmee	FL	34747	4075668651
Host International, Inc.	Jennifer Ritenour	9000 Airport Blvd	Orlando	FL	32701	4078252854
Dattani Creamery Inc.	Vijay.Dattani	8145 International Dr	Orlando	FL	32819	4079300936
Dattani Sarasota Inc.	Vijay.Dattani	140 University Town Center Dr	Sarasota	FL	34243	9412560441
Dattani Creamery Inc.	Vijay.Dattani	3292 Margaritaville Blvd	Kissimmee	FL	34747	4075073045
MSRS Associates LLC	Muhammad Sikandar,Shezan Sikandar,Rahila Sikandar	2000 NW 87th Ave	Doral	FL	33172	3054778711
RJ NADAL INVESTMENTS CORP	Ricardo.Nadal	18228 SW 147th Ave	Miami	FL	33187	7867012173
Miraculous Delights, LLC	Ruben.Aldridge, Carla.Aldridge	14035 Beach Blvd	Jacksonville	FL	32250	9043795632
JKCI VALRICO CORPORATION	Kelly Cook,Joshua Cook	12970 Us Hwy 301	Riverview	FL	33578	8132107329
DHC Ventures, LLC	Joshua Davis,Amber Davis	20 Homegrown Way	Yulee	FL	32097	9045486193
CSC FMBeach LLC	Mitul Chothani,Hitesh Barvaliya,Nikunj Patel	1028 5th St	Ft Myers Beach	FL	33931	2392244190
KESHAVJIVANS COLD SERVES AND DESSERTS LLC	Divyan Patel	52 Tuscan Way	St Augustine	FL	32092	9045472540
KESHAVJIVANS COLD SERVES AND DESSERTS LLC	Divyan Patel	2570 Race Track Rd	Fruit Cove	FL	32259	9044299669
MM Kash Inc.	Andrea Kashtan	7724 113th Street N	Seminole	FL	33772	7278733992
Chapel Creamery Inc	Deepal.Patel,Jitendra.Patel	1646 Bruce B Downs Blvd	Wesley Chapel	FL	33544	8139736900
Chinonso Corporation	Confidence.Ekeanyanwu,Kenechukwu.Okoro	2222 Ocoee Apopka Rd	Ocoee	FL	34761	4076143890
CSC MERCHANTS CROSSING LLC	Mitul Chothani,Hitesh Barvaliya,Nikunj Patel	15201 N Cleveland Ave	North Fort Myers	FL	33903	2396523181

Balgopal LLC	Nikunj Patel,Rakesh Patel,Sandipkumar Patel,Hitesh Barvaliya	14365 N Dale Mabry Highway	Tampa	FL	33618	8139631410
CSC of Naples LLC	Hitesh Barvaliya,Mitul Chothani	4895 Golden Gate Pkwy	Naples	FL	34116	2393312483
DHC Ventures, LLC	Joshua Davis,Amber Davis	4495 Roosevelt Blvd	Jacksonville	FL	32210	9045183357
JKCI VALRICO CORPORATION	Joshua Cook,Kelly Cook	1315 Cornerstone Blvd	Daytona Beach	FL	32117	3865620762
Sultan, Adnan	Adnan Sultan	7083 Collins Rd	Jacksonville	FL	32244	9046602983
CAPITAL SOUTHERN INVESTMENTS, LLC	Acesa.Britton,Kimberly Britton	1810 Town Center Blvd	Fleming Island	FL	32003	9045927104
PS MCG LLC	Hitesh Barvaliya,Mitul Chothani	11600 Gladiolus Drive	Fort Myers	FL	33908	2396007931
TOGETHER ICE CREAM, LLC	Sara Kim,Angela Kim	2027 Aegean Way	Davenport	FL	33896	8633535799
Dattani Management Corp	Hasmukh Dattani,Labhu Dattani,Biren Dattani,Karishma Dattani	1939 Aloma Ave	Winter Park	FL	32792	3214220500
PAPAS PIZZA JAX CORPORATION	Joshua Cook,Kelly Cook,William.Chavis,Kelly.Chavis	10991 San Jose Blvd	Jacksonville	FL	32223	9047388351
PAPAS PIZZA JAX CORPORATION	William.Chavis,Kelly.Chavis,Joshua Cook,Kelly Cook	842 Dunn Avenue	Jacksonville	FL	32218	9046961156
PAPAS PIZZA JAX CORPORATION	Joshua Cook,Kelly Cook,William.Chavis,Kelly.Chavis	4372 Southside Blvd	Jacksonville	FL	32216	9049989630
PAPAS PIZZA JAX CORPORATION	Joshua Cook,Kelly Cook,William.Chavis,Kelly.Chavis	18965 US Highway 441	Mt. Dora	FL	32757	3527355115
PAPAS PIZZA JAX CORPORATION	Kelly.Chavis,Joshua Cook,Kelly Cook,William.Chavis	2640 Blanding Blvd	Middleburg	FL	32068	9042827381
RS Foods LLC	Dharminder Sethi,Chahat Sethi,Rajni Sethi	5900 Sugarloaf Pkwy	Lawrenceville	GA	30043	6788475927
PRAYOM LLC	Hemen Patel,Sunny	210 Robert C Daniel Jr Pkwy	Augusta	GA	30909-0807	7066670260

	Patel					
Ultimate Creations Conyers LLC	Terrence Jenkins	1522 Dogwood Dr SE	Conyers	GA	30013	7709186981
Nishiguru Inc	Paulomi Patel,Mitesh Bhatt	875 N Main St	Alpharetta	GA	30009	7707772183
Krishna Delight Inc	Radhika Pallaganti	9700 Medlock Bridge Rd	Duluth	GA	30097	7704760292
Om Sweets LLC	Mukesh Korat,Parmeshwor Acharya	5500 Abercorn St	Savannah	GA	31405	9126920035
MHD Barrett, Inc.	Minesh Daya	2500 Cobb Place Ln NW	Kennesaw	GA	30144	7704206532
SHREE LAABH KARINI INC	Monika Patel	2911 Chapel Hill Rd	Douglasville	GA	30135	6788389400
Vinings Creamery LLC	Roshan Patel,Param Shah	2850 Paces Ferry Rd SE	Atlanta	GA	30339	7704327973
RK United LLC	Dhimant Shukla,Manishkumar Patel	2628 Watson Blvd	Warner Robins	GA	31093	4789226868
Santosh & Son L.L.C.	Roshan Patel	4910 Jimmy Lee Smith Pkwy	Hiram	GA	30141	7709438870
Rumi's Foods LLC	Shazim Hameed	1270 Ashford Crossing	Atlanta	GA	30346	7708042534
Ultimate Creations Newnan LLC	Terrence Jenkins	234 Newnan Crossing Byp	Newnan	GA	30265	7705027800
RK United LLC	Dhimant Shukla,Manishkumar Patel	112 Vilseck Rd	Fort Stewart	GA	31314	9123700077
Cold at Morrow LLC	Amir Tejane,Faisal Hussain	6309 Jonesboro Rd	Morrow	GA	30260	7707038609
Maze, Derek	Derek.Maze	4225 Wade Green Rd NW	Kennesaw	GA	30144	7704299821
Sweet Cream LLC	Suleman (Sunny) Jiwani,Salima.Jiwani,Sanih.Jiwani	1565 Church St., Suite 540	Decatur	GA	30030	6785153260
Huan Nguyen, Individual	Huan.Nguyen	626 Mullins Colony Dr	Evans	GA	30809	7063644229
SSN LLC	Mehul.Lad,Bipinkumar.Patel,Ambrish.Patel	2501 Whittlesey Blvd	Columbus	GA	31909	7065075248
Mukesh Korat and Rima Patel Individuals	Mukesh Korat,Rima.Patel	7804 Abercorn St	Savannah	GA	31406	9124659919
1105 Restaurant LLC	Param Shah,Roshan Patel	1105 Woodstock Rd	Roswell	GA	30075	6785828960

Aksharbram LLC	Hemen Patel,Sunny Patel	280 Meridian Dr	Grovetown	GA	30813	6784042201
Jai Somnath Creamery LLC	Nitabahen Shukla,Dhimant Shukla	150 Tom Hill Sr Blvd	Macon	GA	31210	4788128882
3ZIGNS LLC	Shimit.Soumithran,Anup.Nair,Vikas.Menon	44 Braves Ave	Lawrenceville	GA	30043	4706557904
ALI COVINGTON LLC	Mohmedmunir.Momin,Zishanbanu.Momin	13015 Brown Ridge Rd	Covington	GA	30016	6787129097
Ali Tucker LLC	Mohmedmunir.Momin,Zishanbanu.Momin,Mahamad Momin	4650 Hugh Howell Rd	Tucker	GA	30084	6784047010
Noho Group LLC	Joshua Kong,Lindsey Kalaiwaa	225 Piikea Ave	Maui - Kihei	HI	96753	8088758811
Cordes Creamery, Inc.	Kenneth Cordes	4701 1st Avenue SE	Cedar Rapids	IA	52402	3192942600
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	806 Wacker Dr	Dubuque	IA	52002	5635566766
JRF, Inc.	Janet Otis,Scott Otis	101 Jordan Creek Pkwy	West Des Moines	IA	50266	5152231227
Cordes Creamery, Inc.	Kenneth Cordes	921 25th Avenue	Coralville	IA	52241	3193417900
Chicago Scoops, LLC	Tim Watkins,Antonio Gracias,Kyle Welch,Jonathan Shulkin	1310 S Duff Ave	Ames	IA	50010-8153	5152333911
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	6421 University Ave	Cedar Falls	IA	50613	3192661605
Chicago Scoops, LLC	Antonio Gracias,Jonathan Shulkin,Kyle Welch,Tim Watkins	4706 Utica Ridge Rd	Davenport	IA	52807	5633596371
Huckleberry Ice Cream Co. LLC	Gary.Hoyer	3001 Winegard Drive	Burlington	IA	52601	3192378787
Tasty Treats, LLC	Andrew.Martin,Dawn.Martin	1631 SW Main Street, Suite 102	Ankeny	IA	50023	5152645565
Cordes Creamery, Inc.	Kenneth Cordes	2437 Adventureland Dr	Altoona	IA	50009	5159578814
Ultimate Scoop, LLC	Nancy Lee,Conrad	1400 N Eagle Rd	Meridian	ID	83642	2088958336

	Lee,Kent Lee					
Temple Group, Inc.	Jeremiah Temple,Kassie Temple	2019 South 25th E	Ammon	ID	83406	2085223347
Temple Group, Inc.	Kassie Temple,Jeremiah Temple	485 N 2nd E	Rexburg	ID	83440	2083592244
Ultimate Scoop, LLC	Kent Lee,Nancy Lee,Conrad Lee	1238 Caldwell Blvd	Nampa	ID	83651	2084673375
Magic Stone Creamery, LLC	Nancy Lee,Kent Lee	799 Cheney Dr	Twin Falls	ID	83301	2087364656
Little Lukes Girl LLC	Todd Bunger	2396 N Old Mill Loop	Coeur d'Alene	ID	83814	2086769151
Ultimate Scoop, LLC	Kent Lee,Nancy Lee,Conrad Lee	1028 S Vista Ave	Boise	ID	83705	2088070407
Ultimate Scoop, LLC	Nancy Lee,Kent Lee,Conrad Lee	7546 West State St Suite 130	Boise	ID	83714	2086066164
DEV KUSH, INC	Raman Patel	7080 Mannheim Rd	Rosemont	IL	60018	8478246670
Mandros Corp.	Mitchell Andros	339 N Randall Rd	Lake in the Hills	IL	60156	8478547525
SSAS LLC	Anil Kondaveeti,Srimala Kantamneni	20330 N Deer Park Blvd	Deer Park	IL	60010	8477262663
Sweet Possibility Company	Linda Querrey	23 W Jefferson Ave	Naperville	IL	60540	6303695646
Chicago Scoops, LLC	Tim Watkins,Antonio Gracias,Kyle Welch,Jonathan Shulkin	1316 S Halsted St	Chicago	IL	60607	3122262800
Alaqmar, Inc.	Ahmed Zakiuddin,Yusuf Vajihuddin	3520 Seven Bridges Dr	Woodridge	IL	60517	6303229640
Seatea, Inc.	Essam Abdullah	5120 W 95th St	Oak Lawn	IL	60453	7082299000
Seatea, Inc.	Essam Abdullah	76 S La Grange Rd	La Grange	IL	60525	7083542600
Chicago Scoops, LLC	Jonathan Shulkin,Tim Watkins,Antonio Gracias,Kyle Welch	134 N Marion St	Oak Park	IL	60301	7083833400
Thomas Restaurant Investments 1 LLC	Johnathan Thomas	1611 Sherman Ave	Evanston	IL	60201	8474249000
Green Stone, LLC	Issam Alsharif	653 S Perryville Rd	Rockford	IL	61108	8153942113

