

FRANCHISE DISCLOSURE DOCUMENT



BRUSTER'S Limited Partnership
a Pennsylvania partnership
730 Mulberry Street • Bridgewater, PA 15009
Telephone: 724.774.4250
E-mail: kellis@Bruster's.net
Web: www.Bruster's.com

Bruster's Real Ice Cream franchises are retail ice cream stores that offer premium ice cream, sherbet, Italian ices and related products. The products are made fresh on site every day.

The total investment necessary to begin operation of a Bruster's franchised business is between ~~\$409,033~~ \$414,900 and \$2,644,669,060 (~~\$409,033~~ — \$414,900 to ~~\$1,118,100~~ \$244,700 to operate an end-cap location and ~~\$1,202,620~~ \$215,120 to ~~\$2,644,669,060~~ to operate a free-standing location). This includes \$41,650 that must be paid to the franchisor or an affiliate. We will discount the initial franchise fee by 50% for US veterans. We also offer a 50% discount on the initial fee for franchisees in good standing that sign a franchise agreement for an additional franchised store.

If you wish to sign a development agreement, then the total investment needed to begin operation would be multiplied by the number of units that you agree to open, after applying the discounted initial franchise fee. (As an example, for a 3-unit development agreement, the total investment would be ~~\$1,227,099~~ \$244,700 to ~~\$3,314,300~~ \$391,100, which includes \$64,950 to \$84,950 that must be paid to the franchisor or an 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 Kimberly Ellis, 730 Mulberry Street, Bridgewater, PA 15009 (724.774.4250; kellis@Bruster's.net).

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.

The issuance date of this Franchise Disclosure Document is April 24, ~~2025~~ 2026.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only “Bruster’s” business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a “Bruster’s” franchisee?	Item 20 or Exhibit H list 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 disclosure document to better understand this franchise opportunity. See the Table of Contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with us by mediation and litigation in Pennsylvania. Out of state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and litigate in Pennsylvania than in your own state.

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.

Unopened Franchises. The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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A — Agreements (Franchise Agreement and Development Agreement, with Exhibits)	H — List of Current and Former Franchisees
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Item 1 The Franchisor and any Parents, Predecessors, and Affiliates

The Franchisor

The Franchisor is Bruster’s Limited Partnership. In this disclosure document (“**FDD**”), we refer to “Bruster’s Limited Partnership” as “**we**”, “**us**”, “**our**” or “**BLP**”.

We were organized as a Pennsylvania limited partnership on March 17, 1993. We conduct business under the name “Bruster’s” and have offered franchises for Bruster’s. We do not do business under any other name nor have we ever offered franchises in any other line of business. Our principal place of business is at 730 Mulberry Street, Bridgewater, Pennsylvania 15009. Our agents for service of process are listed on Exhibit C to this disclosure document.

Our Parents, Predecessors, and Affiliates

BLP has no parents or predecessors. BLP’s affiliates are as described below. All have their principal business address at 730 Mulberry Street, Bridgewater, Pennsylvania 15009 and none have offered franchises in any line of business.

Because BLP is a limited partnership, we have a general partner and a limited partner. Our general partner is BICI and our limited partner is BAA (both, defined below). Bruce Reed owns the controlling interest in BAA through a series of estate planning trusts. Mr. Reed also ~~owns~~ 100% controls BICI through direct ownership and a series of BICI estate planning entities.

One ice cream store bearing the “Bruster’s” trademark is owned by Bruce Reed, the President of our affiliate, BICI, and operated by the Bruce Reed Business Trust. One additional “Bruster’s” store is operated in East Liverpool, Ohio under a license granted by Mr. Reed to his sister Candy Gerace; this store does not operate in the same way as other Bruster’s Stores, and is not included in the details provided in this disclosure document.

<p>Bruster’s Ice Cream, Inc. (“BICI”), a Pennsylvania corporation organized on March 1, 1993.</p>	<p>BICI is the sole general partner in BLP. BICI also owns and licenses the “Bruster’s” trademarks to us.</p>
<p>BAA Partners LP (“BAA”), a Pennsylvania limited partnership organized on October 20, 2004.</p>	<p>BAA is the sole limited partner in BLP. BAA is a family estate planning entity owned 99% by the Bruce Reed Irrevocable Trust and 1% by the Bruce Reed Revocable Trust. Those entities were established for family and estate planning purposes.</p>
<p>The Bruce Reed Business Trust, a Pennsylvania a business trust organized on October 18, 1993.</p>	<p>The Bruce Reed Business Trust oversees the management of stores that we have franchised. All employees on our staff, except Bruce Reed, are employed by the Bruce Reed Business Trust (we employ Bruce Reed). The Bruce Reed Business Trust does not provide products or services to the franchisees directly.</p>

The Bruce Reed Business Trust operates an affiliated “Bruster’s” store that is owned by Bruce Reed.

The Franchise Offered

We offer franchises for the establishment and operation of “Bruster’s Real Ice Cream” businesses (“**Bruster’s Stores**”) that feature, among other things, ice cream, frozen yogurt and frozen desserts and other beverage and food products for on-premises, approved third-party delivery, and carry-out consumption, as well as related sales of retail items in a modern environment.

Bruster’s Stores are characterized by our system (the “**System**”). Some of the features of our System are our distinctive products; signage; distinctive interior and exterior design and accessories; operational procedures; standards and specifications; quality of products and services offered; recipes and preparation techniques; management and inventory control procedures; software; training and assistance; business format, layouts and floor plans, methods, equipment lists and layouts, menus, the Proprietary Marks (defined below), as well as advertising and promotional programs. We may periodically change parts of the System.

You must operate your Bruster’s Store in accordance with our standards and procedures, as set out in our Confidential Brand Standards Manual (the “**Manual**”). We will lend you, or make available electronically, a copy of the Manual for the duration of the Franchise Agreement. In addition, we will grant you the right to use our marks, including the mark “Bruster’s” and any other trade names and marks that we designate in writing for use with the System (the “**Proprietary Marks**”).

Bruster’s Stores will be operated from an indoor structure that need not be free-standing, in a target range of 1,400 to 1,600 square feet in size and decorated to meet our specifications (including the use of our trade dress, trademark, and design). A Bruster’s Store may either be a freestanding store or an endcap store in a strip mall.

We offer to enter into franchise agreements (“**Franchise Agreements**”) with qualified entities and persons (“you”) that wish to establish and operate Bruster’s Stores. (In this disclosure document, “you” means the person or legal entity with whom we enter into an agreement. The term “you” also refers to the direct and indirect owners of a corporation, partnership, limited liability company, or limited liability partnership that signs a Franchise Agreement as the “franchisee.”)

We award franchises in our discretion, and in order to be qualified to become our franchisee, we will consider many factors that include, among other things, a prospective franchisee’s financial resources, educational and work background, personality fit, and ability to work with our team. A copy of the form Franchise Agreement is attached to this FDD as Exhibit A-1.

We may also offer area development agreements (“**Development Agreements**”) to qualified parties (“**Developers**”). Our current form of Development Agreement is attached to this Disclosure Document as Exhibit A-2. If you sign a Development Agreement, we will grant you the right, and you will accept the responsibility, to establish an agreed-upon number of Bruster’s Stores within an agreed-upon designated area (the “**Development Area**”), under an agreed-upon timetable (the “**Development Schedule**”). If you do not satisfy the Development Schedule, that would be a default under the Development Agreement. Each Bruster’s Store will be constructed and operated under a separate Franchise Agreement. The Franchise Agreement for the first Bruster’s Store developed under the Development Agreement will be in the form attached to the Development Agreement. The Franchise Agreement for each additional Bruster’s Store

developed will be in the form of the Franchise Agreement that we generally offer to new franchisees at that time.

Applicable Regulations

You must comply with all local, state, and federal laws that apply to your Bruster's Store operations, including for example health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, restrooms, drinking facilities, etc. For example, you must obtain real estate permits (e.g., zoning), real estate licenses, and operational licenses. There are also regulations that pertain to handling consumer data, sanitation, healthcare, labeling, caloric information, nutrition disclosures, allergen disclosures, food preparation, food handling, and food service. You will be required to comply with all applicable federal, state, and local laws and regulations in connection with the operation of your Bruster's Store. You must also follow the Payment Card Industry Data Security Standards and comply with applicable privacy laws relating to customer credit card transactions. We recommend that you examine and consider the impact of these and all applicable laws, regulations, and standards before entering into any agreement with us. The laws in your state or municipality may be more or less stringent, and there may be specific laws or regulations in your state or municipality regarding the operation of a Bruster's Store. You should consult with your attorney concerning those and other local laws and ordinances that may affect your Franchised Business' operation.

Competition

You can expect to compete in your market with locally-owned businesses, as well as with national and regional chains, that offer ice cream and frozen treats, and other items that may compete with the products offered at a Bruster's Store. The market for these items is well-established and very highly competitive. These businesses vigorously compete on the basis of factors such as price, service, store location, and product quality. These businesses are often affected by other factors as well, such as changes in consumer taste, economic conditions, seasonal population fluctuation, and travel patterns.

Item 2

Business Experience

The following individuals have management responsibility for the sale or operation of the franchise offered by this disclosure document. Unless otherwise noted, their present place of business is in Bridgewater, Pennsylvania.

Founder

Bruce Reed

Since 1993, Bruce Reed has served as our Director of Franchise Operations and as President of Bruster's Ice Cream, Inc. Since 1994, Mr. Reed has also been the sole trustee of the Bruce Reed Business Trust.

Chief Executive Officer

Jim Sahene

Jim Sahene has served since January 2002 as Chief Executive Officer for us and the Bruce Reed Business Trust.

Sr. Senior Vice President of Franchise Support

David Guido

Since May 1997, David Guido has served us and the Bruce Reed Business Trust in a variety of roles, including store operations guidance, site selection support, procurement and distribution management, product innovation, and system technology. He has been our Senior Vice President of Franchise Support since May 2019. Before that, he served as our Senior Vice President of Operations and Franchisee Services from April 2013 to May 2019.

Senior Vice President of Marketing

Jennifer Brinker

Jennifer Brinker has served [us](#) and the Bruce Reed Business Trust as Vice President of Marketing since joining the company in September 2015. In January 2025, Ms. Brinker was promoted to serve us and the Bruce Reed Business Trust as Senior Vice President of Marketing. She served as Senior Vice President of Marketing from January 2008 to August 2013 for GNC in Pittsburgh.

Senior Vice President of Operations and Information Technology

Sean Krings

Sean Krings has served us and the Bruce Reed Business Trust in three roles since joining the organization in 2012. First, he served as Regional Vice President of Operations for the southern region of the US from 2012 until 2021. In September 2021, he was promoted to Vice President of Operations and Information Technology and in January 2025 he was promoted to Senior Vice President of Operations and Information Technology. From June 1995 until now, he has also been involved in the Vocelli Pizza system as a franchisee and an Operating Partner.

Vice President of Franchise Development & Legal

Kimberly Ellis

Since April 2018, Kimberly Ellis has served us and the Bruce Reed Business Trust as Vice President of Franchise Development & Legal. From December 2012 until March 2018, she was Vice President of Franchise Development for The Snip-Its Franchise Company in Eden Prairie, Minnesota.

Vice President of Franchise Development

Greg Danziger

Since September 2019, Greg Danziger has served us and the Bruce Reed Business Trust as Vice President of Franchise Development. He served as Chief Development Officer and Vice President of Franchise Development for Master Home Services, LLC in Somerville, New Jersey from January 2017 to August 2019. From November 2015 to November 2016, he served as Director of Franchise Development for Sbarro LLC in Columbus, Ohio.

Vice President of Operations

Marcie Chong

Marcie Chong joined us in March 2004 and since September 2021 has served us and the Bruce Reed Business Trust as Vice President of Operations. From May 2012 to September 2021, Ms Chong served us and the Bruce Reed Business Trust as a Regional Vice President of Operations for the central region of the US. From March 2004 to May 2012, Ms. Chong served as District Manager and Training Manager for us and for the Bruce Reed Business Trust.

Vice President of Operations, ~~Northern Region~~

Bob Turner

Since August 2018, Mr. Turner has served us and the Bruce Reed Business Trust as ~~a-Regional~~ Vice President of Operations [for the Northern Region](#). From June 2016 to August 2018, Mr. Turner was an Operations Supervisor for a five-unit franchisee of McDonald's Restaurants in Hagerstown, Maryland. From August 2009 to June 2016, he was a Business Consultant with McDonald's Corporation Field Service in Bethesda, Maryland.

Vice President of Customer Experience

Kelly Decker

Kelly Decker joined us and the Bruce Reed Business Trust as District Manager in November 2023 and was promoted to Vice President of Customer Experience in 2024. Previously, she was

employed by Robbins Brothers, The Engagement Ring Store, where she served as Director of Training from April 2017 to April 2021 and then Stores Chief of Staff from April 2021 to July 2023. Kelly and her husband Daniel are also Bruster's franchisees in Rancho Cucamonga, CA.

Vice President of Franchise Support -Chip Talarico

Chip Talarico joined us and the Bruce Reed Business Trust in October of 2023 as Vice President of Franchise Support. He served as Vice President of Customer Success, Sales & Support for Jetpack Workflow in Pittsburgh, PA from January 2019 to May 2023. In 2018 he worked with Gordon Food Service in Multi-Unit Customer Development Sales. Prior to that, he served as Vice President of Sales & Marketing for the Byrnes & Kiefer Company from January 2013 to January 2018.

Director~~Vice President~~ of Marketing Kristie Bonetti

Kristie Bonetti ~~services~~has served us and the Bruce Reed Business Trust as ~~Director~~Vice President of Marketing since March 2026 and previously served as the Director of Marketing for us and the Bruce Reed Business Trust from July 2016 to March 2026.

Creative Director Gina Negley

Gina Negley ~~services~~has served us and the Bruce Reed Business Trust as Creative Director since November 2010.

Operations District Manager Leighann Whitten

Leighann Whitten ~~services~~has served us and the Bruce Reed Business Trust as Field Operations Support since September 2021. Previously, Ms. Whitten was General Manager of Cycle Bar Fitness from February 2021 to August 2021. She was a Bruster's franchisee from April 2009 to March 2020 when she sold her business.

Operations District Manager Zach Johnson

Zach Johnson ~~services~~has served us and the Bruce Reed Business Trust as District Manager since January 2022. Previously, Mr. Johnson served as district manager for Dunkin Brands from April 2019 to December 2021, General Manager of Au Bon Pain from June 2017 to December 2021, and Recruitment Director for Chick-fil-A from November 2015 to June 2017.

Operations District Manager Mike Welch

~~Mike Welch serves Ryan Poblete~~
Ryan Poblete has served us and the Bruce Reed Business Trust as District Manager since January July 2025. Previously, Mr. ~~Welch~~Poblete served as ~~Commercial Director~~Corporate Store Trainer and Regional Operations Support for ~~Abbott Healthcare since 2017.~~ Mr. Welch and his wife Judi are also Bruster's franchisees in Upland, CA. Philz Coffee from September 2023 to March 2025, District Manager for Whole Foods from January 2020 to September 2023, and District Manager for Starbucks from May 2016 to December 2019.

Senior Accountant Bethany Leo

Since May 2016, Bethany Leo, CPA, has served us and the Bruce Reed Business Trust as our Senior Accountant. She was employed by Allegheny Health Network in Pittsburgh as a Senior Accountant from January 2014 to April 2016.

Director of Franchise Sales Lori Molnar

Lori Molnar has served us and the Bruce Reed Business Trust since June 2000 as Director of Franchise Sales (since January 2003) and as Director of Marketing (June 2000 to January 2003).

Project Manager

Mark Oldaker

Since January 1997, Mark Oldaker has served us and the Bruce Reed Business Trust as Project Manager.

Shareholder/Treasurer

Judy Galand

Since 1991, Judy Galand has been employed by Bruce Reed Business Trust. She has served as our Shareholder/Treasurer since that time. Since 1993, she has also served as the Treasurer of Bruster's Ice Cream, Inc.

~~Training General Manager~~

~~Julie Maccaglia~~

~~Since August 2016, Ms. Maccaglia/Corporate Trainer~~

~~Alyssa Leichac~~

~~Alyssa Leichac has been Training Manager for served us and the Bruce Reed Business Trust. For that same time, she has also been the General Manager for the Bruster's store as corporate Store Manager and Training Manager in Bridgewater, Pennsylvania. From 2008 through July 2016, she was employed PA since October 2025. Previously, she served as a Barista and Bruster's Scooper in a Jacksonville franchise location from August 2014 to March 2016. Shift Supervisor by Starbucks Coffee in Sewickley/Franklin Park, PA Lead Manager from March 2016 to March 2020 and Assistant General Manager from March 2020 to September 2025.~~

Item 3

Litigation

~~No litigation is required to be disclosed in this Item.~~

[Buckley v. Malabar Creameries, Inc. et al., Case No. 05-2019-CA-053209, Circuit Court 18th Judicial Circuit, Brevard County, Fla. \(filed Apr. 10, 2025\). In this case, the plaintiff claimed that she was injured by products negligently served at a franchised "Bruster's" location in Palm Bay, Florida, which is operated by a franchisee, Malabar Creameries, Inc. The plaintiff's husband claimed, among other things, loss of consortium with his wife. This negligence case went to trial and on April 17, 2026, a jury returned a verdict of \\$14.1 million against the franchisee that operates that "Bruster's" shop as well as the franchisor and its parent, who were also named as defendants in the lawsuit. The litigation is ongoing.](#)

[Except for the one matter noted above, no litigation is required to be disclosed in this Item.](#)

Item 4

Bankruptcy

No bankruptcy is required to be disclosed in this Item.

Item 5

Initial Fees

Franchise Agreement

The initial franchise fee is \$40,000.

Franchisees that sign an additional franchise agreement, regardless of when they sign, will receive 50% off the current franchise fee (presently discounted to \$20,000).

We also participate in the VetFran program and offer a 50% discount on the initial franchise fee to U.S. military veterans (presently discounted to \$20,000). Veterans will also receive 50% off the

current initial franchise fee for additional franchise agreements (presently discounted to \$20,000). Qualified franchisees can take advantage of one discount program, but not both.

All franchise fees are due when you sign the franchise agreement. All franchise fees are non-refundable for any reason.

During our last fiscal year, the initial franchise fees that we collected were uniform.

Development Agreement

If you sign the Development Agreement, you must pay us a development fee in an amount equal to the initial franchise fees due (taking into account the multi-unit discount described above) for each Bruster's Store that you agree to open according to the Development Schedule. The amount of the development fee will vary based on the number of Bruster's Stores you choose to develop under the Development Agreement. The development fee must be paid in lump sum and is non-refundable.

- For example, for a three-store Development Agreement, the development fee would be \$80,000 (1st Bruster's Store - \$40,000; 2nd Bruster's Store - \$20,000; and 3rd Bruster's Store - \$20,000).
- If you are a qualified veteran of the U.S. military, then your development fee for a three-store Development Agreement would be discounted to \$60,000 (1st Bruster's Store - \$20,000; 2nd Bruster's Store - \$20,000; and 3rd Bruster's Store - \$20,000).

The development fees under the Development Agreements that we entered into during ~~2024~~2025 ranged between ~~\$40~~20,000 to ~~\$87,500-~~60,000.

We will credit the development fee that you paid toward your obligation to pay the initial franchise fee due under the Franchise Agreement for each of the Bruster's Stores that you agree to develop according to the Development Schedule, provided that you are in compliance with the Development Agreement. These credits will not exceed the total development fee that you paid.

Initial Inventory

Franchisees purchase an initial inventory that is typically (but not always) 33 cases of mix (for ice cream and frozen yogurt) at average cost per case of \$50 for grand opening inventory (\$1,650) (depending on preferences seasonality, and fluctuating commodity prices, that may be higher). Franchisees buy the mix from Titusville Dairy, in which our founder, Bruce Reed, owns a 33% interest. More information about the Titusville Dairy is found in Item 11 of this disclosure document.

Item 6

Other Fees

Type of Fee	Amount	Due Date	Remarks
Royalty (Note 1)	5% of Gross Sales (Note 2)	Payable on the third day of each Period. (Note 1)	See Note 2 regarding Gross Sales. Royalties are paid to Franchisor for the use of the

Type of Fee	Amount	Due Date	Remarks
		Payments will be collected by electronic funds transfer.	brand and current operating system.
Marketing Fund Contribution	3% of Gross Sales	Payable at same time and in same manner as royalties	To be allocated among marketing initiatives, as described in Note 3.
Supplier/ Vendor or Supplies Approval (Note 4)	Cost of inspection of supplier's facilities and/or test of supplier's samples, plus our actual related costs and expenses	Upon demand	Only due if you propose a new supplier or vendors (or particular suppliers) that we have not previously approved
Inspection or Audit (Note 5)	Cost of inspection or audit plus our actual related costs and expenses	Upon demand	Note 5
Interest	Interest is 1.5% per month on missed, overdue, or insufficient payments.	Upon demand.	Only due if you do not make proper payment on time. Interest begins to accrue when payment was initially due. If a maximum interest rate applies under your state's law, then interest will not exceed that maximum rate.
Transfer Fee	\$20,000	At the time of transfer	Only due if you propose a transfer. For a transfer upon disability or death of the franchisee's principal, we will not charge a transfer fee (but instead, you will only have to reimburse us for our reasonable out-of-pocket expenses incurred in reviewing, approving, and documenting the transaction).
Securities Offering Fee	\$10,000 (or our reasonable costs and expenses, if more)	Upon demand	Only due if you or an affiliate engage in a securities offering. You also must indemnify us (see below).

Type of Fee	Amount	Due Date	Remarks
Relocation Fee	\$10,000	At the time of relocation	Only due if you propose to relocate your franchise.
Cost of Enforcement or Defense (Note 6)	Will vary under circumstances	Upon demand	Note 6
Convention Fee	\$2,000	Date of convention	Only due if you or your representative) do not attend our convention. There is also a \$300 fee if you do not attend regional or other meetings.
Operations Meeting Fee	\$200	Date of meeting	Only due if you or your representative do not attend scheduled operations meeting.
Insurance	Actual costs plus our expenses	Upon demand	Only due if you fail to purchase the required business insurance, and we buy insurance for you (we are not obligated to do so).
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 the Royalty and Advertising Fee	Only due if you or the Operating Owner of your business becomes incapacitated and we temporarily take over operation of the Franchised Business until you or the Operating Owner resumes control or transfers the business.
Indemnification	All costs and expenses, including attorneys' fees	Upon demand	Only due if the indemnification clause is involved. You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Bruster's Store, including related securities offerings.
Technology Fee	If we institute a technology fee (currently there is	Monthly	We reserve the right to charge a Technology Fee in the future upon notice to you.

Type of Fee	Amount	Due Date	Remarks
	no such fee), it would be \$150 per month, with no more than a 5% annual increase		
Additional Tech Vendor Fees	Our actual costs	As incurred.	Fees by tech vendors that provide products and/or services to you beyond those covered by the Technology Fee must be paid directly to those vendors in the ordinary course of business.

Notes to Item 6 table:

1 **Fees.** The fees listed in the Item 6 tables are payable only to us or our affiliates (except for the Additional Tech Vendor Fees, which may be paid to a vendor). All fees due to us or our affiliates (such as royalty fees, advertising contributions, amounts due for your purchases from us or our affiliates, and other amounts due under the Franchise Agreement) must be paid through electronic funds transfer (using the ACH network). We may debit this account to collect these amounts. You must keep a sufficient balance in the account from which the ACH deductions are made to pay all of the fees due under the Franchise Agreement. We have the right to change payment method requirements. All of the fees payable to us or our affiliates are uniformly imposed and collected on new franchisees; however, in certain instances, we may waive some or all of these fees for certain franchisees. None of the fees payable to us or our affiliates are refundable.

The term "**Period**" means a seven-day accounting interval (such as a calendar week) for the purpose of organizing books and records (with 52 Periods in one year). We will have the right to establish the schedule for Periods with reasonable advance notice to you

We have the right to adjust, for inflation, the fixed-dollar amounts under the Franchise Agreement (except for the Initial Franchise Fee) to reflect changes in the Index from the year in which you signed the Franchise Agreement. The term "**Index**" means the Consumer Price Index as published by the U.S. Bureau of Labor Statistics ("**BLS**") (1982-84=100; all items; CPI-U; all urban consumers). If the BLS no longer publishes the Index or if in our reasonable judgment the BLS data no longer provides a proper measure of inflation, then we ~~have the right to~~ can designate a reasonable alternative measure of inflation.

2 **Gross Sales.** As used in the Franchise Agreement, "**Gross Sales**" means all revenue from the sale of all items and services at or from your Bruster's Store, as well as all other income of every kind that relates to, derives from, or originates from your Bruster's Store. Gross Sales include barter proceeds as well as the proceeds of any business interruption insurance policies. Gross Sales include payments in cash or credit and regardless of theft, or of collection in the case of credit. Gross Sales excludes sales taxes and other taxes that you collect from your customers and remit to the appropriate taxing authorities. Gross Sales include delivery and off-site sales (for example, catering, kiosks, etc.) (all of which are subject

to our prior written approval, and all of which will also be subject to all of the terms of the Franchise Agreement).

- 3 **Marketing Contribution.** You must contribute an amount equal to 3% of your Gross Sales as a "**Marketing Contribution.**" We encourage (but do not require) you spend an additional 3% to 5% [of your Gross Sales](#) on local store marketing.
- 4 **Supplier/Vendor, Supplies Approval.** If you wish to sell or use any product that we have not already approved, or buy products from a vendor that we have not already approved, you must follow the procedure under the Franchise Agreement. Among other things, that includes submitting samples of the proposed item as well as other information, for inspection and testing. You or the proposed vendor will pay the reasonable cost of the inspection and evaluation and the actual cost of any testing.
- 5 **Inspection or Audit.** If an inspection reveals that you understated payments due to us in any report, then you must pay us the amount understated, plus interest from the date such amount was due until paid. If we conduct an inspection because you did not timely provide sales reports to us, or if an inspection discloses that you understated your sales or underpaid your Royalties, by 2% or more, or if you did not maintain or provide us with access to your records, then you will also be required to reimburse us for our costs and expenses in connection with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). This will be in addition to any other remedies we may have.
- 6 **Cost of Enforcement or Defense.** If a claim for amounts you owe to us is asserted in any legal proceeding before a court of competent jurisdiction, or if we or you must enforce the Franchise Agreement, Development Agreement, or a related agreement (including non-compete agreements) in a judicial or arbitration proceeding, we will be entitled to reimbursement of our costs, including reasonable accounting and attorneys' fees, resulting from this proceeding. You also will be responsible for our costs of enforcement if your personnel do not comply with their confidentiality or non-competition obligations. This fee will only become due if: (a) you are in default under the Franchise Agreement or Development Agreement, in which case you must reimburse us for our expenses (including reasonable attorneys' fees) in enforcing or terminating the agreement; (b) if we successfully defend claims from you regarding the Franchise Agreement or the Development Agreement; or (c) if we incur costs in your defense except where a court with competent jurisdiction determines the claim or expense was caused solely by our gross negligence or willful misconduct.