U B FAMILY, INC.	Jemin Lee	281 W Townline Rd	Vernon Hills	IL	60061	8472470773
Alaqmar, Inc.	Ahmed Zakiuddin,Yusuf Vajihuddin	72 S Weber Rd	Romeoville	IL	60446	8158865714
J&J Sweet Tooth, L.L.C.	Judy Pecina,Joyce Pecina	3228 Green Mount Crossing Drive	Shiloh	IL	62269	6186220044
Kahala Restaurants	Maher (Mike) Farahat,Amjad Makhamreh	1700 E College Ave	Normal	IL	61761	3098072945
Kahala Restaurants	Fady Abdallah,Alel abdallah	7728 N Grand Prairie Dr	Peoria	IL	61615	3093404860
Alaqmar, Inc.	Yusuf Vajihuddin,Ahmed Zakiuddin	18717 Dixie Hwy	Homewood	IL	60430	7086479812
Sweet Cream Parlor Inc	Wesam (Sam) Abdel Razek	16135 S La Grange Rd	Orland Park	IL	60467	7082264981
Alaqmar, Inc.	Ahmed Zakiuddin,Yusuf Vajihuddin	1153 Brookforest Ave	Shorewood	IL	60431	8156091893
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	124 S 6th St	Springfield	IL	62701	2175236666
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	2100 Troy Rd	Edwardsville	IL	62025	6186551480
Alaqmar, Inc.	Yusuf Vajihuddin,Ahmed Zakiuddin	16527 W 159th St	Lockport	IL	60441	8158383600
CU Scoops, LLC	Ryan Elwell	1121 West Windsor Road	Champaign	IL	61821	2175521167
Chicago Scoops, LLC	Jonathan Shulkin,Kyle Welch,Antonio Gracias,Tim Watkins	20 W Ohio St	Chicago	IL	60611	3128775773
Issac's Creamery Inc.	Kareem.Abdallah	7105 Grand Avenue Unit 2C	Gurnee	IL	60031	8476724339
Aqsa Creamery, Inc.	Samad.Khan	2348 N Lincoln Ave	Chicago	IL	60614	7736662244
Chicago Scoops, LLC	Antonio Gracias,Tim Watkins,Jonathan Shulkin,Kyle Welch	4150 W Jefferson Blvd	Fort Wayne	IN	46804	2604341010
M&J Nice Cream, LLC	Dan Huang,Yan Ding	5025 E 82nd St	Indianapolis	IN	46250	3175969620

Sweet Land 2016 LLC	Chi Man Ko,Zhou Hua You	55 S Raceway Rd	Indianapolis	IN	46231	3172712501
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	620 W Edison Rd	Mishawaka	IN	46545	5742135250
M&N's Joy LLC	Jianliang Yu,Jing Yu	14550 Clay Terrace Blvd	Carmel	IN	46032	3175697170
AB Creamery LLC	Neil Pinkston,Madeline Pinkston	6401 E Lloyd Expy	Evansville	IN	47715	8124372653
Benipal, Kulwant	Kulwant Benipal	6010 W 86th St	Indianapolis	IN	46278	3174718378
Linton Grange LLC	Hui Zhang	789 US Highway 31 N	Greenwood	IN	46142	3178822501
Jolly Group Valpo, LLC	Michael Jorden,Candace Jorden	71 Silhavy Rd	Valparaiso	IN	46383	2194763430
Jolly Group, LLC	Michael Jorden,Candace Jorden	11 West 112th Ave	Crown Point	IN	46307	2196639010
MBAB Bilotto Inc.	Michael Bilotto,Amanda Bilotto	883 Joliet St	Dyer	IN	46311	2198659733
Chen & Q Incorporated	Yiping Chen,Chen Qiao	840 Broad Ripple Avenue	Indianapolis	IN	46220	3172532303
Kulwant 23522 LLC	Kulwant Benipal	2049 Veterans Memorial Parkway	Lafayette	IN	47909	7655886141
Kamilia, LLC	Eric Tan,Kami Tan	1013 Jeffersonville Commons Dr	Jeffersonville	IN	47130	8129130034
Foods In The Ville, L.L.C.	Robert Hayes,Alan Rizza	1225 Moro St.	Manhattan	KS	66502	7855395336
Wessco Enterprises, Inc	Douglas Wessley,Rhonda Wessley	2441 N Maize Rd	Wichita	KS	67205	3167294245
FM DRYM LLC	Mohamed Salamoun	1865 Village West Pkwy	Kansas City	KS	66111	9137889784
Mission Investment Company	Allan Emerly	647 Massachusetts St	Lawrence	KS	66044	7858430990
Sonny & Boua Baccam, Inc.	Boua Baccam,Santhiphone Sonny Baccam	14941 W. 119th St.	Olathe	KS	66062	9137824815
Wessco Enterprises, Inc	Rhonda Wessley,Douglas Wessley	3000 N Rock Rd	Wichita	KS	67226	3166361857
KA Enterprise LLC	Amr Eleish,Omar Elkerdany	1227 SW Wanamaker Rd	Topeka	KS	66604	7852158807

Wessco Enterprises, Inc	Douglas Wessley,Rhonda Wessley	7325 W Taft St	Wichita	KS	67209	3168691823
MJM ENTERPRISES LLC	Satyan Bakhai	4535 W 119th St	Leawood	KS	66209	9132838513
BIG SCOOP LLC	Dallas.Haselhorst,Dacia.Haselhorst	507 Main St	Hays	KS	67601	7854324300
NOTL, LLC	Anil (Andy) Patel,Mahesh Naik,Sanmukh Patel	1 Levee Way	Newport	KY	41071	8592915380
Lickety Split Frozen Goodness LLC	Ken Sharp	2817 Dixie Hwy	Crestview Hills	KY	41017	8593414430
Kamilia, LLC	Kami Tan,Eric Tan	2015 S. Hurstbourne Pkwy.	Louisville	KY	40220	5024997750
GABS LLC	Gayla Martin,Luc Bowman	5140 Frederica Street	Owensboro	KY	42301	2706836570
HamburgLex CSC LLC	Bhavesh Patel	2337 Sir Barton Way	Lexington	KY	40509	8597851815
B & M Scoops, LLC	Richard Lentz,Tammy Lentz	451 Jordan Dr	Paducah	KY	42001	2704431117
Jai Shree Laxmi Inc.	Jalpa Patel,Hitesh Patel	3801 Mall Rd	Lexington	KY	40503	8592802264
Kamilia, LLC	Eric Tan,Kami Tan	976 Breckenridge Lane	Louisville	KY	40207	5028946292
SCS KY, LLC	Bunnarath.Mao,Sokunthea.Chun	201 N 12th St	Murray	KY	42071	2708732311
JAI SHREE LAXMI TWO INC	Jalpa Patel,Hitesh Patel	620 Eastern Bypass	Richmond	KY	40475	8595751024
Shri Modheshwari - Louisiana, L.L.C.	Jagruti Kamlesh Modi,Ratnakar Mody,Kamlesh Hiralal Modi	420 Boardwalk Blvd	Bossier City	LA	71111	3187465055
Wanju Gauthe	Wanju Gauthe	7539 Corporate Blvd	Baton Rouge	LA	70809	2254562069
Elmwood Treats LLC	Bush Wrighton,Shameen Wrighton,Eric Rey,Bianca Khoury	1130 S Clearview Pkwy	Elmwood	LA	70123	5047365037
CS786 Creamery Corp.	Bipul Kumar Saha,Mohammed Ali Razai,Akm Masud Hasan,Mustaque Ahmed	70 Worcester Providence Tpke	Millbury	MA	01527	5088658165

HOF786 Creamery Corp	Mohammed Ali Razai,Akm Masud Hasan,Mustaque Ahmed	1000 W Columbus Ave	Springfield	MA	01105	4137366060
O' Happy Foods Corp	Khyati Dave,Sonal Khakhar	154 Turnpike Rd	Southborough	MA	01772	5084851150
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	2 Wayside Road	Burlington	MA	01803	7812702621
Chicago Scoops, LLC	Jonathan Shulkin,Kyle Welch,Tim Watkins,Antonio Gracias	94 Belvidere St	Boston	MA	02115	6172620251
Chicago Scoops, LLC	Jonathan Shulkin,Tim Watkins,Kyle Welch,Antonio Gracias	61 Station Lndg	Medford	MA	02155	7813505532
Sweet Tooth LLC	Ashwani Rathor,Meenakshi Rathore	280 School St	Mansfield	MA	02048	7747192314
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	83C Faunce Corner Mall Rd	Dartmouth	MA	02747	5089912337
Sweet Tooth LLC	Ashwani Rathor,Meenakshi Rathore	176 South Franklin Street	Holbrook	MA	02343	7817674100
MOTIACH COLLEGE PARK LLC	Sadda Pallavi	7314 Baltimore Avenue	College Park	MD	20740	3012772229
MCK, LLC	Christopher Blazevich,Mark Pringle,Kelli Blazevich	1310 Main Chapel Way	Gambrills	MD	21054	4104514272
SYDLEY Frederick, LLC	Anthony Dayyani	1700 Kingfisher Dr	Frederick	MD	21701	3016635030
Sonshine Creamery, LLC	Kelli Blazevich,Christopher Blazevich,Mark Pringle	7645 Arundel Mills Blvd	Hanover	MD	21076	4432967058
Shreenath Jabu LLC	Romil Mehta,Aklima Begum	18105 Village Center Dr	Olney	MD	20832	3015705639
Aikyam LLC	Romil Mehta,Chowdhury Mamun	6711 Ritchie Hwy	Glen Burnie	MD	21061	4107609390

Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	1200 Agora Dr	Bel Air	MD	21014	4108360130
Gassama Scoops LLC	Sidiki Gassama	2657 N Salisbury Blvd	Salisbury	MD	21801	4108606935
Our Creamery Waldorf,Inc.	Dilafroz Ahmed,Zahir Mahmud,Waliul Chowdhury,Arshad Khwaja	3063 Waldorf Market Pl	Waldorf	MD	20603	3018853400
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	19847 Century Blvd	Germantown	MD	20874	3019165353
Pradhan Drysdale LLC	Ujjwal Pradhan,Mamata Blon,Suvan Pradhan,Ganga Drysdale,John Drysdale,Lata Pradhan	15 Lee Airpark Dr	Edgewater	MD	21037	4109561100
His Grace Creamery, LLC	Kelli Blazevich,Christopher Blazevich,Mark Pringle	15754 Annapolis Road	Bowie	MD	20715	3014649790
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	2500 Boston St	Baltimore	MD	21224	4105220353
Our Creamery Inc	Dilafroz Ahmed,Waliul Chowdhury,Zahir Mahmud,Arshad Khwaja	84 Main St	Gaithersburg	MD	20878	3015900009
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	10015 York Rd	Cockeysville	MD	21030	4106288001
Rashid CSC 1903, Inc	Mohammad Rashid	13600 Baltimore Ave	Laurel	MD	20707	3017766770
M&M Ventures Inc	Michelle Engermann	821 Ellsworth Drive	Silver Spring	MD	20910	3015881230
Millennium Stars LLC	Sandy Cheng,Qingbin Lin	1809 Reisterstown Rd	Pikesville	MD	21208	4104843030
Baker Enterprises 1, LLC	Joel J. Baker	8137 Honeygo Blvd	White Marsh	MD	21236	4109312104

Our Creamery EC Inc	Dilafroz Ahmed,Arshad Khwaja,Waliul Chowdhury	5705 Richards Valley Rd	Ellicott City	MD	21043	4104656009
Security Creamery LLC	Asad.Jabbar,Abdul.Jabbar	6901 Security Blvd	Windsor Mill	MD	21244	4434292465
PS & MS VENTURES LLC	Sambasivarao Bellam,Srinadh Chowdary.Kandru	10101 Twin Rivers Rd.	Columbia	MD	21044	4435455041
Jingobell Cakes & Ice Creams LLC	Jingo Jingo	2985 Plaza Drive	Dunkirk	MD	20754	4436462140
La Plata Creamery LLC	Syed Saif Ul Islam Shah	105 Drury Drive	La Plata	MD	20646	2407764441
BMYK, INC	Mary Mi Ok Kim,Bong Yoo,Elly Seymour	2319-I Hanover Pike	Hampstead	MD	21074	4103743303
Dastani Enterprises, Inc.	Keikhosrow Dastani	2700 Campus Way North	Lanham	MD	20706	3013243888
SUN TOUCH INC	Sun.Choi	825 Dulaney Valley Rd	Towson	MD	21404	4108230393
California Creamery LLC	Syed Saif Ul Islam Shah	44980 St. Andrews Church Rd.	California	MD	20619	2402378296
Udaya Kadali and Swapna Gubbala Individuals	Udaya.Kadali,Swapna.Gubbala	12175 Clarksville Pike	Clarksville	MD	21029	6672402925
DKWD LLC	Douglas Stout,Wendy.Stout	8530 Washington Blvd	Jessup	MD	20794	2403605933
Chicago Scoops, LLC	Tim Watkins,Jonathan Shulkin,Kyle Welch,Antonio Gracias	2121 Celebration Dr NE	Grand Rapids	MI	49525	6163639140
Y&J LLC	Mi Hun Yi	200 Mac Ave	East Lansing	MI	48823	5173379550
Chicago Scoops, LLC	Jonathan Shulkin,Kyle Welch,Antonio Gracias,Tim Watkins	3427 Century Center Street SW	Grandville	MI	49418	6162499480
RLBBH LLC	Caleb Foster	42761 Woodward Ave	Bloomfield Hills	MI	48302	2483323014
Sweet Creamery Inc	Hitesh Barvaliya	33175 Grand River Ave	Farmington	MI	48336	2486159099
LUCAS & LANDON ICE CREAM OF COMMERCE, INC.	Muntadher Arabo,Francis Arabo	1741 Haggerty Hwy	Commerce Township	MI	48390	2489265767

Second Half Ice Cream Corp.	Todd Frerichs	3026 Walton Blvd	Rochester Hills	MI	48309	2483756000
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	50496 Schoenherr Road	Shelby Township	MI	48315	5866852663
Nilkanth Creamery Inc	Induben Kotadiya,Hitesh Barvaliya	3597B Washtenaw Ave	Ann Arbor	MI	48104	7349759110
HLR Scoopers, LLC	James Melluish	6800 South Westnedge Avenue	Portage	MI	49002	2693274674
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	50756 Gratiot Ave	Chesterfield	MI	48051	5869497800
Scoops & Apples, Inc.	Faizi Haque,Narmeen Haque	31961 Gratiot Avenue	Roseville	MI	48066	5862942013
G.W. Sweis Investments, LLC	Gassab Sweis	510 Monroe St	Detroit	MI	48226	3139642715
H&M Consulting, Inc.	Faizi Haque,Narmeen Haque	32389 John R Road	Madison Heights	MI	48071	2485779861
HLR Scoopers, LLC	James Melluish	4540 W Main St	Kalamazoo	MI	49006	2693430940
Reign Luxury Brands, LLC	Caleb Foster	35732 Van Dyke Avenue	Sterling Heights	MI	48312	5864469130
W.G. Sweis Investments, LLC	William Sweis,Gassab Sweis	16823 Kercheval Ave	Grosse Pointe	MI	48230	3138864020
Mauck Investments, LLC	Kirk Mauck	50409 Independence St	Canton	MI	48188	7343944000
The Sweis Group - Allen Park LLC	Gassab Sweis,William Sweis	23009 Outer Drive	Allen Park	MI	48101	3137928430
FRANKIE'S ICE CREAM OF NOVI, INC.	Muntadher Arabo,Francis Arabo	44175 W 12 Mile Rd	Novi	MI	48377	2484659091
Maple Iced Delight LLC	Meghna Patel,Rakesh Patel	7765 Main St N	Maple Grove	MN	55369	7634949161
Cool Scoops, LLC	Bruce Peltz,Angela Peltz	3959 2nd St S	St. Cloud	MN	56301	3202583590
VENSAI LLC	Rajashekar Bachigari	582 Prairie Center Dr	Eden Prairie	MN	55344	9529410302
PJs Creamery, Inc	Patty Kolbo,James Kolbo	7455 Currell Blvd	Woodbury	MN	55125	6512511112
Yang, Shuxia and Hong Xie	Shuxia Yang,Hong Xie	3461 River Rapids Dr NW	Coon Rapids	MN	55448	7634278816

Project 89, LLC	Denise Snetsinger	382 S Avenue	Bloomington	MN	55425	9528510623
T P & J Creamery LLC	Pinkal Mistry,Tripti Mistry,Jashil Lad	1600 Warren St	Mankato	MN	56001	5073448152
Lorven Inc	Rajashekar Bachigari,Narendar Ande,Kumud Kumar Atluri	15100 Cedar Ave	Apple Valley	MN	55124	9522558277
Hanuma Sai LLC	Kumud Kumar Atluri,Sirisha Atluri	768 Mainstreet	Hopkins	MN	55343	9527461970
URSS Group LLC	Mounika Yanati,Pushpalatha Borra,Swetha Davera	2700 39th Ave NE	St. Anthony	MN	55421	6127881599
Ya3 Enterprises, LLC	Josephine Opong-Vaughn Opong-Vaughn	9010 Quantrelle Avenue NE	Otsego	MN	55330	7632740101
Deep Roots FGO, Inc.	Justin Turnquist	15175 Edgewood Dr	Baxter	MN	56425	2188240016
CU Tomorrow, LLC	Paul McNamee,Daniel Stoltz,Robin Stoltz,Amy McNamee	10400 Baltimore St NE	Blaine	MN	55449	7637843630
Sreeven LLC	Kumud Kumar Atluri,Sirisha Atluri	3780 Marketplace Dr NW	Rochester	MN	55901	5074243374
LiKe Enterprises, LLC	Lisa Edwards,Keith Edwards	1220 Susan Dr	Marshall	MN	56258	5073372653
Chicago Scoops, LLC	Kyle Welch,Tim Watkins,Jonathan Shulkin,Antonio Gracias	1017 W Central Entrance	Duluth	MN	55811	2187222366
Ennis Enterprises LLC	Joseph Betthauser,Wayne Ennis	720 Main St Hwy	Mendota Heights	MN	55118	6514546001
VINAYAKA LLC	Kumud Kumar Atluri,Sirisha Atluri	2650 Broadway Ave S	Rochester	MN	55904	5072060479
Gauri Shankar LLC	Ankitkumar Patel,Bhavin Patel	1264 Town Centre Dr	Eagan	MN	55123	6514525700
No Nut Ice Cream L.L.C.	Patrick Hanson	1733 Pinecone Road, STE 500	Sartell	MN	56377	3202815556
Project 89, LLC	Denise Snetsinger	134 East Broadway	Bloomington	MN	55425	9528541005
MJM Enterprise Company LLC	Satyan Bakhai	7251 NW 86th Pl	Kansas City	MO	64153	8165871628
MJM Enterprise Company LLC	Satyan Bakhai	20140 E Jackson Dr	Independence	MO	64057	8167951340

Ramoun LLC	Mohamed Salamoun	114 W 47th St	Kansas City	MO	64112	8167537664
Chicago Scoops, LLC	Tim Watkins,Antonio Gracias,Kyle Welch,Jonathan Shulkin	14013 New Halls Ferry Road	Florissant	MO	63033	3149215300
Garrett, Elizabeth	Elizabeth Garrett	12418 Olive Blvd	Creve Coeur	MO	63141	3145763945
MJ Ice Cream, LLC	Marcus Johnson,Michael Johnson	900 E Battlefield St	Springfield	MO	65807	4178834222
S&S Branson Investments LLC	David Samford,Julie Samford	1615 W 76 Country Blvd	Branson	MO	65616	4172390801
J & J Sweet Tooth IV, L.L.C.	Joyce Pecina,Judy Pecina	7 Ronnies Plz	St. Louis	MO	63126	3148434646
S&S Branson Investments LLC	Julie Samford,David Samford	482 Branson Landing Blvd	Branson	MO	65616	4173206417
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	6281 Ronald Reagan Drive	Lake St. Louis	MO	63367	6365617871
Scott, Omer Buddy	Omer Scott	610 Wildwood Drive	Jefferson City	MO	65109	5736362653
On The Spectrum, LLC	Robert.Ryffel,Krista Ryffel	1270 Jeffco Blvd	Arnold	MO	63010	6363332060
MJM Enterprise Company LLC	Satyan Bakhai	9300 NE 83rd Terrace	Kansas City	MO	64158	8167364015
MJM Enterprise Company LLC	Satyan Bakhai	8600 Ward Parkway	Kansas City	MO	64114	8165036899
Hood Enterprises, LLC	John McCoy Burns	1531 W Main St	Bozeman	MT	59715	4065227006
Gruntowicz Enterprises, Inc.	Sebrina Gruntowicz,Daniel Gruntowicz	3275 N Reserve St	Missoula	MT	59808	4069266677
Gruntowicz Enterprises, Inc.	Sebrina Gruntowicz,Daniel Gruntowicz	896 S 29th St W	Billings	MT	59102	4069692274
Project Fritz, LLC	Abby Fritz	110 Hutton Ranch Rd	Kalispell	MT	59901	4067522653
Gruntowicz Enterprises, Inc.	Sebrina Gruntowicz,Daniel Gruntowicz	1601 Market Place Dr	Great Falls	MT	59404	4064540000
TRACKS Investments, LLC	Rodney Shoaf,Sheryl Shoaf	1626 Highwoods Blvd	Greensboro	NC	27410	3362920321
Trinity Trio LLC	Narendar Ande,Mridul Bansal,Shireesh	325 Crossroads Blvd	Cary	NC	27518	9198587754