YOUR ESTIMATED INITIAL INVESTMENT

Table 1: YOUR ESTIMATED INITIAL INVESTMENT (A SINGLE BRUSTER'S STORE UNDER A FRANCHISE AGREEMENT) IN A FREE-STANDING LOCATION (Franchisee Buys Real Estate)					
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Initial Franchise Fee (Note 1)	\$20,000	\$40,000	Lump Sum	When you sign the Franchise Agreement	Us
Land Purchase (Note 2)	\$275,000	\$750,000	As incurred	Before opening, as incurred	Seller
Utility Deposit (Note 3)	\$500	\$1,000	As incurred	Before opening, as incurred	Utility Providers
Architect Fees (Note 4)	\$7,500 <u>10,000</u>	\$20 <u>25,000</u>	As incurred	Before opening, as incurred	Third Parties
Civil Engineering (Note 4)	\$40 <u>20,000</u>	\$40 <u>60,000</u>	As incurred	Before opening, as incurred	Third Parties
Site Development Costs (Note 4)	\$375,000	\$637,000	As incurred	Before opening, as incurred	Third Parties
Construction Costs (Note 4)	\$406,120	\$735,560	As incurred	Before opening, as incurred	Third Parties
Expenses for Initial Training (Note 5)	\$3,000	\$6,000	As incurred	Before opening, as incurred	Third Parties
Business Licenses and Permits (Note 6)	\$500	\$2,500	As incurred	Before opening, as incurred	Licensing Authorities
Business Insurance (Note 7)	\$5,000	\$7,500	As incurred	Before opening, as incurred	Insurance Providers

**Table 1:
YOUR ESTIMATED INITIAL INVESTMENT
(A SINGLE BRUSTER'S STORE UNDER A FRANCHISE AGREEMENT)
IN A FREE-STANDING LOCATION
(Franchisee Buys Real Estate)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Initial Inventory (Note 8)	\$12,500	\$18,000	As incurred	Before opening, as incurred	Us, Approved Suppliers
Computer Hardware & Software (Note 9)	\$26,000	\$68,000	As incurred	Before opening, as incurred	Approved Vendor
Furniture, Fixtures, & Eqpt (Note 10)	\$25,000	\$216,000	As incurred	Before opening, as incurred	Approved Suppliers
Signage (Note 10)	\$7,000	\$40,000	As incurred	Before opening, as incurred	Approved Suppliers
Grand Opening Marketing Program (Note 11)	\$7,000	\$10,000	As incurred	Before and during opening	Various
Professional Fees (Note 12)	\$2,500	\$10,000	As incurred	Before opening, as incurred	Accountants, Attorneys, and Consultants
Post-Opening Support (Note 13)	\$0	\$2500	As Incurred	After Opening	Various
Additional Funds (3 months) (Note 14)	\$20,000	\$40,000	As incurred	After opening	Various
Total	\$1,202,620 <u>15,120</u>	\$2,644,669,0 <u>60</u>			

**Table 2:
YOUR ESTIMATED INITIAL INVESTMENT
(A SINGLE BRUSTER'S STORE UNDER A FRANCHISE AGREEMENT)
IN AN END-CAP LOCATION
(Franchisee Leases Real Estate)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Initial Franchise Fee (Note 1)	\$20,000	\$40,000	Lump Sum	When you sign the Franchise Agreement	Us
Lease (Note 2)	\$5,333 <u>\$11,200</u>	\$16,000 <u>\$41,600</u>	As incurred	Before opening, as incurred	Landlord
Utility Deposit (Note 3)	\$500	\$1,000	As incurred	Before opening, as incurred	Utility Providers
Architect Fees (Note 4)	\$7,500	\$17,000	As incurred	Before opening, as incurred	Third Parties
Construction Costs (Note 4)	\$267,200	\$633,600	As incurred	Before opening, as incurred	Third Parties
Expenses for Initial Training (Note 5)	\$3,000	\$6,000	As incurred	Before opening, as incurred	Third Parties
Business Licenses and Permits (Note 6)	\$500	\$2,500	As incurred	Before opening, as incurred	Licensing Authorities
Business Insurance (Note 7)	\$5,000	\$7,500	As incurred	Before opening, as incurred	Insurance Providers
Initial Inventory (Note 8)	\$12,500	\$18,000	As incurred	Before opening, as incurred	Us, Approved Suppliers
Computer Hardware & Software (Note 9)	\$26,000	\$68,000	As incurred	Before opening, as incurred	Approved Vendor
Furniture, Fixtures, & Eqpt (Note 10)	\$25,000	\$216,000	As incurred	Before opening, as incurred	Approved Suppliers

**Table 2:
YOUR ESTIMATED INITIAL INVESTMENT
(A SINGLE BRUSTER'S STORE UNDER A FRANCHISE AGREEMENT)
IN AN END-CAP LOCATION
(Franchisee Leases Real Estate)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Signage (Note 10)	\$7,000	\$30,000	As incurred	Before opening, as incurred	Approved Suppliers
Grand Opening Marketing Program (Note 11)	\$7,000	\$10,000	As incurred	Before and during opening	Various
Professional Fees (Note 12)	\$2,500	\$10,000	As incurred	Before opening, as incurred	Accountants, Attorneys, and Consultants
Post-Opening Support (Note 13)	\$0	\$2,500	As Incurred	After Opening	Various
Additional Funds (3 months) (Note 14)	\$20,000	\$40,000	As incurred	After opening	Various
Total	\$409,033 <u>414,900</u>	1,118,100 <u>1,121,800</u>			

**Table 3:
YOUR ESTIMATED INITIAL INVESTMENT
(FOR 3 BRUSTER'S STORES
(End-Cap - Franchisee Leases Real Estate)
UNDER A DEVELOPMENT AGREEMENT)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Development Fee (Note 1)	\$60,000	\$80,000	Lump Sum	When you sign the Development Agreement	Us
Initial Franchise Fees (Note 1)	0	0	Credited from the development fee	Not applicable	Not applicable
Lease (Note 2)	\$15,999 <u>\$33,600</u>	\$48,000 <u>\$124,800</u>	As incurred	Before opening, as incurred	Landlord
Utility Deposit (Note 3)	\$1,500	\$3,000	As incurred	Before opening, as incurred	Utility Providers
Architect Fees (Note 4)	\$22,500	\$51,000	As incurred	Before opening, as incurred	Third Parties
Construction Costs (Note 4)	\$801,600	\$1,900,800	As incurred	Before opening, as incurred	Third Parties
Expenses for Initial Training (Note 5)	\$9,000	\$18,000	As incurred	Before opening, as incurred	Third Parties
Business Licenses and Permits (Note 6)	\$1,500	\$7,500	As incurred	Before opening, as incurred	Licensing Authorities
Business Insurance (Note 7)	\$15,000	\$22,500	As incurred	Before opening, as incurred	Insurance Providers
Initial Inventory (Note 8)	\$37,500	\$54,000	As incurred	Before opening, as incurred	Us, Approved Suppliers
Computer Hardware & Software (Note 9)	\$78,000	\$204,000	As incurred	Before opening, as incurred	Approved Vendor

**Table 3:
YOUR ESTIMATED INITIAL INVESTMENT
(FOR 3 BRUSTER'S STORES
(End-Cap - Franchisee Leases Real Estate)
UNDER A DEVELOPMENT AGREEMENT)**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is Made
	From	To			
Furniture, Fixtures, & Eqpt (Note 10)	\$75,000	\$648,000	As incurred	Before opening, as incurred	Approved Suppliers
Signage (Note 10)	\$21,000	\$90,000	As incurred	Before opening, as incurred	Approved Suppliers
Grand Opening Marketing Program (Note 11)	\$21,000	\$30,000	As incurred	Before and during opening	Various
Professional Fees (Note 12)	\$7,500	\$30,000	As incurred	Before opening, as incurred	Accountants Accountants, Attorneys, and Consultants
Post-Opening Support (Note 13)	\$0	\$7,500	As Incurred	After Opening	Various
Additional Funds (3 months) (Note 14)	\$60,000	\$120,000	As incurred	After opening	Various
Total	\$1,227,09924 4,700	\$3,314,300 391,100			

Notes:

Table 1 provides the estimates applicable if you were to open one franchised Bruster's Store under a Franchise Agreement in a Free-Standing Location where you buy the real estate.

Table 2 provides the estimates applicable if you were to open one franchised Bruster's Store under a Franchise Agreement in an End-Cap Location where you lease the real estate.

Table 3 provides the estimates applicable if you were to sign a Development Agreement to open three Bruster's Stores in Free Standing Locations where you lease the real estate. Except for the

payment of the development fee (instead of paying initial franchise fees) the figures in Table 3 are just three times the figures in Table 2.

We do not offer direct or indirect financing for any part of the initial investment. We do not guarantee your note, lease or obligations. None of the fees payable to us or our affiliates is refundable. We cannot estimate whether and to what extent fees payable to third parties may be refunded.

1. **Initial Franchise Fee and Development Fee.** The franchise fee is either \$20,000 or \$40,000, as described in Item 5, and is used to defray our costs for providing training, promotional assistance and materials, site selection guidance, and other services.

If you sign a Development Agreement, then you will pay the development fee due under that agreement (as described in Item 5). We will apply a portion of the development fee as a credit toward the initial franchise fees (so long as you are in compliance with your obligations under the Development Agreement and all of your Franchise Agreements).

2. **Land Purchase or Lease Space.** If you intend to purchase land and build a Bruster's store, Table 1 estimates the cost to purchase an average 0.75-acre piece of commercial real estate for development of a Bruster's store location is between \$275,000 and \$750,000. depending on local real estate market conditions.

If you intend to lease space within an existing commercial retail development, Table 2 estimates the cost of your lease for based on the first following assumptions: (a) you will have to pay 4 months' rent (rent for the first three months of operation and one month's security deposit). ~~While the average rent factor is between \$20 and \$60 per square foot and our average end cap location is); (b) for a space in the range of 1,400 to 1,600 square feet; the range listed in Table 2 is based on an average \$40 (c) at \$24 to \$78 per square foot, per square feet x 1,600 square foot space. The lower figure estimates 90 days of rent abatement and security deposit while the higher figure represents 30 days of rent abatement and security deposit.~~ year.

Land or Lease pricing varies considerably from market to market, and from location to location within each market. Pricing may vary beyond the range that we have provided based on factors such as competition and market conditions in your area, the type and nature of improvements needed to the premises, local zoning requirements, the size of the Bruster's Store, the terms of the lease, and the desirability of the location. If you cannot negotiate a pre-opening rent abatement your costs will be higher. If you choose to buy (instead of leasing) the real estate for your Bruster's Store, you will incur additional costs that we cannot estimate.

3. **Utility Deposit.** You may be required to pay deposits before the installation or beginning of service of telephone, gas, electric and other utilities. This estimate excludes utility tap fees which are typically covered by the landlord.
4. **Architect's Fees, Civil Engineering Fees, and Construction Costs.** In Table 1, if you intend to have a building built, we offer prototype drawings for a 1,420 square feet free-standing unit. We will supply a "Design/Build Package" for details on finishes of the build. You will incur the costs of modifying those plans with a local architect to the specific size, configuration, and site of your unit. The cost to prepare an average 0.75-acre site for

development is estimated between \$375,000 and \$637,000. The cost of construction to build the Bruster's building is estimated to be in the range of \$286 to \$518 per square foot.

In Table 2, if you intend to lease an end cap and retrofit to meet our brand standards, we will provide a fit plan, based on the site survey, and assist your architect to create final plans for permitting and construction. The estimated range in Table 2 is based on an average 1,600 square foot space at an average construction cost of \$167 to \$396 per square foot.

If you incur higher build-out costs in either case, then your total expenditure will be higher as well.

5. **Initial Training Expenses.** You are responsible for making arrangements and paying the expenses for any persons attending the training program, including transportation, lodging, meals and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodation you choose. The estimate provided contemplates the training of two people for approximately nine days in accordance with the training schedule in Item 11. The estimate assumes a per diem cost of \$150 to \$300 and a travel allowance of \$100 to \$600 per person.
6. **Business Licenses and Permits.** This estimate includes costs relating to business license requirements, health and safety regulations (including occupancy), employment regulations, food handling regulations, music and entertainment (including license fees to copyright and other intellectual property owners and vending and gaming licenses). You should not consider this list as comprehensive. The laws in your state, county, or municipality may be more or less stringent. You are advised to examine these laws before purchasing a franchise from us. You may need to hire accountants and/or legal counsel to assist you in obtaining required licenses and permits and other legal compliance, which is shown as a separate entry in the above chart.
7. **Business Insurance.** The estimate is to pay for 6 months' insurance coverage under the required minimums under your Franchise Agreement, both before and after you open your Bruster's Store. The cost of insurance will vary based on the type of policies procured, nature and value of physical assets, gross revenues, number of employees, square footage, geographical location, size, and contents of the business, and other factors bearing on risk exposure.
8. **Initial Inventory.** These amounts represent your initial inventory of food and beverage supplies, paper goods, to-go packaging, ~~menus,~~ and uniforms for the initial phase of operating the ice cream shop. The lower range assumes you open your store in fall/winter month while the higher range assumes you open your store in the spring/summer months. All initial inventories will be purchased from our approved distributor. No initial inventory is purchased from us directly.
9. **Computer Hardware and Software.** The estimated initial investment includes costs related to the mandatory purchase of POS System, Digital Menu Boards, Third Party Delivery and Network Security Services. Included in this estimate is an optional fee in the range of \$4,000 - \$5,000 for a self-order kiosk, through GRUBBRR. We reserve the right to implement as a part of our standards and specifications contained in the Manuals the requirement that you obtain approved accounting, reporting and operational software. You are currently required to purchase an NCR Aloha Cloud (or the current model that we have

approved at the time you purchase your system) electronic cash register system. No other systems are approved for your store at this time. This system is required because of its payroll capabilities and its ability to auto-report sales.

10. **Furniture, Fixtures, Equipment, and Signage.** You must furnish your Franchised Business in accordance with our standards. This will include certain required equipment, furniture, and fixtures. These costs will vary depending on whether you purchase a new equipment package or a used package. The cost variation may be affected by the age, size and condition of the equipment and fixtures. Your required equipment will include the necessary ice cream and equipment systems, dry and cold storage equipment, work areas and all other equipment required to properly operate the Bruster's Store. Signage must be obtained from our approved or your pre-approved supplier and conform to our standards, including standards related to the use of our trademarks as set forth in the Confidential Brand Manual.
11. **Grand Opening Marketing Program.** You will be required to spend the amount specified in your Franchise Agreement on for grand opening marketing and promotional programs in conjunction with the initial launch of your Bruster's Store, an amount which we estimate will range between \$7,000 and \$10,000. These programs include marketing spanning from 60 days before opening to no later than 60 days post-opening, and may include food and beverage giveaways, and related direct labor.
12. **Professional Fees.** The estimate is for legal, accounting, administrative, demographic studies, and miscellaneous other professional fees that you may incur before you open for business, including (among other things) to assist you in reviewing the purchase agreement or lease. Your actual costs may vary, for example, depending on the degree to which you rely upon your advisors, type of financing, lease negotiations, and the permitting process in your city. The hourly rates for advisors, accountants, and legal professionals will also vary.
13. **Post-Opening Support.** If we deem additional on-site, post-opening support to be necessary during the first 30 days that you operate the business, then you will be required to pay all travel and other associated expenses related to the additional post-opening support. The support person will be supplied by the franchisor and may be a corporate representative or contract support person approved by the franchisor. The cost of this travel and the associated expenses will not exceed \$2,500 per store.
14. **Additional Funds.** You will need capital to support on-going expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. Our estimate is based on our own business experience and information and that of our affiliates. Our estimate does not and could not account for future inflation.