	Pannala					
TRACKS Investments, LLC	Rodney Shoaf,Sheryl Shoaf	3105 Northline Avenue	Greensboro	NC	27408	3362946100
Whitmore, Josie & Brad	Josie Whitmore,Brad Whitmore	8111 Concord Mills Blvd	Concord	NC	28027	7049795061
Scott Kehiaian Enterprises, Inc.	Abbass Abbass,Essam Abdelrhman	4203 W Wendover Ave	Greensboro	NC	27407	3362180060
RRG Creamery LLC	Ricky Garcia	688 Bluefield Rd	Mooresville	NC	28117	7047996022
SNS Ventures LLC	Devang Shah,Falguni Shah	131 E Franklin St	Chapel Hill	NC	27514	9199146193
LAC Creamery Inc.	Whitney Bouknight,Alexander Bouknight	951 International Drive	Wilmington	NC	28405	9102565226
The Dog Shack, LLC	John "Mark" Martin,Dawn..Martin	164 Shenstone Blvd	Garner	NC	27529	9192394075
Akala LLC	Bhavik Parikh,Kamal Gautam	960 S Main St	Kernersville	NC	27284	3369040088
Six Dips, LLC	Melissa Ehlers,G Loy Ehlers	518 Greenville Blvd SE	Greenville	NC	27834	2524392653
UB Ricky LLC	Robert Menard,Ricky Garcia	5075 Morganton Road	Fayetteville	NC	28314	9108684323
ACM Ventures, Inc.	Andrew Martinez,Christie Martinez	2700 W Mallard Creek Church Rd	Charlotte	NC	28262	7045489650
ACM Ventures, Inc.	Andrew Martinez,Christie Martinez	14126 Rivergate Pkwy	Charlotte	NC	28273	7045833828
Six Dips Jacksonville, LLC	G Loy Ehlers,Melissa Ehlers	1250 Building L3 Western Blvd.	Jacksonville	NC	28546	9109892653
Rajnishi LLC	Bhavi Parikh,Bhargav Parikh	150 S Equity Dr	Smithfield	NC	27577	9199381300
SNS Ventures LLC	Devang Shah,Falguni Shah	2050 Creekside Landing Drive	Apex	NC	27502	9196294031
Decadent Mixes, LLC	Traci Williams,Bradley Williams	343 Faith Rd	Salisbury	NC	28146	7046360800
ACM Ventures, Inc.	Christie Martinez,Andrew Martinez	9820 Rea Rd	Charlotte	NC	28277	7043410100
Parikh Creamery LLC	Bhargav Parikh,Bhavi Parikh	5811 Poyner Village Pkwy	Raleigh	NC	27616	9199007007

Nitin LLC	Suketu Parikh	1209 N Berkeley Blvd	Goldsboro	NC	27534	9192881300
TRACKS Investments, LLC	Rodney Shoaf,Sheryl Shoaf	124 Hanes Mall Cir	Winston-Salem	NC	27103	3367748585
Rock and Ricky LLC	Ricky Garcia	11088 US Highway 15/501	Aberdeen	NC	28315	9106929440
Cooler South Enterprises, LLC	Chad Eads	30 Town Square Blvd.	Asheville	NC	28803	8286503013
Bhavna Creamery LLC	Bhargav Parikh,Bhavi Parikh	3160 Walden Lane	Burlington	NC	27215	3365246102
Nishi LLC	Bhargav Parikh,Bhavi Parikh	7840 Alexander Promenade Pl	Raleigh	NC	27617	9199572653
CSR Incorporated	Essam Abdelrhman,Abbass Abbass	3875 John Gordon Ln	High Point	NC	27265	3368822653
Liberty Creamery LLC	Utsav Pandya,Vipulkumar Patel,Bhavik Parikh,Dev Rajababoo	3571 Butner Rd	Fort Liberty	NC	28307	9109201040
PK Realty & Investments, LLC	Prakash.Sridharan,Sangeetha.Prakash	1170 Parkside Main St	Cary	NC	27519	9196945461
KASAEL LLC	Romina.Jalili,Yousef.Jalili	1040 Forestville Rd	Wake Forest	NC	27587	9195003972
Latonia & King Parks	Latonia.Parks,King.Parks	3350 Footbridge Lane	Hope Mills	NC	28348	9102638021
PK Realty & Investments, LLC	Prakash.Sridharan,Sangeetha.Prakash	258 Grande Heights	Cary	NC	27513	9196501737
CSC of Lumberton LLC	Harry.Jhala,Kusum.Jhala	140 Wintergreen Dr	Lumberton	NC	28358	9106744041
Yousef, Muhammad	Muhammad Masood Yousef	6911 Fayetteville Rd	Durham	NC	27713	9192518087
Arya Vaani LLC	Nehal.Patel	15105 John J Delaney Dr	Charlotte	NC	28277	9802073565
Deep Roots FGO, Inc.	Justin Turnquist	4501 15th Ave S	Fargo	ND	58103	7013658515
Deep Roots GF, Inc.	Anthony Mooney	3551 32nd Ave S	Grand Forks	ND	58201	7017382350
Raylan Inc.	Rhett Benning	1219 W Century Ave	Bismarck	ND	58501	7017512472
The Stone of Minot DS, INC.	Troy Bartsch	1420 24th St Southwest	Minot	ND	58701	7018391810
Jonas and Bonnita McKenzie Individuals	Jonas.McKenzie,Bonnita.McKenzie	3210 27th St W	Williston	ND	58801	7015724415

REMY INVESTMENT GROUP, LLC	Andrea Remaklus,Daniel Remaklus,Aaron Remaklus	2910 Pine Lake Rd	Lincoln	NE	68516	4024202999
WILLIAMS A LA MODE, INC.	Cindy Williams,Shawn Williams	17304 Davenport St	Omaha	NE	68118	4025054192
WILLIAMS A LA MODE, INC.	Shawn Williams,Cindy Williams	2055 N 120th St	Omaha	NE	68164	4025022775
WILLIAMS A LA MODE, INC.	Shawn Williams,Cindy Williams	3220 Farnam St	Omaha	NE	68131	4023591719
J & M Group LLC	Katherine Yu,Jia Chi "Fred" Yu	206 Wilmar Ave	Grand Island	NE	68803	3083847866
TKL Witte, LLC	Charles Lalanne,Tammara Lalanne	402 E Leota St	North Platte	NE	69101	3085345429
WILLIAMS A LA MODE, INC.	Shawn Williams,Cynthia. Williams	12746 Westport Parkway	La Vista	NE	68138	4029052897
WILLIAMS A LA MODE, INC.	Shawn Williams,Cynthia. Williams	2110 S 67th St	Omaha	NE	68106	5314667619
WILLIAMS A LA MODE, INC.	Cynthia.Williams, Shawn Williams	21209 Nebraska Crossing Dr	Gretna	NE	68028	4023320331
Nishukti Creamery 2 LLC	Nishant.Dhruve, Mukti Vaidya	960 Cedar Bridge Avenue	Brick	NJ	08723	7329205656
Silver Scoop Limited Liability Company	Nishantha Vithana	3 Sloan Street	South Orange	NJ	07079	9737621835
Hoboken First Joe LLC	Joseph Tanagho	116 Washington St	Hoboken	NJ	07030	2012223233
Silver Scoop Holdings LLC	Nishantha Vithana,Shermila Vithana	495 Prospect Ave	West Orange	NJ	07052	9737311592
Fun Rockaway, Inc.	Gayan Ondaatjie	321 Mount Hope Ave	Rockaway	NJ	07866	9735378200
Living Well Creamery, LLC	Michelle Soomi Jeong,Gyu Jeong	227 Bellevue Ave	Montclair	NJ	07043	9736551170
YAVA CREAMERY LIMITED LIABILITY COMPANY	Purvi Gandhi,Nirav Gandhi	4270 Dearborn Circle	Mount Laurel	NJ	08054	8562221806
Amazins, Inc.	Insiya Dhrolia,Mazahar Dhrolia	67 US Highway 9	Morganville	NJ	07751	7326172889
GPBR LLC	Rajeshkumar Patel	348 Ryders Ln	Milltown	NJ	08850	7324320300
Gopal & Prince LLC	Rajeshkumar Patel,Bhartiben	163 E Broad St	Westfield	NJ	07090	9085180044

	Patel					
Young Creations LLC	Suk Tae Choi,Yelin Derflinger	441 Broadway	Westwood	NJ	07675	2017220272
Amazins KP LLC	Mazahar Dhrolia,Insiya Dhrolia	3562 Route 27	Kendall Park	NJ	08824	7329512023
Nishukti Creamery LLC	Nishant.Dhruve, Mukti Vaidya	2111 State Route 35	Holmdel	NJ	07733	7326710606
Riyas Creamery Limited Liability Company	Purvi Gandhi	72 Princeton Hightstown Rd	East Windsor	NJ	08520	6094261509
MACAG Bedminster Partners LLC	Scott MacMillan,Richard Agnolet	428B Route 202-206	North Bedminster	NJ	07921	9082342727
Silver Scoop Chocolate LLC	Shermila Vithana,Nishantha Vithana	1930 State Route 57	Hackettstown	NJ	07840	9088509901
Wallach Family LLC	Jeffrey R. Wallach,Seymour J. Wallach,Iris P Wallach	304 Greentree Rd	Sewell	NJ	08080	8565822300
MACAG Flemington Partners LLC	Richard Agnolet,Scott MacMillan	325 US Highway 202	Flemington	NJ	08822	9087880770
LTC Foods, LLC	Ashwini Tikyani,Vimla Tikyani	651 Kapkowski Rd	Elizabeth	NJ	07201	9085587335
F Z Woodbridge Center LLC	Jack Zimmerman	250 Woodbridge Center Drive	Woodbridge Township	NJ	07095	7326022400
GURPAR GROUP INC	Vimla Tikyani,Ashwini Tikyani	1701 W Edgar Rd	Linden	NJ	07036	9085835146
J&J Association LLC	Jimmy.Barreau	1101 Morris Ave	Union	NJ	07083	9083553407
WILSON & PARTNER 2, LLC	John.Mondry,Assia.Wilson	321 Kellogg St	Jersey City	NJ	07305	5512253424
Frozen M&M LLC	Benjamin Mortensen,Kirby Mortensen	4917 E Main St	Farmington	NM	87402	5053255858
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	8100 Wyoming Blvd NE	Albuquerque	NM	87113	5057975552
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	3222 Central Ave SE	Albuquerque	NM	87106	5052653150
Rio Grande Creamery and	Cynthia Morales,Ricardo	2821 N Telshor Blvd	Las Cruces	NM	88011	5755223038

Foods, Inc.	Morales					
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	4959 Pan American Fwy NE	Albuquerque	NM	87109	5053454178
Chicago Scoops, LLC	Jonathan Shulkin,Tim Watkins,Antonio Gracias,Kyle Welch	3703 Ellison Rd NW	Albuquerque	NM	87114	5058999500
MGB Enterprises, LLC	Eugene Bush,Mercedes Baca Bush	2270 Main St NW	Los Lunas	NM	87031	5058657779
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	1121 Unser Blvd SE	Rio Rancho	NM	87124	5058910550
SARGON A Inc	Rainey Adam,Nadia Adam	1829 W Craig Rd	North Las Vegas	NV	89032	7024568407
Thomas-Rose LLC	Matthew Maltese,Devon Aurich	9350 W Sahara Ave	Las Vegas	NV	89117	7026845731
MEGHA INVESTMENTS, LLC	Purvi Megha,Jay Megha	9785 S Maryland Pkwy	Las Vegas	NV	89183	7024926811
Megha LLC	Purvi Megha,Jay Megha	7435 S Durango Dr	Las Vegas	NV	89113	7024698521
J K Ro Corp.	Jang Keun Ro	5841 E Charleston Blvd	Las Vegas	NV	89142	7024320022
Bibbings, LLC	Harry Bibbings	1311 W Sunset Rd	Henderson	NV	89014	7028989563
Bibbings, LLC	Harry Bibbings	6640 N Durango Dr	Las Vegas	NV	89149	7026854228
Shoppers C.S., Inc.	Chris Reynolds	273 E Plumb Ln	Reno	NV	89502	7753223110
R J Adams Group, INC.	Nadia Adam,Rainey Adam	75 E Horizon Ridge Pkwy	Henderson	NV	89015	7028689150
LN Place LLC	Nadia Adam	1121 S Decatur Blvd	Las Vegas	NV	89102	7028222378
SIP Empire Corporation	Justin Brigandi,Melissa Brigandi	9655 Carousel Ctr	Syracuse	NY	13290	3157012840
Queens Ice Cream Parlor, Inc.	Marilina DeNuptiis,Alfonso Valoroso,Susan Valoroso,Ernest J. DeNuptiis	17660 Union Tpke	Flushing	NY	11366	7185915800

Anmab Stone, Inc.	Rizwan Basit	3535 Hempstead Tpke	Levittown	NY	11756	5167963500
Scarsdale Creamery Corp.	Kanai Saha,Ahmed Iftekhar,Bipul Kumar Saha	993 Central Park Avenue	Scarsdale	NY	10583	9144720825
R & B Stone, Inc.	Rizwan Basit	6 Broadway	Lynbrook	NY	11563	5168875077
Golden Ice Cream LLC	Hui Wang Louie,Hui (Ann) Yan Shi Cregan	2341 Richmond Avenue	Staten Island	NY	10314	7189835700
Q and Q Unlimited, Inc	Abid A. Qureshi	2350 Middle Country Rd	Centereach	NY	11720	6314519301
Long Island Creamery, Inc	Ernest J. DeNuptiis,Marilina DeNuptiis,Alfonso Valoroso,Susan Valoroso	984 Franklin Avenue	Garden City	NY	11530	5167423656
FNMM Creamery Corp.	Bipul Kumar Saha	3165 Harkness Avenue	Brooklyn	NY	11235	7188911114
OUR FIRST CREAMERY INC.	Waliul Chowdhury,Arshad Khwaja	15714 Crossbay Boulevard	Howard Beach	NY	11414	7188436977
JMR Creamery, LLC	Steven Choi	25 Mamaroneck Avenue	White Plains	NY	10601	9142200160
South Shore Creamery, Inc.	Andre Espinola	255 Deer Park Avenue	Babylon	NY	11702	6315397570
MMM786 Creamery Corp	Mohammed Ali Razai,Akm Masud Hasan,Mustaque Ahmed	1475 Western Ave	Albany	NY	12203	5185142003
CSC Webster LLC	Allan (Lanny) Auchter	1028 Ridge Road	Webster	NY	14580	5856456445
James Hosung Lee	James Hosung Lee	499 N Service Rd	Patchogue	NY	11772	6312072174
Khalid and Sons Ltd.	Syed Khalid Rizvi,Syed Yawar Khalid	80 Route 6	Somers	NY	10505	9146210201
Endeavorinside LLC	Usman Syed,Syed Khalid Rizvi	11 Merritt Blvd	Fishkill	NY	12524	8458960200
Belstar Ice Cream Co., LLC	Michael Belvedere	2598 Steinway St	Long Island City	NY	11103	3473965251
Zileli LLC	Feridun Zilelioglu	64 Washington Ave	Pleasantville	NY	10570	9144094959
Endeavorinside LLC	Syed Khalid Rizvi,Sabahat Khalid	2020 South Road	Poughkeepsie	NY	12601	8452972027

KH - Corp	Dan Carriero	3464 Amelia Drive	Orchard Park	NY	14127	7168210800
Zareen786 Corp.	Bipul Kumar Saha,Mohammed Ali Razai,Akm Masud Hasan,Mustaque Ahmed	8028 Cooper Avenue	Glendale	NY	11385	7183863835
AKG Enterprise LLC	Amr Sherif,Ahmed Hassan	4700 Vestal Pkwy E	Vestal	NY	13850	6072177126
Elmhurst Creamery Corp.	Mohammed Ali Razai,Mustaque Ahmed,Bipul Kumar Saha,Kanai Saha,Ahmed Iftekhar	88-01 Queens Blvd	Elmhurst	NY	11373	7187600800
Atlantic Creamery Corp.	Bipul Kumar Saha,Kanai Saha,Ahmed Iftekhar	139 Flatbush Avenue	Brooklyn	NY	11217	7187892903
Mervin Harding	Mervin.Harding	2123 Ralph Ave	Brooklyn	NY	11234	3472273322
Razai, Mohammed Ali	Mohammed Ali Razai	350 W 42nd St	New York	NY	10036	6464540568
A & E Stone Inc	Rizwan Basit	750 W Sunrise Hwy	Valley Stream	NY	11581	5168880707
Golden Scoop LLC	Oscar.Mo,Hui (Ann) Yan Shi Cregan	2508 Hylan Blvd	Staten Island	NY	10306	9177915018
Quasy Bros Inc.	Adnan.Syed,Wasif.Quadri	297 N Broadway	Jericho	NY	11753	5163071100
Basit, Rizwan	Rizwan Basit	2154 Merrick Rd	Merrick	NY	11566	5166666660
Dayton Creamery Inc.	Faisal Hemani	1053 Miamisburg Centerville Rd	Dayton	OH	45459	9379512076
Midwest Creamery LLC	Faisal Hemani	3700 Rigby Road	Miamisburg	OH	45342	9372475977
Dayton Creamery Inc.	Faisal Hemani	135 Jasper Street	Dayton	OH	45409	9379526000
KAT ENTERPRISES, LLC	Andrea Watros,Kathryn Harr	1718 Hill Road North	Pickerington	OH	43147-8880	6148689801
Marsella LLC	James Markino,Michael Biasella	479 W Dussel Dr	Maumee	OH	43537	4194826610
D&SMK LLC	Slavica Milenkovski,Dime Milenkovski	1089 Polaris Pkwy	Columbus	OH	43240-2004	6145058999
MasterMind Tech, LLC	Sneham Bika Sanem,Divya	7038 Hospital Drive	Dublin	OH	43016	6147180333

	Ravula					
Vaikunta LLC	Suhasini Addagada,Girija Raman,Anjali Bodempudi,Krant hi Kantem	4826 Ridge Rd	Brooklyn	OH	44144	2163510223
Marsella LLC	Michael Biasella,James Markino	4966 Portage St NW	North Canton	OH	44720	3304943600
Marsella LLC	James Markino,Michael Biasella	48 Park Lane	Hudson	OH	44236	3306552990
Marsella LLC	James Markino,Michael Biasella	3900 Medina Rd	Fairlawn	OH	44333	3306654466
Saran Creamery, LLC	Jaswinder Singh	1187 Experiment Farm Rd	Troy	OH	45373	9373395769
D&SMK LLC	Slavica Milenkovski,Dime Milenkovski	762 N State St	Westerville	OH	43082	6148189031
DM Creamery LLC	Dimitar Jovanoski,Maja Jovanoski	101 Mill St	Gahanna	OH	43230-3013	6144758393
AEC 3RD STREET BOYZ LLC	Sriram Pendurthi,Sreevi dya Vegendla,Vamsi Lakhamraju	1776 Stringtown Road	Grove City	OH	43123	6148831710
Sarmento Enterprises, Ltd.	Mark Sarmento,Kimber ly Sarmento	4038 Talmadge Rd	Toledo	OH	43623	4192921925
Bison Creamery LLC	Christopher "Brett" Neely,Holly Neely	6815 Miller Ln	Dayton	OH	45414	9372649758
R Sweet Revenge, Inc.	Sandra Gray,Judy Chester,Michelle (Suzi) Kinn	1050 Interstate Ct	Findlay	OH	45840	4194245995
Hershy Enterprise, Ltd	Haribhakti Patel	3425 Princeton Rd	Hamilton	OH	45011	5138950687
Midwest Creamery LLC	Faisal Hemani	84 Chestnut Street	Dayton	OH	45440	9373209950
Marsella LLC	James Markino,Michael Biasella	1924 Niles Cortland Rd SE	Warren	OH	44484	3304695009
Loui USA LLC	Loui.Ridi	9140 Angola Road	Holland	OH	43528	4192140699
C&P Ice Cream LLC	Charles Hamm,Patti Hamm	1197 E 2nd St	Edmond	OK	73034	4053305878

A&K Ventures LLC	Ahmed Hassan,Mohamed Amin Mohamed Elhelw	315 S MacArthur Blvd	Oklahoma City	OK	73128	4057820738
Twin Scoop, L.L.C.	Rick Cruz,Rob Cruz	2227 NW 185th Ave	Hillsboro	OR	97124	5036458959
BA Enterprises, LLC	Blair Sundell-Bahrd,Ashleigh Sundell-Bahrd	635 Medford Ctr	Medford	OR	97504-6002	5417737963
The Haugen Corp.	Troy Haugen,Imelda Haugen	1044 NW Civic Dr	Gresham	OR	97030	5034915920
Twin Scoop, L.L.C.	Rick Cruz,Rob Cruz	3910 Center Street NE	Salem	OR	97301	5035852525
Twin Scoop, L.L.C.	Rick Cruz,Rob Cruz	7656 SW Nyberg St	Tualatin	OR	97062	5036922775
Rockport International Investment Corp.	Mumtaz Jaffer,Saleem Jaffer	2350 NW 9th St	Corvallis	OR	97330	5412864962
Woosh LLC	James Frank,Kolap Ung	4157 NW Highway 101	Lincoln City	OR	97367	5419965500
Twin Scoop, L.L.C.	Rick Cruz,Rob Cruz	12288 SW Scholls Ferry Rd	Tigard	OR	97223	5035907766
Tipster, LLC	Virginya Cook	1380 SW Canal Blvd	Redmond	OR	97756	5419239836
Twin Scoop, L.L.C.	Rob Cruz,Rick Cruz	2355 SE Tualatin Valley Hwy	Hillsboro	OR	97123	5035976038
TKEJ, LLC	Julie Johnsen,Eric Johnsen	6509 Robinson Center Dr	Pittsburgh	PA	15205	4127888380
Satyam and Poorna Creamery Inc	Jyothsna Chunduri,Balaji Chunduri	5072 Jonestown Rd	Harrisburg	PA	17112	7176711516
KP Chamsari LLC	Jong Hee Kim-Park,Seung D. Kim	321 E Beaver Ave	State College	PA	16801	8142726585
Sunshine Kulfi SH Inc	Aditya Sharma,Irfaan Mohammed,Kuldeep Singh	5800 Forbes Avenue	Pittsburgh	PA	15217	4124222291
KK FOOD LLC	Kevin Kalaria,Subhash Kalaria	160 N Gulph Rd	King of Prussia	PA	19406	6103377571
Stivali Inc	Matthew Baiada	1001 Baltimore Pike	Springfield	PA	19064	6103287600
Waheguru Ji Inc	Jasvir Kaur	2747 Papermill Rd	Reading	PA	19610	6106852780
KGN Stores Inc	Subhash Diwan-DECEASED,Shipra Diwan	110 Easton Road	Warrington	PA	18976	2153438925
Sunshine Kulfi WW Inc	Irfaan Mohammed,Kuld	1035 Freeport Rd	Pittsburgh	PA	15238	4127814710