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

You will need to have staff on-hand before opening to prepare the Store for opening, training, orientation, and related purposes. We estimate that you will need approximately 235 hours of staff time to get ready for your opening. Your staffing costs will depend on the prevailing wage rates in your area.

The figures in the chart and the explanatory notes are only estimates. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the Store; timing of your Store opening; the prevailing wage rate; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen.

You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established. Extensive start-up costs may be involved, depending upon your circumstances.

To provide context but not disclaim anything in this Item 7 (and the FDD in general) we note that we cannot predict (and encourage you to consider) public policy implications on inflation, tariff rates, impact of climate change, and commodity and other cost fluctuation due to immigration restrictions.

We relied upon our business experience in preparing the estimates with respect to additional funds and in all of the Item 7 charts.

Item 8 Restrictions on Sources of Products and Services

Required Purchases of Goods and Services

You must operate the Franchised Business in conformity with the methods, standards, and specifications that we require (whether in the Manual or otherwise). Among other things, these standards require that you must:

- sell or offer for sale only those Products and services, using the equipment and other items, that we have approved in writing for you to offer and use at your Franchised Business (and in approved outside sales, such as through catering and kiosks);
- sell or offer for sale all those Products and services, using the equipment and other items, and employing the techniques that we specify in writing;
- not deviate from our standards and specifications by using or offering any non-conforming items without our specific prior written consent;
- stop using and offering for use any Products or services that we at any time disapprove in writing (recognizing that we have the right to do so at any time).

If you deviate (or propose to deviate) from our standards and specifications, whether or not we have approved, the deviation will become our exclusive property.

We have the right to designate only one supplier for certain items used at the Franchised Business in order to take advantage of marketplace efficiencies.

The Franchise Agreement also provides that you may not use any item bearing our trademarks without our prior written approval as to those items. ~~We estimate that the cost of your purchases and leases from sources that we designate or approve, as well as purchases in accordance with our standards and specifications, will be approximately 95% of the total cost of establishing a Franchised Business and approximately 95% of the cost of continued operation of the franchise.~~

We estimate that the combined required purchases of (1) Proprietary Products; (2) products and services purchased from approved suppliers; and (3) products and services that are sourced according to our specifications will equal approximately 90-95% of the total cost to establish your Franchised Business and approximately 90-95% of your ongoing operating expenses, depending upon your sales and your control of operating expenses.

You must allow us or our agents, at any reasonable time, to inspect the Franchised Business and to remove samples of items or products, without payment, in amounts reasonably necessary for inspection or testing by us or a third party to determine whether those samples meet our then-current standards and specifications. We may require you to bear the cost of that testing if we did not previously approve in writing the supplier of the item or if the sample that we take from your Franchised Business fails to conform to our specifications.

Approval of Alternative Suppliers

If you want to buy any supplies, or any other items from an unapproved supplier, you first must submit to us a written request asking for our approval to do so. You may not purchase from any proposed new supplier until we have reviewed and, if we think it is appropriate, approved in writing the proposed new supplier. We will provide our decision within sixty days after we have received your proposal. When considering whether to approve any particular possible supplier, we will consider (among others) the following factors:

- whether the supplier can show, to our reasonable satisfaction, the ability to meet our then-current standards and specifications;
- whether the supplier has adequate quality controls, insurance, capability, and capacity to supply the System's needs promptly and reliably; and
- whether the supplier's approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies.

Among other things, we will have the right to require that our representatives be permitted to inspect the proposed new supplier's facilities, and that samples from that supplier be delivered either to us or to an independent laboratory that we designate for testing. Either you or the proposed new supplier must pay us a charge (which will not exceed the reasonable cost of the inspection and the actual cost of the tests). We also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including for example payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to our suppliers.

Our criteria for approving a proposed supplier include various quality related factors, including for example the supplier's history, its other production work, product quality, quality controls, and related benchmarks. We typically will provide you with our response to a proposed new supplier

within 30-45 days, but that varies depending on factors such as the nature of the item that is proposed for our consideration and the supplier's cooperation and response. We have the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria (if we revoke our approval, we will notify you in writing). You may not buy items from any supplier that we do not approve in writing, and you must stop buying items from any supplier that we may have approved but later disapprove.

We (and possibly one of our affiliates) are the only designated supplier for certain items (including ice cream for use in store and some retail items including bagged ice cream, merchandise, and apparel) that you must buy for the operation of your Franchised Business. None of our officers own any interest in any other approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business.

We have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "**Allowances**") offered by suppliers to you or to us (or our affiliates) based upon franchisee purchases of Products, equipment, and other goods and services. Our present policy is to deposit those Allowances into the Marketing Fund (except for rebates from Titusville Dairy, as explained below)

The current supplier of ice cream and yogurt mixes is Titusville Dairy Products Co. in Titusville, Pennsylvania. In 2000, Bruce Reed became a 25% owner of Titusville Dairy and, since 2015, Bruce Reed has owned 33% of Titusville Dairy. There is no other relationship between us and Titusville Dairy. Other than Bruce Reed's 33% interest in Titusville Dairy, neither we nor any of our affiliates or officers have an ownership interest in any currently approved supplier (not counting any interest held in public mutual funds). In ~~2025~~2024, Titusville Dairy had total revenue of ~~\$22,938,490~~27,834,460, of which ~~\$11,240,291~~13,337,534 (or ~~49~~48%) was from product sold to our franchisees.

Our total revenue based on our financial statements for the year ending December 31, ~~2025~~2024 was ~~\$9,796,422~~10,517,673. We have an agreement with Titusville Dairy under which Titusville Dairy refunds to ~~Bruster's~~BLP 20% of the revenue derived from the sale of ice cream and yogurt mixes by Titusville Dairy to franchisees. In ~~2025~~2024, this equaled ~~\$1,759,236~~846,052, which was 18% of ~~Bruster's~~BLP's total revenue.

You will be responsible for paying shipping charges for the products that you purchase.

We have no purchasing or distribution cooperatives at the current time. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all of the Bruster's Stores in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would be in the best interests of the System or the licensed network of Bruster's Stores.

We do not provide material benefits to franchisees based on a franchisee's purchase of particular products or services or use of a designated or approved supplier.

Insurance

You are required to obtain and maintain, throughout the term of the Franchise Agreement, certain minimum insurance types and coverages, including:

REQUIRED: GENERAL LIABILITY INSURANCE

General Liability coverage, including Personal and Advertising Injury.	\$1,000,000 per occurrence
General Aggregate coverage	\$2,000,000 per location
Products/Completed Operations coverage	\$2,000,000 minimum
Damage to Premises Rented to You and/or Fire Damage Legal Liability coverage	\$100,000 minimum
Medical Payments - Coverage amount based on your agents' recommendations.	No minimum
Additional Insured, Grantor of Franchise, endorsement in the name of the franchisor.	
A Waiver of Subrogation in favor of the franchisor.	

REQUIRED: AUTO LIABILITY INSURANCE

1. Franchisees must show Auto Liability Coverage in one of the two following forms:	
a. If vehicles are titled in your business name, you must carry Owned Auto Coverage	Minimum \$1,000,000 CSL must be procured and evidenced
b. If you do not have a vehicle titled under your business name, you still must carry Hired and Non-Owned Auto Liability. This protects you if you or an employee is running an errand or making a delivery in their car or yours.	Minimum \$1,000,000 CSL must be procured and evidenced
2. Additional Insured Endorsement in the name of the franchisor	
3. A Waiver of Subrogation in favor of franchisor	

REQUIRED (MULTI-UNIT FRANCHISEES ONLY): UMBRELLA LIABILITY INSURANCE

1. Umbrella Liability Insurance is strongly recommended for all Bruster's Franchisees but is only <i>required for multi-unit franchisees with 5+ locations</i> . Umbrella Liability must go over the General Liability and Auto Liability.	
a. Umbrella Liability for Bruster's 5-10 Locations	Minimum \$1,000,000 per occurrence Minimum \$1,000,000 aggregate
b. Umbrella Liability for 11+ Locations	Minimum \$2,000,000 per occurrence Minimum \$2,000,000 aggregate
2. Additional Insured, Grantor of Franchise in the name of the franchisor.	

3. Waiver of Subrogation in favor of franchisor.

REQUIRED: PROPERTY INSURANCE

- | |
|---|
| 1. Business Income and Extra Expense coverage of at least twelve (12) months' income replacement. |
| 2. Business Personal Property and Tenant Improvements and Betterments at full replacement cost. |
| 3. Special Causes of Loss form required. |

REQUIRED (BY STATE): WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

- | | |
|---|---|
| 1. Workers Compensation per state statutes | |
| 2. Employers Liability | at least \$1,000,000 each accident,
\$1,000,000 each employee,
\$1,000,000 policy limit |
| 3. A Waiver of Subrogation in favor of franchisor | |

REQUIRED: EMPLOYMENT PRACTICES LIABILITY COVERAGE

Employment Practices Coverage (by Number of Locations Franchisee Owns):	
1-9 Bruster's Locations	Minimum limit of \$500,000 per claim
10-19 Bruster's Locations	Minimum limit of \$1,000,000 per claim
20+ Bruster's Locations	Minimum limit of \$2,000,000
Must include 1 st & 3 rd party coverage	
Must include Wage and Hour Defense	Sublimit of at least \$25,000
Must include joint employer co-defense language for franchisor	

REQUIRED: CYBER LIABILITY/DATA PRIVACY COVERAGE

- | |
|--|
| Minimum Limit of \$1,000,000 policy aggregate |
| Recommended to include First- and Third-Party Coverage |
| Recommended to include Cyber Business Interruption |

(* References to multi-location mean you and your affiliates, and all of your "Bruster's" franchises, taken together.)

All of these policies must be written by an insurance company or companies we have approved, and all must at all times have a rating of at least "A-" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and all must be licensed and admitted to do business in the state in which the Franchised Business is located. Bruster's preferred insurance provider is: Marsh McLennan Agency LLC, Franchise Programs, at 6160 Golden Hills Drive, Minneapolis, MN 55416.

All coverages must be written on an occurrence basis, unless the occurrence basis is unavailable, and must be primary to any insurance or self-insurance that we maintain. We encourage you to assess your own risks and determine whether additional insurance coverages are needed. You will not be relieved of any liability or other obligations if you do not obtain or maintain insurance in sufficient amounts, duration, or types. All required insurance must not be cancelable without thirty days' prior written notice to us.

All of these policies must contain the endorsements that we require, and waive subrogation as between us (and our insurance carriers) and you (and your insurance carriers). These policies also must: (a) list as additional insured parties us and any other entities in which we have an interest (as well as all other entities affiliated with us), and each of those parties' respective members, managers, shareholders, directors, officers, partners, joint venturers, employees, servants, and agents, and their successors and assigns; and (b) contain a provision that we, although named as an additional insured, will nevertheless be entitled to recover under those policies on any loss occasioned to us or our servants, agents, or employees by reason of the negligence of you or your servants, agents, or employees, including as additional insureds. You also must give us thirty days' advance written notice of any cancellation, material change, and/or non-renewal of any policy.

Whenever you engage in significant construction, reconstruction, or remodeling you must require the general contractor, its subcontractors, and any other contractor, to implement and maintain (at their expense) insurance policies and bonds with the same endorsements as are described in our Confidential Brand Manual.

Item 9 **Franchisee's Obligations**

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item (subject to state law)
a.	Site selection and acquisition/lease	1.2, 5, and Site Selection Addendum	8	11, 12
b.	Pre-opening purchase/leases	5, 6, 7, and 14	Not applicable	11
c.	Site development and other pre-opening requirements	3.2, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7; and Site Selection Addendum	1, 2, and 8	5, 6, 7, 11
d.	Initial and ongoing training	3.1, 3.4, and 6	Not applicable	11
e.	Opening	3.3, 3.4, 3.8, 5.1, 5.7, and 8.2	8	5, 6, 7, 11
f.	Fees	1.2.3, 2.2.5, 4, 6.5, 7.1, 8.4.9, 12.5, 12.7, 13.1, 14.1, 16.5, 16.7,	4	5, 6

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item (subject to state law)
		16.11, 19.10, 21.4, and 27.9		
g.	Compliance with standards and policies / operating manual	1.5, 3.5, 5, 7, 8.1, 8.6, and 10	Not applicable	8, 11, 15
h.	Trademarks and proprietary information	1.1 and 9	7	13, 14
i.	Restrictions on products/services offered	1.5, 1.6, 1.7, 7, 8.4.2	Not applicable	8, 16
j.	Warranty and customer service requirements	8	Not applicable	15
k.	Territorial development and sales quotas	1.3 and 1.5	2 and Exhibit A	12
l.	Ongoing product / service purchases	7	Not applicable	8
m.	Maintenance, appearance, and remodeling requirements	5, 8.4, and 8.8	Not applicable	11
n.	Insurance	15	9.1	7, 8, 11
o.	Advertising	3.6, 3.7, 3.9, and 13	Not applicable	6, 11
p.	Indemnification	9.2.9.2, 16.11.2, 21, and Ex. C	9.7 and 13	14
q.	Owner's participation / management / staffing	6, 8.2.4, 8.3, 19.1	Not applicable	11, 15
r.	Records and reports	4, 5.8, 8.7.1, 8.11, 12, 14.3, 14.4, 15.5, 16.11.5	Not applicable	6, 11
s.	Inspections and audits	3.8, 8.11, and 12	Not applicable	6, 11
t.	Transfer	8.10, 16, and 19.5	9.2 and 10	17
u.	Renewal	2.2	Not applicable	17