	eep Singh,Aditya Sharma					
Lady Luck Creamery LLC	Elizabeth Zawilla	360 Millcreek Plz	Erie	PA	16565	8148642310
Eden's Magic Scoop Inc	Tony Truong,Eden Truong	3001 W Cheltenham Ave	Wyncote	PA	19095	2158850560
T.J.E.L. Investment II, LLC	Tony Truong	4013 Welsh Road	Willow Grove	PA	19090	2677817226
Nirav Gandhi & Purvi Gandhi	Nirav Gandhi,Purvi Gandhi	140 E Street Rd	Feasterville Trevose	PA	19053	2153572225
Two Sisters Creamery LLC	Nirav Gandhi,Purvi Gandhi	3 Montage Mountain Rd	Moosic	PA	18507	5704140330
SHANAYA CREAMERY CORP	Ronak Patel,Abhinav Patlolla,Mukundbhai Patel,Kunalkumar Patel	2530 Aramingo Ave	Philadelphia	PA	19125	2157394168
ESM Creamery Corporation	Bernard Rodgers,Susan Rodgers	2530 Greengate Centre Circle	Greensburg	PA	15601	7242193629
R & C Creamery, Inc.	Carlos Perez,Ricardo Perez,Miguel Perez	Highway PR-52 Bo. Canabon, Las Catalinas Cinemas Mall	Caguas	PR	00725	7877059739
Stone of Grace, Inc.	Manuel Baez Perez,Kayra Rivera Martinez	19 Olympic Plaza Shopping Ctr	Las Piedras	PR	00771	7877337777
Ramos, Jose A. and Jose E.	Jose A Ramos,Jose E Ramos	245 Manati Gdns	Manati	PR	00674	7878849696
The Creamery Shop Corporation	John Torres Alvarez,Marilyn Molina	1046 Avenida Hostos	Ponce	PR	00716	7872903400
R & C Creamery, Inc.	Ricardo Perez,Carlos Perez,Miguel Perez	Caribbean Cinema Bldg, Bo Los Frailes, Calle D y E, Plaza Guaynabo	Guaynabo	PR	00969	7877902829
Betancourt, Ismael	Ismael Betancourt	65 De Infanteria Ave, Store 8, Escorial Shopping Village	Carolina	PR	00924	7877683723
JR Acquisition Corp.	Jose A Ramos,Jose E Ramos	Condominio Reina de Castilla, Paseo Portuario Old San Juan	San Juan	PR	00901	7877212653
O.B.Y. Creamery, Inc.	Osvaldo Pavon Colon,Yvonne Morales	Building 1, Suite 1, Plaza Rio Hondo Shopping Center	Bayamon	PR	00921	7877951103

R & C Creamery, Inc.	Miguel Perez,Carlos Perez,Ricardo Perez	Carr. 2, Km 54.6, Int Carr 140, Bo. Manati Abajo	Barceloneta	PR	00617	7878462233
O.B.Y. Creamery, Inc.	Yvonne Morales,Osvaldo Pavon Colon	6150 Ave Isla Verde #2	Carolina	PR	00979	7877912436
Esmeraldas Ice Cream Inc.	Ismael Betancourt	Carretera 3, Local 8 Los Colobos, Monte Real Shopping Center	Carolina	PR	00979	7872571652
GBP Creamery, Inc.	Jose Martinez,Nydia Martinez	Carr. 2, Km 158, Plaza Sultana Shopping Center	Mayaguez	PR	00680	7878062653
The Creamery Brothers Corp.	Jose E Ramos,Jose A Ramos	506 Calle Truncado	Hatillo	PR	00659	7878816262
The Creamery Parlor Corporation	John Torres Alvarez,Marilyn Molina	BO FELIXIA Carr #153, Bo Felixia 2, Int Carr 542, Plaza Del Prado Shopping Center	Santa Isabel	PR	00757	7878451352
JR Acquisition Corp.	Jose E Ramos,Jose A Ramos	Montehiedra Town Center, Local FC0109 Ave.	San Juan	PR	00926	7877202653
EMPRESAS DIAZ MARTINEZ INC.	Carlos.Diaz,Alberto.Martinez	Road PR54 - KM 0.6	Guayama	PR	00784	7874960123
Chicago Scoops, LLC	Tim Watkins,Antonio Gracias,Jonathan Shulkin,Kyle Welch	1000 Chapel View Blvd	Cranston	RI	02920	4019431172
BHIG's ICE CREAM, LLC	Rebecca Haik,Ian Greene	143 Franklin Street	Westerly	RI	02891	4015962653
Sir Scoop-A-Lot, LLC	Jason Hill,Jessica Hill	1939 W Palmetto St	Florence	SC	29501	8436615911
Pellegrino & Sons LLC	David Pellegrino,Elizabeth Pellegrino	1130 Celebrity Cir	Myrtle Beach	SC	29577	8436267801
Jeffcoat Creamery LLC	Brandon Jeffcoat,Bryon Jeffcoat	914 N Lake Dr	Lexington	SC	29072	8039512353
Jeffcoat Creamery LLC	Brandon Jeffcoat,Bryon Jeffcoat	7250 Rivers Ave	North Charleston	SC	29406	8438182218
Pellegrino & Sons LLC	David Pellegrino,Elizabeth Pellegrino	10740 Kings Road	Myrtle Beach	SC	29572	8432130100
Cooler Upstate, LLC	Robyn Nutzman,Chad Eads,Isabel McLean	1125 Woodruff Rd	Greenville	SC	29607	8642882464

Atkinson, Edward	Edward Atkinson	285 Columbiana Dr	Columbia	SC	29212	8037326226
Pellegrino & Sons LLC	Elizabeth Pellegrino,David Pellegrino	4008 Deville St	Myrtle Beach	SC	29577	8432382663
A&F LLC	Arooj.Akram,Raja.Akram	1329 Broadcloth Street	Fort Mill	SC	29715	8035473102
Huan Nguyen, Individual	Huan.Nguyen	1223 Knox Ave	North Augusta	SC	29841	8036136053
Colonial Creamery, Inc.	Cindy Reesman,Edward Reesman	2425 S Shirley Ave	Sioux Falls	SD	57106	6052750085
Black Hills Creamery, Inc.	Ronald Kirkpatrick	1925 W Main St	Rapid City	SD	57702	6057160999
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	782 Old Hickory Blvd	Brentwood	TN	37027	6156618876
Sweet Dreams, LLC	Rita McCay	100 Chestnut Street	Chattanooga	TN	37402	4232670888
Naturally Fun Creations LLC	James Hendrick,Annettte Hendricks	1780-C Tiny Town Rd	Clarksville	TN	37042	9316470202
Naturally Fun Creations LLC	Annettte Hendricks,James Hendrick	1839 Madison St	Clarksville	TN	37043	9319192919
Chicago Scoops, LLC	Jonathan Shulkin,Kyle Welch,Tim Watkins,Antonio Gracias	6702 Charlotte Pike	Nashville	TN	37209	6158525998
P & K Investments, LLC	Kristen Knutson,Philip Knutson	1408 Texas Ave S	College Station	TX	77840	9796931702
D&P Ice Cream, L.L.C.	Debbie Deininger,Paul Deininger	11851 Bandera Rd	Helotes	TX	78023	2103729730
SHRI Modheshwari Corp Inc.	Kamlesh Hiralal Modi,Jagruti Kamlesh Modi	2115 Summer Lee Dr	Rockwall	TX	75032	9727222589
KANISHKA ENTERPRISES LLC	Anita Gambhir,Nishma Bains,Ashutosh Paul	4062 N US Highway 75	Sherman	TX	75090	9038913832
Winfield Family Interests LLC	Woodrow Winfield, Jr,Phillip Winfield	10645 Broadway St	Pearland	TX	77584	7134369989
Texas Creamery LLC	Ahmed Zakiuddin,Yusuf Vajihuddin	17337 Spring Cypress Rd	Cypress	TX	77429	2812567735
DAWNTODUSK COFFEE LLC	Vijayabalan.Babu,Chitra.Babu	4228 Saint Michael Dr	Texarkana	TX	75503	9038382653

Moca Creamery, Ltd.	Jesus Leonel ("Leo") Moreno,Delia Moreno	7017 N 10th St	McAllen	TX	78504	9569929101
V&L Creamery, LLC	Lorena Vidaurri,Victor Vidaurri	8215 University Ave	Lubbock	TX	79423	8067487000
Rio Grande Creamery and Foods, Inc.	Ricardo Morales,Cynthia Morales	1830 North Zaragosa Rd	El Paso	TX	79936	9158567722
D&P Ice Cream, L.L.C.	Debbie Deininger,Paul Deininger	17503 La Cantera Pkwy	San Antonio	TX	78257	2105612776
MM Legacy, LLC	David Miller,LaSherea Miller	7917 Pat Booker Road	Live Oak	TX	78233	2109469700
Rio Grande Creamery and Foods, Inc.	Ricardo Morales,Cynthia Morales	7040 N Mesa St	El Paso	TX	79912	9155813993
Gregory Cropp	Greg Cropp	10555 Gateway Blvd W	El Paso	TX	79925	9155907700
RKTAUS, LLC	syed ahmed	4249 Southwest Dr	Abilene	TX	79606	3256919337
V&L Creamery, LLC	Lorena Vidaurri,Victor Vidaurri	2333 S Georgia St	Amarillo	TX	79109	8063318032
Moriarty Creamery, LLC	Tim Moriarty,Kathleen Moriarty	3900 Arlington Highlands Blvd	Arlington	TX	76018	8174657111
Moriarty Creamery ATC, LLC	Tim Moriarty,Kathleen Moriarty	2948 Texas Sage Trl	Fort Worth	TX	76177	8177419007
MAAC International LLC	Vincent Neal Tyner,Preetkamal Tyner,Aldo Zamora	3230 Pablo Kisel Blvd	Brownsville	TX	78520	9566211050
Trinity Sweets LLC	Qian Wang,Liang "Leo" Kong,Tiehui.Wang,Chao Gao,Lea Yin	29040 US-290	Cypress	TX	77433	2812132257
Northeast Asia Investment Management, LLC	Qian Wang,Liang "Leo" Kong,Tiehui.Wang	2162 Spring Stuebner Rd.	Spring	TX	77389	2817715999
Martha Robbins and David De La Paz	Martha.Robbins, David.De-La-Paz	620 US Hwy 287 N Frontage Rd	Mansfield	TX	76063	4698229390
RHEY-CSC, LLC	Vinay.Calyampoondi,Padma Venkatrangan	410 W Southlake Blvd	Southlake	TX	76092	8174103872
DAWNTODUSK COFFEE LLC	Vijayabalan.Babu,Chitra.Babu	6561 Riverside	Irving	TX	75039	2144960781