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item (subject to state law)
v.	Post-termination obligations	11.1.1, 12.1.2, 14.2, 18, 19.3, 19.5, and 26.6	9.3, 9.4, and 11	17
w.	Non-competition covenants	19	9.5	17
x.	Dispute resolution	27	9.13	17
y.	Taxes/permits	4.2.1, 5.6, 8.7, 8.8, 12, 17.2.11, and 20	9.6	Not applicable
z.	Other: Personal Guarantee	16.5.2, Ex. B	Ex. B	Not applicable

Item 10 Financing

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

Item 11 Franchisor's Assistance, Advertising, Computer Systems, and Training

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

Pre-Opening Assistance:

Before you open your Franchised Business, we will:

1. Provide services in connection with your site, including:
 - Site selection guidelines, counseling, and assistance as we deem advisable (*Franchise Agreement, Sections 1.2 and 3.2; Site Selection Addendum para. 2.a*);
 - One on-site evaluation without a separate charge upon receipt of a completed site selection package submission (*Franchise Agreement, Sections 1.2 and; Site Selection Addendum para. 2.a*);
 - Written notice of approval or disapproval of the proposed site within 30 days of receiving your site selection package submission (*Franchise Agreement, Section 1.2; Site Selection Addendum para. 3*);
 - Review of lease, sublease, design plans, and renovation plans for the Bruster's Store (*Franchise Agreement, Sections 5.3, 5.4, and 5.6*);
2. Make available our standard layout, design and image specifications for a Bruster's Store, including:

- Proto-type plans for exterior and interior design and layout (*Franchise Agreement, Section 3.3*);
 - Written specifications for fixtures, furnishings, equipment, and signage (*Franchise Agreement, Section 3.3*), including the names of approved suppliers (however, we do not supply these items directly nor do we assist with delivery or installation);
3. Provide you with a copy of the Confidential Brand Manual (as more fully described below in this Item 11 of this FDD) (*Franchise Agreement, Section 3.5*);
 4. Provide you with training (as more fully described below in this Item 11 of this FDD) (*Franchise Agreement, Sections 3.1 and 6*);
 5. Assist you in developing your Grand Opening Marketing Program (*Franchise Agreement, Section 3.6*);
 6. Inspect and evaluate your Bruster's Store before it first opens for business (*Franchise Agreement, Section 3.8*); and
 7. Provide a representative to be present at the opening of the Bruster's Store (*Franchise Agreement, Section 3.4*).

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Franchised Business.

Continuing Assistance:

We are required by the Franchise Agreement to provide certain assistance and service to you during the operation of your Franchised Business:

1. We will periodically provide you assistance in the marketing, management, and operation of the Franchised Business at the times and in the manner that we determine (*Franchise Agreement, Section 3.9*);
2. We will periodically offer you the services of certain of our representatives, such as field consultant, and these representatives will periodically visit your Franchised Business and offer advice regarding your operations (*Franchise Agreement, Section 3.9*); and
3. We will periodically provide ongoing training that we deem appropriate, at the places and times that we deem proper (*Franchise Agreement, Section 6.4*)

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of the Franchised Business.

Typical Length of Time Before Start of Operations:

You must open your Franchised Business within one year from the date you sign the Franchise Agreement. If you do not do so, that will be a default under the Franchise Agreement.

The factors we will evaluate in considering whether to approve a site include: general location and neighborhood; pedestrian traffic volume and patterns; type of pedestrian traffic; competition;

demographic and traffic patterns, store front width and visibility, size and ease of access to the proposed site; the proposed lease or sublease; utilities; and zoning issues.

It takes approximately 10 to 12 months between the signing of the Franchise Agreement and the opening of your business, although it could be considerably less for an endcap unit, which has taken ~~34~~ to ~~46~~ months in some cases. This time period is affected by your ability to obtain the site, negotiate a lease (or complete the purchase if you choose to do so), obtain financing or building permits, comply with zoning and local ordinances, complete construction, as well as weather conditions, shortages or delayed installation of equipment, fixtures, and signs. Even when you identify a date for your store opening, it may be delayed for days, weeks and in rare instances, months. Our experience shows that in spite of careful planning, many store openings are delayed because of factors beyond your control, and the ability to adjust to changing conditions is required.

Advertising:

You must contribute to the Marketing Fund an amount equal to 3% of the Gross Sales of the Franchised Business (the "**Marketing Contribution**") per Period.

The Marketing Fund. The following provisions (and others in the Franchise Agreement) will apply to the Marketing Fund:

- (1) We (or our designee) will have the right to direct all marketing programs, with discretion over the concepts, materials, and media used in those programs and the placement and allocation.
- (2) The Marketing Fund, all contributions to the fund and the fund's earnings, will be used to meet any and all costs of maintaining, administering, staffing, directing, conducting, preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System.

During our fiscal year ending December 31, ~~2025~~~~2024~~, we utilized the Ad Fund in the amount of \$~~4,229,503~~~~542,174~~, as follows:

Expense	Amount	Percentage
Administration	\$ 881,224 165	21 19 %
Storefront Promotional Signage	\$ 316,448 409.4	7 9 %
Loyalty	\$ 366,471 461.2	9 10 %
Advertising/Social/Digital/PR/Research	\$ 2,665,360 790	63 62 %

80% of the salary and payroll taxes for the position of Senior Vice President of Marketing are currently paid by the Advertising Fund. 20% of the salary and payroll taxes and all of the office costs and expenses, including benefits related to this position, are currently paid by Bruce Reed Business Trust. All of the payroll and related costs for a ~~Director~~~~Vice President~~ of Marketing and a Marketing Operations Manager/Production Designer and Marketing Coordinator are currently paid by the Advertising Fund. 90% of the payroll and related costs for a Creative

Director/Designer are paid by the Advertising Fund; the other 10% of the payroll and related costs are paid by Bruce Reed Business Trust.

We are not obligated to spend any amount from the fund to advertise in your Territory. The advertising fees that are collected but not spent in the same fiscal year will be used in the following year. Franchisees are not required to participate in any local or regional advertising cooperative unless we deem it necessary for you to do so.

- (3) You must contribute the portion of the Marketing Contribution allocated to the Marketing Fund in the manner and at the times we specify. All amounts contributed to the Marketing Fund will be maintained in an account separate from our other monies and will not be used to defray any of our expenses, except for such reasonable costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the Marketing Fund and marketing programs for franchisees and the System. The Marketing Fund and its earnings will not otherwise inure to our benefit.
- (4) We or our designee will maintain separate bookkeeping accounts for the Marketing Fund. No part of the Marketing Contribution will be subject to a refund or repayment.
- (5) The Marketing Fund is not and will not be our asset. Any monies that we receive from vendor rebate programs (other than Titusville Dairy) will be deposited to the Advertising Fund.
- (6) We will issue financial statements relating to the Marketing Fund each month, which will be made available to franchisees upon request. Neither Bruster's nor its affiliates receive payment for providing goods or services to the advertising fund.
- (7) Although the Marketing Fund is intended to be of perpetual duration, we will have the right to terminate the Marketing Fund. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for marketing purposes.
- (8) There is presently a Franchise Advisory Board composed of between seven and fifteen franchisees that advise us on, among other things, advertising strategies. We select the members from the franchisees that volunteer to be on the Board. There is a governing document made available to the Franchise Advisory Board that sets forth, among other things, the purpose, mission statement, representation guidelines, and responsibilities of the Franchise Advisory Board. They have no operational or decision-making power. We retain the right to change the governing documents or dissolve the Board.
- (9) None of the amounts that we will collect in connection with the Marketing Fund will be used for marketing that is principally a solicitation for the sale of franchises. However, some printed material paid for by the Marketing Fund will explain how to get information about opening a Bruster's franchise.

Regional Fund. If we have two or more franchisees operating in the same geographic region, or other circumstances arise that suggest it would be helpful, we have the right (but not the obligation) to establish a Regional Fund for that region. We do not currently have any Regional

Funds. If we establish a Regional Fund for your area, the following provisions (and others in the Franchise Agreement) will apply:

- (1) If a Regional Fund for the geographic area in which the Franchised Business is located has already been established when you start operating under the Franchise Agreement, then you will have to immediately become a member of that Regional Fund. If a Regional Fund for the geographic area in which the Franchised Business is located is later established, then you would have to join that Regional Fund within thirty days after we give you notice that the Regional Fund is established. You will not be required to join more than one Regional Fund.
- (2) Each Regional Fund will be organized and governed in a form and manner, and start operations on a date that we have approved, in writing. Voting will be on the basis of one vote per full-service Bruster's Store (regardless of number of owners or whether the shop is franchised or owned by us or our affiliates).
- (3) Regional Funds will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized marketing materials for use by the members in regional marketing. Regional Funds may not use marketing, advertising, promotional plans, or materials without our prior written consent.
- (4) Although, if established, a Regional Fund is intended to be of perpetual duration, we maintain the right to terminate any Regional Fund. A Regional Fund will not be terminated, however, until all monies in that Regional Fund have been expended for marketing purposes.

Local Marketing. All franchisees are encouraged to spend an additional 3-5% of net sales each year on local store marketing throughout the term of your Franchise Agreement.

- (1) Local marketing and promotion includes only the direct costs of purchasing and producing marketing materials (including camera ready advertising and point of sale materials), media (space or time), and those direct out of pocket expenses related to costs of marketing and sales promotion that you spend in your local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying.
- (2) We will apply certain criteria in reviewing and evaluating the local marketing that you conduct. All of your local marketing must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing, advertising, or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans. If we do not give our approval within 20 days, we will have been deemed to disapprove the plans or materials. Any and all copyright in and to advertising, marketing materials, and promotional plans developed by or on behalf of you will be our sole property.
- (3) We may periodically make available to you for purchase promotional materials, including coupons, merchandising materials, fundraising materials, point-of-purchase materials, special promotions, direct mail materials, social media content and similar marketing and promotional materials for use in local marketing.

Grand Opening Marketing Program. You are also required to spend at least \$7,000 to \$10,000 for grand opening marketing and promotional programs in conjunction with your Franchised Business' initial grand opening, pursuant to a grand opening marketing plan that you develop and that we approve in writing (the "**Grand Opening Marketing Program**"). The Grand Opening Marketing Program must begin 60 days before the scheduled opening date for your Franchised Business and must be completed no later than 60 days after the Franchised Business begins operations. The Grand Opening Marketing Program will be subject to our marketing standards and requirements.

Computer Requirements:

We have the right to require you to use certain brands, types, makes, and/or models of communications, computer systems, hardware, and software in accordance with our standards. These include:

1. back-office systems, data, audio, video (including managed video security surveillance, which we have the right to monitor to the extent permitted by law), telephone, voice messaging, retrieval, and transmission systems for use at Bruster's Stores, between or among Bruster's Stores, and between and among the Franchised Business, and you, and us;
2. point-of-sale (POS);
3. physical, electronic, and other security systems and measures;
4. printers and other peripheral devices;
5. archival back-up systems;
6. internet access mode (e.g., form of telecommunications connection) and speed;
7. technology used to enhance and evaluate the customer experience;
8. digital and virtual menu boards and related technology, hardware, software, and firmware;
9. All devices, software and any fees or subscriptions needed to offer and accept online ordering and delivery service platforms;
10. front-of-the-house WiFi and other connectivity service for customers;
11. cloud-based back-end management systems and storage sites;
12. in-shop music systems;
13. consumer-marketing oriented technology (including hardware and software used for loyalty, Gift Card, and rewards programs; facial and other customer-recognition technology, and approved social media/networking sites); and
14. any other computer software programs or accounting system software we may develop or have developed for us, which you must install and maintain according to our standards.

You must install, use, maintain, update, and replace (as needed) the computer system and required software at your own expense. You must pay us or third -party vendors the initial and ongoing fees in order to install, maintain, and continue to use the required software, hardware, and other elements of the computer system. You must implement and periodically make upgrades and other changes (at your expense) to the computer system and required software as we reasonably request. These upgrades and changes may be in conjunction with a minor refurbishment or as otherwise needed. We do not presently have a technology fee but we have the right to require in the future that you pay a technology fee as explained in Item 6 of this disclosure document.

We estimate that the cost of purchasing the required Technology System hardware and software will typically range between \$26,000 to \$68,000 (as explained in Item 7 of this FDD). We currently require you to use the following technology systems in the Franchised Business:

Aloha Cloud POS through NCR Voyix	The current vendor fee is \$189 - \$399 per month.
Digital Menu Boards through Creative Realities Inc.	The current vendor fee is \$15 per device, per month.
Network Security Services	You must implement Network Security at an expected expense of \$100 per device <u>to \$200</u> , per month, through an approved <u>a local</u> vendor designated in our Brand Manual.
Third Party Delivery Aggregator through Checkmate	The current vendor fee is \$70 per month.
Third Party Delivery through SouthPaw	The current vendor fee is \$25 per month.
Self-Order Kiosk through GRUBBRR	Optional. The current vendor fee is \$99 per device, per month.

The estimated annual cost of computer maintenance, support, and upgrades is \$6,336 to \$9,936 (although if you choose more expensive equipment or higher levels of computer support and training, your costs will go up). Neither we nor any of our affiliates have an obligation to provide ongoing maintenance, repairs, upgrades, or updates to your computer hardware or software. We will have the independent right to access information stored in your systems, and there are no contractual limitations on that right.

You must comply with all specifications that we issue with respect to the computer system and the required software, and with respect to computer upgrades, at your expense. Under the Franchise Agreement, you must afford us independent, unimpeded, and complete access to your computer system and required software, including all information and data maintained thereon, in the manner, form, and at the times that we request. We will have the right to approve or disapprove your use of any other technology solutions (including beacons and other tracking methodologies). You may not implement, use, or otherwise engage with AI Sources without our prior written consent. ("**AI Source**" means any resource, online or otherwise, that is for the purpose of gathering, implementing, or otherwise using information from you using artificial intelligence technology, including for example ChatGPT, Claude, Gemini, Grammarly, Grok, IBM Watson, and Perplexity) and other sources.)