DAWNTODUSK COFFEE LLC	Chitra.Babu,Vijayabalan.Babu	3259 Preston Rd	Frisco	TX	75034	9722945440
RHEY-CSC 2 LLC	Vinay.Calyampoondi,Padma Venkatrangan	5615 Colleyville Blvd	Colleyville	TX	76034	8175764669
KA GROUP LLC	Amr Eleish,Omar Elkerdany	110 N Interstate Hwy 35	Round Rock	TX	78681	5124284205
Acharya, Daxesh & Swati	Daxesh.Acharya, Swati Acharya	1750 N Loop 1604 E	San Antonio	TX	78232	2104449801
Tyner, Vincent and Tyner, Preetkamal	Vincent Neal Tyner,Preetkamal Tyner	500 W Business 77	San Benito	TX	78586	9566261621
Rio Grande Creamery and Foods, Inc.	Cynthia Morales,Ricardo Morales	12261 Eastlake Blvd	El Paso	TX	79928	9152342306
Torres, Christopher and Danielle	Danielle.Lucky,Christpher.Torres	5321 The Station Blvd	Sachse	TX	75048	4693040583
J&B Sweet Treats LLC	Bryan.Wisnoski,Jessica.Wisnoski	449 S Loop 336 W	Conroe	TX	77304	9364940670
Gutha, Ashok	Ashok.Gutha	1710 FM 423	Frisco	TX	75034	9722929497
Tyner, Vincent and Tyner, Preetkamal	Vincent Neal Tyner,Preetkamal Tyner	736 E IH-2	Weslaco	TX	78596	9563515247
Saikrupa Anna LLC	Mukeshkumar.Patel,Anilkumar Mistry	628 West White St	Anna	TX	75409	4694251001
Cold Co LLC	Melanie Leishman,Greggory Peck	2302 N University Pkwy	Provo	UT	84604	8013734703
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	7040 S Union Park Avenue	Midvale	UT	84047	8015691009
Price, Lane & Jana Jenson	Lane A. Price,Jana Jenson-Price	273 W 500 S	Bountiful	UT	84010	8012942750
TLDP Ventures LLC	Terry Walker	10493 S Redwood Rd	South Jordan	UT	84095	3853371010
Stone Cold Confections - Logan, LC	Josh Christensen,Eldon Haacke	505 E 1400 N	Logan	UT	84341	4357533339
DCS Creamery, LC	Donald (Seth) Paxman	62 E 12300 S	Draper	UT	84020	8015530802
Sweet Indulgence, INC	Stephen Bracken,Joy Bracken	575 University Mall	Orem	UT	84057	3852412182
Red Emerald Equity LLC	Donald Webb,Tamara Webb,Mark.Hatch,Errolyn.Hatch	456 E State Rd	American Fork	UT	84003	8017637540

Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	320 N Main St	Spanish Fork	UT	84660	8017942558
The Sweet Place LLC	Bart Place,Jolyn Place,Chase Place,Audra Place,Dalton Place	936 North Main Street	Layton	UT	84041	8014440701
GOBOGH, Inc.	Jared Glazier,DeWayne Glazier	3781 West Center Park Drive	West Jordan	UT	84084	8012803054
Glazier, Jared	Jared Glazier	5287 South State Street	Murray	UT	84107	8012700801
Sunset Breaks LLC	Matthew Jacobson	245 Red Cliffs Dr	St. George	UT	84790	4356889609
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	6030 Market St	Park City	UT	84098	4355750287
RBC Ice Cream, LLC	Becky Christensen,Robin Christensen	1191 E Main St	Price	UT	84501	4356132653
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	1197 N Main St	Tooele	UT	84074	4352280120
RKPearson Enterprises LLC	Russell Pearson,Karilynne Pearson	1820 West Highway 40	Vernal	UT	84078	4357816349
WEBB GROUP I, LLC	Donald Webb,Tamara Webb,Brittany Moreno,Raul Moreno	1376 North Redwood Rd	Saratoga Springs	UT	84045	8013418470
Chicago Scoops, LLC	Antonio Gracias,Jonathan Shulkin,Tim Watkins,Kyle Welch	2126 S Highland Dr	Salt Lake City	UT	84106	8014851203
Chicago Scoops, LLC	Tim Watkins,Kyle Welch,Antonio Gracias,Jonathan Shulkin	11585 S District Dr	South Jordan	UT	84095	8017901010
The Sweet Place LLC	Bart Place,Jolyn Place,Chase Place,Dalton Place,Audra Place	175 25th St	Ogden	UT	84401	3853334731
The Sweet Place LLC	Jolyn Place,Chase Place,Audra	1917 W 1800 N	Clinton	UT	84015	3853937071

	Place,Dalton Place,Bart Place					
Rashid CSC Inc.	Mohammad Rashid	550 Oyster Point Rd	Newport News	VA	23602	7572690550
Ramji LLC	Shital Patel,Hinaben Patel	11952L Fair Oaks Mall	Fairfax	VA	22033	7032183445
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	5860 Harbour View Blvd	Suffolk	VA	23435	7576869010
Lima Mitchell LLC	Lucas Mitchell,Amy Mitchell	1169 Nimmo Pkwy	Virginia Beach	VA	23456	7575638288
Ace of Spades, L.L.C.	Phillip Combest,Deborah Combest	228 Central Park Avenue	Virginia Beach	VA	23462	7574977555
Jeff Roth, Inc.	Jeffrey M. Roth	13261 Rittenhouse Dr	Midlothian	VA	23112-6245	8047447999
Cool Delights LLC	Melva Pinn-Bingham,Leon Bingham	1986 Power Plant Pkwy	Hampton	VA	23666	7578262190
Park, Soon Chun	Soon Chun Park	11800 W Broad St	Richmond	VA	23233	8043643330
Donald Investment Corporation	Jeffrey Donald,Clara Donald	2077 Lynnhaven Pkwy	Virginia Beach	VA	23456	7574716400
SJ SCOOPS LLC	Romil Mehta,Dharikkumar Patel	9982 Brook Rd	Glen Allen	VA	23059-6501	8042625490
Country Treats Incorporated	Heather McGuinness,Michael McGuinness	8113 Sudley Road	Manassas	VA	20109	7033307722
Kennvi LLC	Madhusudhan Gorantla,Sudha Narra,Pavan Pendyala,Venkata Yeramati	1013 Edwards Ferry Rd NE	Leesburg	VA	20176	7037719060
SK1, LLC	Sanjay Kapoor	836 Eden Way N	Chesapeake	VA	23320	7573533222
SKS Norfolk, LLC	Lucas Mitchell,Amy Mitchell	520 W 21st St	Norfolk	VA	23517	7577472000
Captain Bobs Ice Cream Extravaganza, LLC	Su Fischer	1220 Alverser Plz	Midlothian	VA	23113	8044232653
AXM Investments LLC	Ajaz Shaikh,Almas Hasan,Mobin Sayed	239 Swamp Fox Rd	Alexandria	VA	22314	7033294066

SYDLEY Christiansburg, LLC	Anthony Dayyani	2445 N Franklin St	Christiansburg	VA	24073	5402514024
Quality Creamery LLC	Terrance Knight	939 W Broad St	Richmond	VA	23220	8043426006
Country Treats Incorporated	Michael McGuinness,Heather McGuinness	7372 Atlas Walk Way	Gainesville	VA	20155	7037531143
YASUVI LLC	Sudhir Raj Pandey,Yojana Pandey	147 Alexandria Pike	Warrenton	VA	20186	5403498077
Onemil Development, LLC	Anthony Dayyani	2200 Crystal Dr	Crystal City	VA	22202	7034182223
JL Woodbridge, LLC	James Shiao	2449 Prince William Pkwy	Woodbridge	VA	22192	7034999980
PPS Incorporated	Sadda Pallavi,Satyashyam Gaddam,Praveen Bobbasani	13027 Worldgate Drive	Herndon	VA	20170	7034816501
NJ Creamery, LLC	Niraj Hemrajani	8190 Strawberry Ln	Falls Church	VA	22042	7039929805
Kennvi LLC	Pavan Pendyala,Madhusudhan Gorantla,Sudha Narra,Venkata Yeramati	22025 Dulles Retail Plaza	Dulles	VA	20166	7034446723
Gunatit Creamery, LLC	Chandresh Patel,Nita Patel,Sachin Patel	42385 Ryan Rd	Ashburn	VA	20148	7033275595
Park, Soon Chun	Soon Chun Park	9320 W Broad St	Richmond	VA	23294	8042179555
Light of Life, LLC	Chris Howard Andrew	9917 Southpoint Pkwy	Fredericksburg	VA	22407	5408340595
Ridhi Shivani Sweets LLC	Parmeshwor Acharya,Kiran Regmi	3911 Wards Rd	Lynchburg	VA	24502	4342378383
Everbloom LLC	Ji Young Min	7702B Richmond Hwy	Alexandria	VA	22306	7037170781
Shyam Creamery, LLC	Niraj Hemrajani	5705 Burke Centre Pkwy	Burke	VA	22015	7032503002
Parkhead Assets Inc.	Michael McGuinness,Heather McGuinness	45999 Regal Plz	Sterling	VA	20165	5713232777
B.K.J. Food LLC	Baihe Tian,Jun Li	1709 Emmet St N	Charlottesville	VA	22901	4345296834
Westchester Creamery, Inc.	Mohammed.Karim,Abdellah Marhoum,Mohammed Haque	6681 Backlick Rd	Springfield	VA	22150	5713696885

Asma and Fawad Ashraf	Asma.Ashraf,Fawad.Ashraf	4615 Monticello Ave	Williamsburg	VA	23188	7578086521
HYM LLC	Nashwan Talib	16434 Navigation Dr	Woodbridge	VA	22191	5712852723
Kabani, Rosmin	Rosmin.Kabani	19825 Belmont Chase Dr	Ashburn	VA	20147	7038571446
Tian, Baihe & Li, Jun	Baihe Tian,Jun Li	365 Merchant Walk Square	Charlottesville	VA	22902	4342022527
Chester Ice Cream LLC	Karan.Patel,Chintan.Patel	12760 Jefferson Davis Hwy	Chester	VA	23831	8043181109
ADDIBELL COMPANY LLC	James.Keating,Amber.Keating	1291 Carl D Silver Pkwy	Fredericksburg	VA	22401	5405489018
Timberline Cool Treats LLC	Justin Kennedy,Stephanie Kennedy	15600 NE 8th St	Bellevue	WA	98008	4259570333
Tanner CSC LLC	Jason Tanner,Rory Ann Tanner	9502 N Newport Hwy	Spokane	WA	99218	5094661699
Timberline Cool Treats LLC	Justin Kennedy,Stephanie Kennedy	7345 164th Ave NE	Redmond	WA	98052	4254978484
Lee & Cho LLC	Brandon Cho,Soon Jai Cho Oh	17304 Southcenter Pkwy	Tukwila	WA	98188	2539813566
Tanner CSC LLC	Rory Ann Tanner,Jason Tanner	3011 E 29th Ave	Spokane	WA	99223	5095367199
MHZ LLC	Shahed Akbar,Mohamad Gulimrose	6100 E Lake Sammamish Pkwy SE	Issaquah	WA	98029	4254272723
EKO Enterprises LLC	Gagandeep Oberoi	3000 184th St SW	Lynnwood	WA	98037	4256731484
YCTJ Creamery Corp	Charles Cho,Yu Kyung Cho	13333 Meridian Avenue E	Puyallup	WA	98373	2538452000
11 LLC	Raj Dhrolia,Jagdishkumar Patel	15415 Main St	Mill Creek	WA	98012	4253373200
Oh Mokpo LLC	Steve Oh	2430 S 319th Pl	Federal Way	WA	98003	2538399400
CSC Lakewood LLC	Jagdishkumar Patel,Raj Dhrolia	10417 Gravelly Lake Dr SW	Lakewood	WA	98499	2535898646
Singh Investments Inc	Harpreet Kaur,Satvir Singh Arora	3910 Factoria Blvd SE	Bellevue	WA	98006	4255622700
Chill Out LLC	Jeremy Annillo,Sarah Annillo	17017 SE 270th Pl	Covington	WA	98042	2536380880
CSC Lacey LLC	Jagdishkumar Patel,Raj Dhrolia	1350 Marvin Rd NE	Lacey	WA	98516	3604563640
RS Creations LLC	Kamaljit Sekhon,Taranjit Sekhon,Parmind	16822 Twin Lakes Ave	Marysville	WA	98271	3606521732