Confidential Brand Manual:

We will loan you a copy of our Confidential Brand Manual (in the format that we deem appropriate) for you to use only in connection only operating your Bruster’s Store during the term of the Franchise Agreement. The Confidential Brand Manual contains our standards and specifications for you to follow in the operation of your Bruster’s Store. The Confidential Brand Manual will at all times remain our sole property and you will agree under the terms of the Franchise Agreement to treat the Confidential Brand Manual as confidential and to promptly return any and all copies to us following termination or expiration of the Franchise Agreement. (*Franchise Agreement Section 10*).

We reserve the right to periodically update and modify the contents and format of the Confidential Brand Manual (which currently has 246 pages). The Table of Contents of the current Confidential Brand Manual is attached as Exhibit E to this FDD.

Training:

TRAINING PROGRAM

Bruster’s University Training Program

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
<u>Bruster’s University 101:</u> Orientation & Overview	3.5 <u>1</u>	0	Our Offices <u>Virtual via MS Teams</u>
<u>Bruster’s University 101:</u> <u>Webinar for New Franchisees</u>	<u>7</u>	<u>0</u>	<u>Virtual via MS Teams</u>
<u>Bruster’s University 201:</u> <u>Classroom-style presentations on finance, store maintenance, administrative, BOSs, marketing, daily operations, staffing, and Human Resources</u>	<u>7</u>	<u>0</u>	<u>In Office</u>
Customer <u>Bruster’s University 201:</u> <u>Hands-on, in-store training with ice cream certification, customer service, scooping, waffle cone production, ice cream cakes and pies, administrative paperwork, computer, and cash register, opening and closing procedures, and forecasting, inventory management.</u>	0	10.0 <u>48</u>	In store
Running store/ opening and closing procedures	0	12.0	In Store
Ice Cream Making	0	24.0	In Store
Classroom training—product preparation, report, QuickBooks, ice cream making, ordering	16.0	0	Our offices
Customer service	0	16.0	In Store
Total	19.5 <u>15</u>	62.0 <u>48</u>	

~~Training~~Bruster's University 201 classes are held in person, 10 to 12 times per year (typically once each month), at our offices and corporate training store in Bridgewater, Pennsylvania ~~and typically occur each month or Eastvale, California.~~ We may add more classes if deemed necessary. New franchisees must send at least two people to ~~New Owners Training~~Bruster's University 201, one of whom must be the Owner Operator. ~~New Owners Training~~Bruster's University 101 and 201 must be completed to our satisfaction at least 60 days before opening your store.

~~Julie Maccaglia~~Alyssa Leitch will be the primary franchisee trainer ~~in Bridgewater, PA.~~ Kelly Decker will be the primary franchisee training in Eastvale, CA. Additionally, Marcie Chong, Bob Turner, Leighann Whitten, Zach Johnson, and ~~Mike Welch~~Ryan Poblete may be involved with training franchisees. Ms. ~~Maccaglia's~~Leitch's experience includes having been involved with the Bruster's brand since ~~2016~~2001, and Mrs. Decker since 2020; Ms. Chong since 2004; Mr. Turner since 2018; Ms. Whitten since 2009; Mr. Johnson since 2022, and Mr. ~~Welch~~. Poblete since 2025. See Item 2 for more detailed information regarding these trainers.

~~New Franchise Owner Training~~Bruster's University 201 is a minimum of ~~nine~~seven in-person days and will cover all phases of operations, including the making of ice cream and the overall philosophy, culture, and values of Bruster's. The instructional materials for our training programs include the ~~manual~~workbook, lecture, discussions, and practice. Upon successful completion of ~~the New Owners Training~~Bruster's University 101 and 201, each trainee will ~~be qualified by Bruster's as Ice Cream Maker. At a later date, each Ice Cream Maker graduate. Ice Cream Makers~~ may be certified by us your Operations Point of Contact, as an "Ice Cream Maker ~~Trainer,~~" at which time he/she will be permitted to train additional Ice Cream Makers post opening along with any newly hired/promoted ice cream makers.

In addition to ~~the New Owners Training in Bridgewater,~~ Bruster's University 201, Bruster's Operations Team will provide onsite ~~guidance~~training and support during your soft opening week. This includes three days prior to opening and a minimum of four days following opening. Included with this onsite support, Bruster's will train your opening team of thirty to thirty-five workers employed as Ice Cream Scoopers. Each must attend and pass the training course at the store at which they will be employed. ~~Any~~All new ~~Ice Cream Scoopers~~employees must successfully complete the Bruster's University 101 online training program prior to their first shift.

If for any reason your Operating Owner and/or Bruster's Store Manager cease active management or employment at the Franchised Business, or if we revoke the certification of your Operating Owner or your Bruster's Store Manager to serve in that capacity, then you must enroll a qualified replacement (who must be reasonably acceptable to us to serve in that capacity) and must attend and successfully complete the ~~New Owners~~Bruster's University 201 in person training ~~program~~, to our reasonable satisfaction, as soon as it is practical to do so.

We may require that you and your Operating Owner, Bruster's Store Manager and Additional Trained Personnel attend such refresher courses, seminars, and other training programs as we may reasonably require periodically.

We will bear the cost of providing the instruction and required materials, except for additional and replacement training. You are responsible for making arrangements and paying ~~all of~~ the expenses, wages, and compensation for your staff that attends the training program.

Franchise Agreement

Under the Franchise Agreement, you have the right to establish and operate one Bruster's Store at a specific approved location.

If you do not have a site already selected (which we have accepted) when you sign your Franchise Agreement, then you will sign a Site Selection Addendum (which is Exhibit G to the Franchise Agreement). Under the Site Selection Agreement, the parties will agree on a site selection area within which you will seek a site for your Bruster's Store, and to submit for our approval. Once your Store site has been approved, we will assign the territory based on the address of the location and amend the franchise agreement to reflect a protected territory that typically includes 75,000 people, with a radius of up to six miles. In some places, the territory may be smaller or larger, depending on factors such as population density.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

You may not change the location of your Franchised Business without our written consent, which we are not required to give. If you wish to relocate, you must identify a new location for the Franchised Business that meets our approval, in accordance with our then-current site selection procedures. If you propose relocation because your original premises are damaged or destroyed and you cannot complete repairs or reconstruction within 90 days, then you will have 30 more days to apply for our approval to relocate or reconstruct the premises (and we will not unreasonably withhold our approval) under the procedures in Section 17.2.2 of the Franchise Agreement. If you do not act timely or do not identify a site within this time period, we may terminate the Franchise Agreement.

We may, but have no obligation to, consider granting to you the right to establish additional Bruster's Stores under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Bruster's Store in an area and at a location we approve. The Franchise Agreement grants you no options, rights of first refusal, or similar rights to acquire additional franchises.

During the term of this Agreement, we will not operate, nor will we grant to any other party the right to operate, a Store within the protected area that will be designated in the Data Addendum (Exhibit A) to your Franchise Agreement, except that we will have the sole right to do any or all of the following (despite proximity to your Protected Territory and Franchised Business as well as any actual or threatened impact on sales at your Franchised Business):

We have the right to establish, and franchise others to establish, Stores anywhere outside the Protected Territory. We also reserve certain rights that we do not currently exercise, but may in exercise in the future. These include: (a) the right to establish, and license others to establish, Stores at any Non-Traditional Facility or Captive Market Location (as defined below) inside or outside the Protected Territory, despite those Stores' proximity to the Accepted Location or their actual or threatened impact on sales at the Franchised Business; (b) the right to establish, and license others to establish businesses that do not operate under the System and that do not use the Proprietary Marks, even if those businesses also offer or sell products and services that are the same as or similar to those offered from the Franchised Business, no matter where those businesses are located; and (c) the right to acquire (or be acquired) and then operate any

business of any kind, anywhere (but not as a Bruster's Store inside the Protected Territory). There is no minimum sales requirement, market penetration, or other contingency that will affect your Protected Territory, unless you are in default of your obligations to us.

The term "**Captive Market Location**" includes non-foodservice businesses of any sort within which a Store or a "Bruster's" branded facility is established and operated (including for example, hotels and resorts), as well as branded locations that serve only our products. The term "**Non-Traditional Facility**" includes college campuses, schools, hotels, casinos, airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers.

Although we try to arrange for third party delivery services to meet our requirements as to delivering only within a franchisee's territory, we cannot guarantee that they will do so. There are no limitations on soliciting or accepting orders from inside the area near your store.

The Franchise Agreement grants you the right to operate your Bruster's Store, but not the right to engage into other business opportunities to sell or distribute "Bruster's" products or services through other channels or in other locations (however, with our prior written consent, you may engage in off-site sales from your brick-and-mortar Bruster's Store, such as catering for parties, operation of temporary kiosks, etc.). Off-site sales will be subject to all of the terms of the Franchise Agreement (and our Manuals), and those sales will be considered part of your Gross Sales (as explained in Item 6 of this disclosure document).

Area Development Agreement

If you and we enter into a Development Agreement, you will be awarded a Development Area. The size of the Development Area will vary based on a number of factors including the density of the area, the number of Bruster's Stores you must develop, demographics, competition, and location of any existing Bruster's Stores in the general area. As a result, the Development Area is likely to consist of a portion of the city, county, or designated market area. The agreed upon area for the Development Area will be identified in the Development Agreement. We will approve the locations for each Bruster's Store to be developed under a Development Agreement according to the factors described above in this disclosure document for the establishment of a single Bruster's Store.

If you are a Developer and you comply with your obligations under the Development Agreement, we will not establish or license anyone other than you to establish a Bruster's Store under the System in your Development Area, until the end of the period of time specified in the Development Schedule to your Area Development Agreement, except that we reserve the rights described below. The Development Agreement grants you no options, rights of first refusal, or similar rights to acquire additional development areas or franchises in addition to those provided for in the Development Agreement.

As a result, you will not receive an exclusive territory under a Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We (and our affiliates) retain all rights not specifically granted to you. We will have the right (among other things), on any terms and conditions that we deem advisable, and without granting you any rights, to advertise and promote the Proprietary Marks anywhere and to establish (and

license or franchise others to establish) Stores anywhere outside the Development Area. We also reserve certain rights that we do not currently exercise, but may exercise in the future. These include: (a) the right to establish (and license or franchise others to establish) businesses that do not operate under the “Bruster’s” System and that do not use the Proprietary Marks (even if those businesses offer products that are the same as or similar to those offered from Stores), no matter where those businesses are located (so long as those are not “Stores” operated inside the Development Area); the right to acquire (or be acquired) and then operate any business of any kind, anywhere inside and outside the Development Area (so long as those businesses are not “Stores” operated within the Development Area); and the right to establish, and license others to establish, Stores at any Non-Traditional Facility and/or Captive Market Location inside or outside the Development Area.

Continuation of your rights under the Development Agreement, as described above, is not subject to achieving any particular sales volume, market penetration, quota, or other benchmark, except for the requirement that you must be in compliance with your obligations under the Development Agreement (including for example the development schedule). We may not modify your territorial rights. We will approve sites for Bruster’s Stores under a Development Agreement using the then-current site criteria that we apply at the times requested.

Item 13

Trademarks

We will license you under the Franchise Agreement the right to use certain Proprietary Marks, including the principal marks described below:

Mark	U.S. Registration or Application No.	Reg. or App. Date
Bruster’s and Design	US Reg. No. 1792820	Sept. 14, 1993
Bruster’s	US Reg. No. 4453342	Dec. 24, 2013
Bruster’s Real Ice Cream and Design	US Reg. No. 7368600	April 23, 2024
Bruster’s Real Ice Cream	US Reg. No. 7247287	Dec. 19, 2023
Bruster’s Real Ice Cream and Oval Design	US Reg. No. 7247286	Dec. 19, 2023

Bruster’s Ice Cream, Inc. owns the above registrations and applications, which appear on the Principal Register of the U.S. Patent and Trademark Office (USPTO). Bruster’s Ice Cream, Inc. has filed and intends to file, when due, appropriate affidavits and renewal applications for these registrations.

There are no currently effective determinations of the USPTO, the trademark administrator of this state, or of any court, nor any pending interference, opposition, or cancellation proceedings, nor any pending material litigation involving the trademarks, service marks, trade names, logotypes, or other commercial symbols which is relevant to their use in this state or any other state in which the Franchised Business is to be located. There are no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks (including trademarks, service marks, trade names, logotypes, or other commercial symbols) that are in any

manner material to the franchise. There are no infringing uses actually known to us which could materially affect your use of the Proprietary Marks in this state or elsewhere.

We have the right to substitute different Proprietary Marks for use in identifying the System if our currently owned Proprietary Marks no longer can be used or if we determine that updated or changed Proprietary Marks will be beneficial to the System. In such circumstances, you must adopt the new Proprietary Marks at your expense.

We entered into a trademark license agreement with Bruster's Ice Cream, Inc ("**BICI**") (BICI is the sole general partner in our company, which is organized as a partnership, as described in Item 1). BICI licensed us to use the Proprietary Marks, and to confer upon us the right to license the Proprietary Marks to our franchisees under a license agreement dated April 26, 2021 (the "**Trademark License Agreement**"). The Trademark License Agreement has a 50-year term, which can be mutually extended. BICI has the right to terminate the Trademark License Agreement if we are in default. If the Trademark License Agreement terminates, you may be required to use an alternate trademark.

You must promptly notify us of any suspected infringement of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, or your right to use, the Proprietary Marks licensed under the Franchise Agreement. Under the Franchise Agreement, we will have the sole right to initiate, direct, and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement of the action. We also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If you used the Proprietary Marks in accordance with the Franchise Agreement, then we will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use. If you used the Proprietary Marks but not in accordance with the Franchise Agreement, then we will still defend you, but at your expense, against those third-party claims, suits, or demands.

If we undertake the defense or prosecution of any litigation concerning the Proprietary Marks, you must sign any documents and agree to do the things that, in our counsel's opinion, may be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out-of-pocket costs in doing these things, except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement. To the extent that the litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

Item 14 **Patents, Copyrights, and Proprietary Information**

Copyrights.

We own common law copyrights in the Manuals, our recipe books, certain drawings, and advertising materials, and we will make these available to you. These materials are our proprietary property and must be returned to us upon expiration or termination of the Franchise Agreement.

We will provide to you, under the terms of the Franchise Agreement, standard floor plans and specifications for construction of a Bruster's Store. You may be required to employ a licensed

architect or engineer, who will be subject to our reasonable approval, to prepare plans and specifications for construction of your Bruster's Store, based upon our standard plans. These revised plans will be subject to our approval. You will be entitled to use the plans only for the construction of a single Bruster's Store at the site approved in the Franchise Agreement, and for no other purpose. We will require your architect and contractor to agree to maintain the confidentiality of our plans and to assign to us any copyright in the derivative plans they create.

There are no currently effective determinations of the USPTO, U.S. Copyright Office, or any court concerning any copyright. There are no currently effective agreements under which we derive our rights in the copyrights and that could limit your use of those copyrighted materials. The Franchise Agreement does not obligate us to protect any of the rights that you have to use any copyright, nor does the Franchise Agreement impose any other obligation upon us concerning copyrights. We are not aware of any infringements that could materially affect your use of any copyright in any state.

Confidential Manuals

In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Confidential Brand Manual. We will lend you one set of our Confidential Brand Manual, which we have the right to provide in any format we choose (including paper or digital), for the term of the Franchise Agreement.

You must at all times accord confidential treatment to the Confidential Brand Manual, any other Confidential Brand Manuals we create (or that we approve) for use with the Franchised Business, and the information contained in the Confidential Brand Manual. You must use all reasonable efforts to maintain this information as secret and confidential. You may never copy, duplicate, record, or otherwise reproduce the Confidential Brand Manual and the related materials, in whole or in part (except for the parts of the Confidential Brand Manual that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized person have access to these materials. The Confidential Brand Manual will always be our sole property. You must always maintain the security of the Confidential Brand Manual.

We may periodically revise the contents of the Confidential Brand Manual, and you must consult the most current version and comply with each new or changed standard. If there is ever a dispute as to the contents of the Confidential Brand Manual, the version of the Confidential Brand Manual (that we maintain) will be controlling.

Confidential Information

Except for the purpose of operating the Bruster's Store under the Franchise Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know how concerning the operation of the Franchised Business that may be communicated to you or that you may learn by virtue of your operation of a Bruster's Store. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, you must require each of your Principals and your Store Managers to sign confidentiality covenants. Every one of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Bruster's Store. These agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third-party beneficiary with the independent right to enforce the covenants. Our current forms for this agreement are attached as Exhibit F to the Franchise Agreement). Once signed, you must provide us a copy of each executed confidentiality agreement.

Patents

No patents are material to the franchise. If it becomes advisable to us at any time to acquire a patent, you will be obligated to use the acquired patent as we may require.

Item 15 Obligation to Participate in the Actual Operation of the Franchise Business

The Franchise Agreement requires that you (or your Operating Owner or one of your designated Management Personnel who will assume primary responsibility for the franchise operations and who we have previously approved in writing) must devote full time, energy, and best efforts to the management and operation of the Franchised Business, and must successfully complete the initial training program. Your Bruster's Store must be managed at all times by you (or your Operating Owner or Bruster's Store Manager) or by a manager who has completed our initial training program to our satisfaction.

The Operating Owner must own at least 25% of the voting and ownership interests in the franchisee entity, unless you obtain our prior written approval for the Operating Owner to hold a smaller interest. You must obtain personal covenants from your Management Personnel, supervisors, and principals regarding confidentiality, Proprietary Marks, and non-competition.

Item 16 Restrictions on What Franchisee May Sell

You must offer and sell only those goods and services that we have approved. We may change the approved product offerings and any related merchandising and promotional materials at any time. You must use only displays, forms and other paper and plastic products imprinted with the trademarks.

All food and beverage products must be prepared and served only by properly trained personnel in accordance with the Manual. All items offered from the Bruster's Store will be sold only at retail to customers unless otherwise approved by us.

We may prescribe standard uniforms and attire for all Bruster's Store personnel.

We have the right to add other authorized goods and services that you must offer. These changes also may include new, different or modified equipment or fixtures necessary to offer such products and services. There are no limits on our right to make these changes.

THE FRANCHISE RELATIONSHIP			
This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement, which is attached as Exhibit A-1 to this disclosure document, as well as the various state addenda in Exhibit G.			
FRANCHISE AGREEMENT			
	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	2.1	11 years from when you sign the Franchise Agreement or 10 years after you first open, whichever comes first.
b.	Renewal or extension of the term	2.2	You will have the right to renew the right to operate the franchised business for two additional ten-year terms by signing our then-current franchise agreement (which may contain terms and conditions materially different from those in your original agreement), and subject to contractual requirements described in "c" below.
c.	Requirements for you to renew or extend	2.2.1 to 2.2.9	Timely written notice of intent to renew; refurbishment to comply with our then-current standards; compliance with agreement terms during agreement term and at time of renewal; timely compliance with all financial obligations; execution of then-current franchise agreement; execution of renewal agreement with mutual general releases; compliance with then-current personnel and training requirements; and demonstrated right to remain in accepted location; and subject to "b" above.
d.	Termination by you	Not applicable	
e.	Termination by us without cause	Not applicable	
f.	Termination by us with cause	17	Default under Franchise Agreement, abandonment, and other grounds; see § 17 of the Franchise Agreement.
g.	"Cause" defined – curable defaults	17.3	All defaults not specified in §§ 17.1 and 17.2 of the Franchise Agreement.

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement, which is attached as Exhibit A-1 to this disclosure document, as well as the various state addenda in Exhibit G.

FRANCHISE AGREEMENT

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined – non-curable defaults	17.1 to 17.2	Abandonment, conviction of felony, and others; see § 17.2 of the Franchise Agreement.
i.	Your obligations on termination or non-renewal	18 to 19	Stop operating Franchised Business, payment of amounts due, and others; see §§ 18.1 to 18.12, 19.
j.	Assignment of contracts by us	16.1	There are no limits on our right to assign the Franchise Agreement.
k.	"Transfer" by you – definition	16.4	Includes any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security, direct, or indirect interest in: (a) the Franchise Agreement; (b) you; (c) any or all of your rights and/or obligations under the Franchise Agreement; and/or (d) all or substantially all of the assets of the Franchised Business.
l.	Our approval of transfer by you	16.4 to 16.5	You may not make any transfers without our prior consent.
m.	Conditions for our approval of transfer	16.5	Signing our then-current franchise agreement (which may contain terms and conditions materially different from those in your original agreement), payment of transfer fee, execution of transfer agreement with mutual general releases; compliance with then-current personnel and training requirements; and others; see §§ 16.5.1 to 16.5.10.
n.	Our right of first refusal to acquire your business	16.6	We have the right (not obligation) to match any bona fide offer.
o.	Our option to purchase your business	18.4 to 18.5	Upon termination or expiration of the Franchise Agreement, we can acquire any interest which you have in any lease or sublease for the premises and purchase your

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement, which is attached as Exhibit A-1 to this disclosure document, as well as the various state addenda in Exhibit G.

FRANCHISE AGREEMENT

	Provision	Section in Franchise Agreement	Summary
			furnishings, equipment, material, or inventory at the lesser of cost or fair market value.
p.	Your death or disability	16.7	Representative must promptly apply for our approval to transfer interest and pay reasonable costs we incur in reviewing transfer.
q.	Non-competition covenants during the franchise term	19.2 to 19.6	Prohibits engaging in “Competitive Business” (meaning any foodservice business: (a) that is the same as or similar to how a then-current “Bruster’s” Store operates; and/or (b) as to which the sale of ice cream and/or frozen desserts or beverages (in any combination or individually) comprise 10% or more of its gross revenues. During the Franchise Agreement term, there is no other time or geographical limitation.
r.	Non-competition covenants after the franchise is terminated or expires	19.2 to 19.6	Prohibits engaging in Competitive Business at (or within ten miles of) the Accepted Location at which you operated your Bruster’s Store and also within ten miles of any other Bruster’s Store then-existing, closed in the last year, or planned. Applies for two years post-expiration, termination, or a transfer.
s.	Modification of the agreement	25.2	By mutual agreement in writing.
t.	Integration/merger clause	25.1	Final complete agreement with exhibits is binding and supersedes all prior agreements. Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other agreement is intended to disclaim representations made in this disclosure document.

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement, which is attached as Exhibit A-1 to this disclosure document, as well as the various state addenda in Exhibit G.

FRANCHISE AGREEMENT

	Provision	Section in Franchise Agreement	Summary
u.	Dispute resolution by arbitration or mediation	27	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief). The Franchise Agreement contains provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Section 27 of the Franchise Agreement. Please also see the various state disclosure addenda and agreement amendments attached to this disclosure document, which contain additional terms that may be required under applicable state law.
v.	Choice of forum	27.2	Any action you bring against us must be brought only within courts with jurisdiction over Beaver County, Pennsylvania. Any action we bring against you may be brought in jurisdiction where we maintain our principal place of business. Your state law may impact this provision.
w.	Choice of law	27.1	Pennsylvania law governs the Franchise Agreement. Your state law may impact this provision.

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Development Agreement. You should read these provisions in the Development Agreement, which is attached as Exhibit A-2 to this disclosure document, as well as the various state addenda in Exhibit G.

DEVELOPMENT AGREEMENT

	Obligation	Section in Development Agreement	Summary
a.	Length of the franchise term	3	The term of the Development Schedule will be discussed and agreed upon by the parties before entering into the Development Agreement
b.	Renewal or extension of the term	Not Applicable	
c.	Requirements for you to renew or extend	Not Applicable	
d.	Termination by you	Not Applicable	
e.	Termination by us without cause	Not Applicable	
f.	Termination by us with cause	11.3 and 13	<p>Failure to meet the Development Schedule, default or termination under the Franchise Agreement, abandonment, and other grounds; see § 17 of the Franchise Agreement. Termination of the Development Agreement does not constitute a default under any of your Franchise Agreements.</p> <p>This clause, like many of those in the Development Agreement, incorporates by reference the corresponding clauses in the Franchise Agreement. Please also see § 9 of the Development Agreement.</p>
g.	"Cause" defined – curable defaults	11.3	Please see §§ 17.1 and 17.2 of the Franchise Agreement.
h.	"Cause" defined – non-curable defaults	11.3 and 13	Failure to meet development schedule and/or termination of a Franchise Agreement, and others; please see § 17.2 of the Franchise Agreement.

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Development Agreement. You should read these provisions in the Development Agreement, which is attached as Exhibit A-2 to this disclosure document, as well as the various state addenda in Exhibit G.

DEVELOPMENT AGREEMENT

	Obligation	Section in Development Agreement	Summary
i.	Your obligations on termination or non-renewal	11.5	Please see §§ 18.1 through 18.11 of the Franchise Agreement.
j.	Assignment of contracts by us	9.2	There are no limits on our right to assign the Development Agreement.
k.	"Transfer" by you – definition	11.3 and 12	Includes transfer of any interest in you or the Development Agreement.
l.	Our approval of transfer by you	11.3 and 12	We have the right to review and approve all proposed transfers.
m.	Conditions for our approval of transfer	11.3 and 12	Signing our then-current development agreement (which may contain terms and conditions materially different from those in your original agreement), payment of transfer fee, execution of transfer agreement with mutual general releases; compliance with then-current personnel and training requirements; and others; see §§ 16.5.1–16.5.10 of the Franchise Agreement. We may also withhold our consent to a transfer of some, but not all, of the Franchise Agreements separate from one another, and in any case, separate from the rights set forth under the Development Agreement.
n.	Our right of first refusal to acquire your business	11.3	We can match any offer, or the cash equivalent. See Franchise Agreement § 16.6
o.	Our option to purchase your business	11.3	We can acquire your lease or sublease for the premises, and purchase your equipment, material, and inventory at cost or fair market value after termination or expiration. See Franchise Agreement §§ 18.4–18.5.
p.	Your death or disability	11.3	An interest in Development Agreement must be transferred to a third-party we have

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Development Agreement. You should read these provisions in the Development Agreement, which is attached as Exhibit A-2 to this disclosure document, as well as the various state addenda in Exhibit G.

DEVELOPMENT AGREEMENT

	Obligation	Section in Development Agreement	Summary
			approved within six months. See Franchise Agreement § 16.7
q.	Non-competition covenants during the franchise term	19	Prohibits engaging in “Competitive Business” (meaning any foodservice business: (a) that is the same as or similar to how a then-current “Bruster’s” Store operates; and/or (b) as to which the sale of ice cream and/or frozen desserts or beverages (in any combination or individually) comprise 10% or more of its gross revenues. During the Development Agreement term, there is no other time or geographical limitation.
r.	Non-competition covenants after the franchise is terminated or expires	11.6	Prohibits engaging in Competitive Business within ten miles of the perimeter of your former Development Territory and also within ten miles of any other Bruster’s Store then-existing, closed in the last year, or planned. Applies for two years post-expiration, termination, or a transfer.
s.	Modification of the agreement	14	Must be in writing executed by both parties.
t.	Integration/merger clause	14	Only the terms of the Development Agreement (which also includes the Franchise Agreement provisions that are incorporated by reference) and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Development Agreement or in any other agreement is intended to disclaim representations made in this disclosure document.
u.	Dispute resolution by arbitration or mediation	11.14	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief). The Development Agreement contains provisions that may affect your legal rights, including a

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Development Agreement. You should read these provisions in the Development Agreement, which is attached as Exhibit A-2 to this disclosure document, as well as the various state addenda in Exhibit G.

DEVELOPMENT AGREEMENT

	Obligation	Section in Development Agreement	Summary
			waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. Please also see § 27 of the Franchise Agreement, which is incorporated by reference into the Development Agreement. Please also see the various state disclosure addenda and agreement amendments attached to this disclosure document, which contain additional terms that may be required under applicable state law.
v.	Choice of forum	11.14	Any action you bring against us must be brought only within courts with jurisdiction over Beaver County, Pennsylvania. Any action we bring against you may be brought in jurisdiction where we maintain our principal place of business. Your state law may impact this provision.
w.	Choice of law	11.14	Pennsylvania law governs the Franchise Agreement. Your state law may impact this provision.

Item 18

Public Figures

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

Item 19

Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

Please read the charts below together with the notes that follow.