	er Rai,Rajinder Rai					
KE VENTURES LLC	Amr Eleish,Omar Elkerdany	9601 Mickelberry Rd NW	Silverdale	WA	98383	3606927719
Chill Out LLC	Jeremy Annillo,Sarah Annillo	504 Ramsay Way	Kent	WA	98032	2538540122
CYTJ Creamery Corp	Yu Kyung Cho,Charles Cho	900 Front St	Leavenworth	WA	98826	5095487500
Chicago Scoops, LLC	Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	6935 75th St	Kenosha	WI	53142	2629488112
A&Y Group LLC	Ahmed Hassan,Mohamed Amin Mohamed Elhelw	2101 S Oneida St	Green Bay	WI	54304	9204299992
Magical Treats and Sweets LLC	Raquel Charrois	326 State Highway 13	Wisconsin Dells	WI	53965	6082532220
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	2928 Market Pl	Onalaska	WI	54650	6087831381
Casual Cuisine Concepts, LLC	Ellen Brown,Duane Brown,Cynthia Wetzel	3420 E Calumet St	Appleton	WI	54914	9209549865
Four Dips, LLC	Scott Knepper	4613 Keystone Crossing	Eau Claire	WI	54701	7158318482
Chicago Scoops, LLC	Kyle Welch,Tim Watkins,Antonio Gracias,Jonathan Shulkin,Kyle Welch,Jonathan Shulkin,Tim Watkins,Antonio Gracias	2935 S 108th St	West Allis	WI	53227	4145413888
Chicago Scoops, LLC	Antonio Gracias,Kyle Welch,Jonathan Shulkin,Tim Watkins	2900 Deerfield Dr	Janesville	WI	53546	6083050489
Grey Man Group LLC	Michael Misun	3546 Washington Ave	Sheboygan	WI	53081	9202263032
Griffiths Sundaes & Cones LLC	Brian Griffiths,Nicole Griffiths	859 W Main St	Lake Geneva	WI	53147	2622494900
4May Partners L.L.C.	Malek Deeb	101 Division Street	Stevens Point	WI	54481	7155440588
Chicago Scoops, LLC	Antonio Gracias,Jonathan	1005 Pearson Drive	Hudson	WI	54016	7153819899

	Shulkin,Kyle Welch,Tim Watkins					
Caddy LLC	Eman Hala,Shaker Elnagar	1650 Deming Way	Middleton	WI	53562	6088310332
Double Jade, LLC	Yunhong Zan,Jilin He	2970 Cahill Main	Fitchburg	WI	53711	6082770769
AK TRADE LLC	Omar Elkerdany,Amr Eleish	356 High Street	Morgantown	WV	26505	3042922653
Beasley Enterprises LLC	Daniel Beasley,Nathania l Beasley	10 Pullman Square	Huntington	WV	25701	6812045945
Wheeling Creamery Inc	Tony Truong,Eden Truong	44 Fort Henry Road	Wheeling	WV	26059	3045479292
Kodru Food and Drink Holdings LLC	Kishore Kodru,Omsrikrish na Muvva,Pavanku mar Guthikonda,Saty ajee Chigurupati	2316 Dell Range Blvd	Cheyenne	WY	82009	3076389293
T.L.C. Creamery LLC	David Medlock,Jill Medlock	939 E 2nd St	Casper	WY	82601	3072373960

Cold Stone Creamery Franchisees who have signed Franchise Agreements but whose stores were not open as of November 30, 2022~~2~~3:

Franchise Company	Owners	Address	City	State	Phone	Owner Emails
ACBR INC	Chris Reynolds	TBD	Reno	NV	775-826-2070	chrisreynolds33@gmail.com
SFOUR LLC	Venkata.Voona, Srinivasa.Rao Korada,Srinivas a.Andhavarapu, Satya.Malla				301-685-3328	vvcnu@yahoo.com, koradasrinu@yahoo.com,andhavarapu123@yahoo.com,mallasn@yahoo.com
Large Capital LLC	Ehab.Hosny	TBD	Orlando	FL	813-220-1589	ehabhosny@msn.com
Kamlesh Modi and Jagruti Modi	Kamlesh Hiralal Modi,Jagruti Kamlesh Modi	TBD	Plano	TX	972-276-0008	anki_5226@hotmail.com
Mohammed Karim Individual	Mohammed.Karim		Washington	DC	202-600-0860	rkarim79@gmail.com
Kamal Hossain	Kamal.Hossain	14806 Narcoossee	Orlando	FL	313-6320257	kamalhossain32@gmail.com

Individual		Rd				
Shri Aarna Investments LLC	Rochan Goswami				(928) 856-7080	cscflagstaff14@gmail.com
Waheguru Ji Inc	Jasvir Kaur	2319 Lincoln Hwy E	Lancaster	PA	717-314-3531	Kooner.inc@gmail.com
Nancy and Kent Lee Individuals	Kent Lee,Nancy Lee				208-324-2676	magicstonecreamery@hotmail.com,4iamyoda@gmail.com
KESHAVJIVANS COLD SERVES AND DESSERTS LLC	Divyan Patel				321-695-8291	divflyn@yahoo.com
Null	William Sweis,Gassab Sweis	25217 Evergreen Road	Southfield	Michigan	313-477-8433	bsweis1@gmail.com,gsweis1@gmail.com
Divyan Patel	Divyan Patel				321-695-8291	divflyn@yahoo.com
Susan and Bernard Rodgers	Bernard Rodgers,Susan Rodgers				724-836-6265	BUCKRODGE@aol.com,susanrodgers@tprsold.com
Marie and Salvatore Chioda	Marie.Chioda,Salvatore.Chioda	1723 S 2nd St	Gallup	NM		weloveicecream702@gmail.com,sammychioda@gmail.com
Lutz Creamery Inc	Deepal.Patel,Jitendra.Patel	TBD	Lutz	FL	781-526-4760	djpatel_in@yahoo.com,deeya04@yahoo.com
Bismillah 786 LLC	Zahid.Hussain,Sadaf.Ambreen	TBD	Kenner	LA	504-931-9233	planetsmoothienola@gmail.com,boosthouma@yahoo.com
Happy Foods USA Inc.	Brinderjit Dhaliwal	2160 Grass Valley Rd	Auburn	CA	916-616-2800	arco42519@gmail.com
Patel, Anish	Anish Patel				256-288-7582	anishpatel6@gmail.com
DOLAN VENTURES, LLC	Cody.Dolan,Erika.Diaz,Edward.Dolan,Juliet.Dolan	TBD	Port Saint Lucie	FL	(561) 676-1550	dolan.ventures@gmail.com,samytinamex@hotmail.com,disciplecf64@gmail.com,julietidolan@gmail.com
Khaim, Peter	Peter.Khaim	TBD	Queens	NY		consultinggroup910@gmail.com
Shafique, Faisal & Yasir,Ahmad	Faisal.Shafique, Ahmad.Yasir		Del Ray	FL		tacklepromotions@gmail.com,ahmad_yasir@hotmail.com

Shafique, Faisal & Yasir,Ahmad	Faisal.Shafique, Ahmad.Yasir		Boca Raton	FL		tacklepromotions@gmail.com,ahmad_yasir@hotmail.com
JKCI VALRICO CORPORATION	Kelly Cook,Joshua Cook		Lakewood	FL		underwaterhunter77@gmail.com,jkcinvestments15@gmail.com
Umaru, Olatunji	Olatunji.Umaru		Upper Marlboro	MD		coldstone23477@gmail.com
V&L Creamery, LLC	Victor Vidaurri,Lorena Vidaurri	7406 SW 34th Ave	Amarillo	TX	806-200-4368	1stophic@gmail.com
Barvaliya, Hitesh	Hitesh Barvaliya		Leigh Acres	FL		barvaliyahitesh@yahoo.com
Barvaliya, Hitesh	Hitesh Barvaliya		Bonita Springs	FL		barvaliyahitesh@yahoo.com
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Dattani Sarasota Inc.	Vijay.Dattani		Sarasota	FL		vijay@dattanicorp.com
Dattani Creamery Inc.	Vijay.Dattani		Poinciana	FL		vijay@dattanicorp.com
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Hanneman, Jason	Jason.Hanneman		Burlingame	CA		jason.hanneman@gmail.com
RAP'S ICE CREAM CORPORATION	Rusviben.Patel, Pinakin.Patel,Annie.Patel	6925 S Franklin Road	Indianapolis	IN		pinasvi819@gmail.com,pinakinpatel1991@gmail.com,anniepatel8@gmail.com

EXHIBIT X-1

TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

COLD STONE CREAMERY
STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

California	~~March 28, 2024~~Pending
Hawaii	Pending
Illinois	Pending~~March 28, 2023~~
Indiana	Pending~~March 28, 2023~~
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending~~March 28, 2023~~
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT Y

TO THE FRANCHISE DISCLOSURE DOCUMENT

Receipts

RECEIPT #1

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kahala Franchising, L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If Kahala Franchising, L.L.C. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit B.

The franchisor is Kahala Franchising, L.L.C., located at 9311 E. Via De Ventura, Scottsdale, Arizona 85258. Its telephone number is (480) 362-4800. The franchise seller for this offering is _____, _____, (___) _____.

Issuance date: March 28, 2023~~3~~4.

Kahala Franchising, L.L.C. authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a Cold Stone Creamery Disclosure Document dated March 28, 2023~~3~~4, that included the following Exhibits:

A	State Addenda to Franchise Disclosure Document	M	Lease Guaranty Acknowledgement
B	Directory of State Agencies and Administrators	N	Lease Review and/or Negotiation Agreement and Release and State Addenda
C	Franchisor's Agent for Service of Process	O-1	Sublease and Guaranty of Sublease (Franchisee pays rent directly to Landlord)
D	Asset Purchase Agreement (For Sale of a Corporate Store to a Franchisee) with Promissory Note Security Agreement and Guaranty (if applicable)	O-2	Sublease and Guaranty of Sublease (Franchisor or its affiliate collects rent from Franchisee and pays to Landlord)
E-1	Franchise Agreement (New)	P	Pre-Authorized Electronic Funds Transfer Form
E-2	Franchise Agreement (Renewal)	P-1	Participation Agreement
E-3	Franchise Agreement (Transfer)	Q	General Release for Renewal of Franchise Agreement
F-1	Guaranty of Franchise Agreement	R-1	Consent to Transfer and Release Agreement (without Sublease)
F-2	Non-Disclosure and Non-Competition Agreement	R-2	Consent to Transfer and Release Agreement (with Sublease)
G	Collateral Assignment and Irrevocable Special Power of Attorney	S	State Specific Addenda to Franchise Documents
H	Amendment to Franchise Agreement (for non-traditional locations excluding those co-branded with another affiliated brand)	T	Table of Contents – Confidential Operations Manual
H-1	Rocky Mountain Chocolate Factory Addendum to Franchise Disclosure Document and Amendment to Franchise Agreement	U	List of Franchise Owners
I	Amendment to Franchise Agreement (for co-branded non-traditional locations)	V	Financial Statements
J	In-Store Training Release and Waiver of Liability Agreement	W	Performance Guaranty
K	Addendum to the Franchise Agreement for SBA Loans	X	Addendum for Sale of Company-Affiliated Owned Stores
L	Required Lease Terms (Lease Addendum to Lease Agreement)	X-1	State Effective Dates
L-1	RMCF Required Lease Terms (Lease Addendum to Lease Agreement)	Y	Receipts

Date: _____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

Receipt #1 must be signed and dated and remains in the Franchise Disclosure Document as the prospective franchisee's copy. Receipt #2 must be signed and dated by the prospective franchisee and returned to Kahala Franchising, L.L.C. by mailing it to Kahala Franchising, L.L.C. at 9311 E. Via De Ventura, Scottsdale, Arizona 85258.

RECEIPT #2

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kahala Franchising, L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If Kahala Franchising, L.L.C. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit B.

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(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

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