**Table 1:
Average Unit Volume (AUV) of
Franchise-Owned Bruster's Ice Cream Stores
Open and Operating a Standard 7-day Schedule
For Calendar Years ~~2022~~, ~~2023~~, 2024, and 2025~~2024~~**

	Number of Stores out of total franchised locations open 358 days or more	% of total stores	AUV	# and pct. Stores exceeding overall AUV	Median
AUV Top-Range	51/187	27.3	\$981,594		\$912,635
AUV Mid-Range	51/187	27.3	\$614,562		\$614,280
AUV Bottom-Range	51/187	27.3	\$418,853		\$447,275
Highest AUV			\$2,115,725		
Lowest AUV			\$167,279		
Overall 2022	153/187	81.8	\$671,299	61 (40%)	\$614,280
AUV Top-Range	55/193	28.5%	\$1,054,338		\$974,708
AUV Mid-Range	55/192	28.5%	\$661,116		\$662,405
AUV Bottom-Range	55/193	28.5%	\$431,591		\$462,552
Highest AUV			\$2,270,233		
Lowest AUV			\$143,542		
Overall 2023	165/193	85.5%	\$715,682	71 (43%)	\$662,405
AUV Top-Range	57/205	27.8%	\$1,085,370		\$1,036,879
AUV Mid-Range	58/205	28.3%	\$689,096		\$673,438
AUV Bottom-Range	57/205	27.8%	\$461,571		\$481,325
Highest AUV			\$2,271,611		
Lowest AUV			\$190,125		
Overall 2024	172/205	84%	\$745,019	73 (36%)	\$673,438
<u>AUV Top-Range</u>	<u>61/219</u>	<u>27.7</u>	<u>\$1,096,870</u>		
<u>AUV Mid-Range</u>	<u>61/219</u>	<u>27.7</u>	<u>\$693,606</u>		
<u>AUV Bottom-Range</u>	<u>61/219</u>	<u>27.7</u>	<u>\$449,474</u>		
<u>Highest AUV</u>			<u>\$2,421,735</u>		
<u>Lowest AUV</u>			<u>\$157,586</u>		
<u>Overall 2025</u>	<u>183/219</u>	<u>84%</u>	<u>\$746,650</u>	<u>75 (34%)</u>	<u>\$685,840</u>

**Table 2:
Average Unit Volume (AUV) of
Franchise-Owned Bruster's Ice Cream Stores
Open and Operating a Standard 7-day Schedule During the Year
and Operating A Minimum of 358 Days
for Calendar Years 2014 - ~~2025~~2024**

Calendar Year:	# of Stores out of total franchised locations open 358 days or more	AUV	% Increase Over Prior Year	# / pct. Stores exceeding overall AUV	Median	% Increase Over Prior Year
2014	113/180	\$372,762		40 / 35%	\$350,392	
2015	127/180	\$402,316	7.9	52 / 41%	\$385,479	10
2016	143/179	\$416,943	3.6	62 / 43%	\$397,936	3.2
2017	147/181	\$423,113	1.5	63 / 43%	\$403,240	1.3
2018	138/181	\$435,898	3.0	59 / 43%	\$408,043	1.2
2019	145/180	\$466,696	7.1	59 / 41%	\$427,703	4.8
2020	144/178	\$529,531	13.5	59 / 41%	\$495,039	15.7
2021	147/185	\$634,673	19.9	58 / 39%	\$587,542	18.7
2022	153/187	\$669,771	5.5	61 / 40%	\$614,004	4.5
2023	165/193	\$715,682	6.9	71 / 43%	\$662,405	7.9
2024	172/205	\$745,019	4.1	73 / 36%	\$673,438	1.7
<u>2025</u>	<u>183/219</u>	<u>\$746,650</u>	<u>0.2</u>	<u>75 / 34%</u>	<u>\$685,840</u>	<u>1.8</u>
Total Cumulative Increase			73.2	59.7 <u>61.0</u>		69 <u>70.8</u>

**Table 3:
Average Unit Volume of Affiliate-Owned
Bruster's Ice Cream Stores
Open and Operating a Standard 7-day Schedule
For Calendar Years 2019 - ~~2025~~2024**

Calendar Year	Number of Stores out of Total Affiliate-Owned Stores open 358 days or more	% of total stores	AUV	Median
2019	1/1	100%	\$677,170	\$677,170
2020	1/1	100%	\$846,382	\$846,382
2021	1/1	100%	\$900,129	\$900,129
2022	1/1	100%	\$905,004	\$905,004
2023	1/1	100%	\$971,011	\$971,011

Calendar Year	Number of Stores out of Total Affiliate-Owned Stores open 358 days or more	% of total stores	AUV	Median
2024	1/1	100%	\$1,004,616	\$1,004,616
<u>2025</u>	<u>1/1</u>	<u>100%</u>	<u>\$1,170,936</u>	<u>\$1,170,936</u>

Table 4:

Table 4 shows average cost of goods as a percentage of gross sales for both franchised and company-owned locations (based on the total cost of inventory ordered from the distributor) during 2019 - 2024 divided by their gross sales during the same period.

Cost of Goods (COG) as a Percentage of Gross Sales of Franchise and Company-Owned Ice Cream Stores Operating A Minimum of 358 Days Each Calendar Years 2019 - ~~2025~~2024

	Franchised Locations			Company-Owned Locations	
	Avg. COG %	Median COG %	Store Count	COG %	Store Count
2019	24.46%	24.51%	145/175	30.30%	1/1
2020	24.07%	24.05%	144/175	29.93%	1/1
2021	23.36%	23.57%	147/180	27.3%	1/1
2022	25.75%	25.77%	152/185	30.2%	1/1
2023	25.52%	25.53%	164/192	30.75	1/1
2024	24.00%	24.04%	171/205	29.11%	1/1
<u>2025</u>	<u>23.70%</u>	<u>23.20%</u>	<u>182/219</u>	<u>29.8%</u>	<u>1/1</u>

Notes:

Please note the following:

1. The data in this Item 19 is historical information for the calendar years indicated.
2. The data in the tables noted above were prepared from our internal operating records, which, in turn, were prepared from information obtained from our franchisees. To the best of our knowledge, this information has been prepared according to generally accepted accounting principles. The information presented in this Item 19 has not been audited.
3. The term "Gross Sales" as used in the tables above is defined in Item 6 above.
4. Cost of goods figures will vary from Store-to-Store and you need to prepare your own estimates of the cost of sales you expect to achieve in your Store. Some of the items impacting cost of sales, many of which will have a material impact on actual cost of sales percentages, include: actual product sales mix; the cost of commodities and other materials over which you and we will have little control; the availability of local supply for products; the amount of product manufactured in the Store and the efficiency with which

it is made; control over serving sizes by your employees; and, customer pricing sensitivity in your market.

5. Please carefully consider not just these figures but also the information that you independently verify and develop about the costs that you are likely to incur. Franchisees will incur additional business expenses that are likely to be significant, and those expenses will vary considerably from one franchisee to the next. Among other things, you will be required to pay royalty fees and make marketing contributions, and you will incur other costs, such as rent and occupancy costs; cost of labor (total compensation, including wages and benefits); franchisee compensation over and above that earned from the operations of the Store business (such as a salary that you may draw); debt service; insurance; Store facilities and property maintenance (and reserves for future maintenance); business and regulatory fees and licenses; recruitment expenses; legal and accounting fees; and bookkeeping and other professional services.
6. In addition to the points noted above, your results will be affected by factors such as prevailing economic or market area condition, demographics, geographic location, interest rates, your capitalization level, the amount and terms of any financing that you may secure, the property values and lease rates, your business and management skills, staff strengths and weaknesses, and the cost and effectiveness of your marketing activities.
7. We strongly advise you to conduct an independent investigation of this information and the opportunity to buy a franchise so that you can decide whether or not you think the franchise will meet your financial needs. Among other things, we recommend that you contact the current and former franchisees listed in this disclosure document and that you also consult with a qualified attorney, accountant, and other professional advisors before entering into a Franchise Agreement. We suggest that you develop and review with your own professional advisors a pro forma cash flow statement, balance sheet and statement of operations, and that you make your own financial projections regarding sales, costs, customer base, and business development for your own Bruster's Store.
8. **Some Stores have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**
9. By providing explanatory information in these notes, we do not disclaim any of the data presented in this Item 19.
10. Written substantiation of the data used in preparing the information in this Item 19 will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Bruster's Limited Partnership does 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 our management by contacting Mr. James Sahene at 730 Mulberry Street, Bridgewater, PA 15009 or (724) 774-4250, the Federal Trade Commission, and the appropriate state regulatory agencies.

Table No. 1
Systemwide Outlet Summary for ~~2022~~2023 to ~~2025~~2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2023 2022	180 186	186 193	+ 6 7
	2023 2024	186 193	193 205	+ 7 12
	2024 2025	193 205	205 219	+ 12 15
Affiliate-Owned	2023 2022	1	1	0
	2023 2024	1	1	0
	2024 2025	1	1	0
Total Outlets	2023 2022	181 187	187 194	+ 6 7
	2023 2024	187 194	194 206	+ 7 12
	2024 2025	194 206	206 220	+ 12 15

Notes to all Item 20 charts:

- (1) All details are as of our fiscal year ends, which fall on December 31 each year.
- (2) States not listed had no activity during the relevant time frame.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
for ~~2022~~2023 to ~~2024~~2025

State	Year	Number of Transfers
Alabama	2022	0
	2023	0
	2024	0
California	2023 2022	0 1
	2023	4
	2024	2
	2025	0
Florida	2023 2022	1
	2023	4
	2024	1
	2025	0
Georgia	2023 2022	6 4
	2023	4
	2024	4
Kentucky	2022 2025	4 3
Indiana	2023	0
	2024	0
	2025	1

State	Year	Number of Transfers
Maryland	2023 2022	2 0
	2023	0
	2024	1
North Carolina New Hampshire	2022 2025	1 0
	2023	0
	2024	0
	2025	1
Pennsylvania	2023 2022	1 0
	2023	0
	2024	2
	2025	0
South Carolina	2023 2022	0
	2023	0
	2024	2
	2025	0
Virginia	2023 2022	0
	2023	0
	2024	1
	2025	0
Totals	2023 2022	12 6
	2023	6
	2024	13
	2025	5

Table No. 3
Status of Franchised Outlets
for ~~2022~~2023 to ~~2024~~2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
AL	2022 2023	7	0 1	0	0	0	0 1	7
	2024 2023	7	4 0	0	0	0	1	7 6
	2024 2025	7 6	0	0	0	0	4 0	6
AZ	2022 2023	2 3	4 0	0	0	0	0	3
	2024 2023	3	0 1	0	0	0	0	3 4
	2024 2025	3 4	1	0	0	0	0	4 5
CA	2022	9	4	0	0	0	0	10
CA	2023	10	3	0	0	0	0	13
	2024	13	3	0	0	0	1	15

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
DE	2022 <u>025</u>	315	02	0	0	0	0	317
DE	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
FL	2022 <u>025</u>	173	0	0	0	0	0	173
FL	2023	17	0	0	0	0	0	17
	2024	17	2	0	0	0	1	18
GA	2022 <u>025</u>	5018	02	0	0	0	10	4920
GA	2023	49	0	0	0	0	0	49
	2024	49	1	0	0	0	0	50
IL	2022 <u>025</u>	050	01	0	0	0	01	050
IL	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
IN	2022 <u>025</u>	12	10	0	0	0	0	2
IN	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
KY	2022 <u>025</u>	32	1	0	0	0	0	43
KY	2023	4	0	0	0	0	1	3
	2024	3	0	0	0	0	0	3
MD	2022 <u>025</u>	83	10	0	0	0	0	93
MD	2023	9	1	0	0	0	0	10
	2024	10	1	0	0	0	0	11
	<u>2025</u>	<u>11</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
MA	2022 <u>023</u>	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
MI	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
NH	2022 <u>025</u>	10	01	0	0	0	0	1
MO	2023	10	0	0	0	0	0	10
	2024	10	0	0	0	0	0	10
NJ	2022 <u>025</u>	10	01	0	0	0	0	1
NH	2023	1	0	0	0	0	10	01
	2024	01	10	0	0	0	0	1
	<u>2025</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
NJ	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
NY	2022 <u>025</u>	1	1	0	0	0	0	2
NY	2023	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
	2024	2	2	0	0	0	0	4
NG	2022 2025	94	0	0	0	0	0	94
NC	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
NV	2022 2025	09	1	0	0	0	0	4 10
NV	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OH	2022 2025	41	0	0	0	0	4 0	3 1
OH	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
PA	2022 2025	214	0	0	0	0	1	2 03
PA	2023	20	1	0	0	0	0	21
	2024	21	0	0	0	0	1	20
SC	2022 2025	15 20	0 1	0	0	0	0	15 21
SC	2023	15	0	0	0	0	0	15
	2024	15	0	0	0	0	0	15
TN	2022 2025	6 15	0 1	0	0	0	0	6 16
TN	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
TX	2022 2025	5 7	1	0	0	0	0	6 7
TX	2023	6	0	0	0	0	2	4
	2024	4	3	0	0	0	0	7
UT	2022 2025	1 7	0 1	0	0	0	0	1 8
UT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
VA	2022 2025	15 1	4 0	0	0	0	0 1	1 60
VA	2023	16	4	0	0	0	0	20
	2024	20	1	0	0	0	1	20
Totals	2022 2025	180 20	9 2	0	0	0	3 0	18 622
Totals	2023	186	12	0	0	0	5	193
	2024	193	17	0	0	0	5	205
	2025	205	18	0	0	0	4	219

Table No. 4
Status of Affiliate-Owned Outlets
for ~~2022~~2023 to ~~2024~~2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
PA	2022 2023	1	0	0	0	0	1
	2024 2023	1	0	0	0	0	1
	2024 2025	1	0	0	0	0	1
Total	2022 2023	1	0	0	0	0	1
	2023 2024	1	0	0	0	0	1
	2024 2025	1	0	0	0	0	1

Table No. 5
Projected Openings for ~~2025~~2026

State	Franchise Agreements Signed but Outlets Not Yet Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Affiliate-Owned Outlets in the Next Fiscal Year
Alabama	2	0	0
Arizona	8 5	1	0
California	24 15	1	0
Delaware	4 0	0	0
Florida	8 6	0	0
Georgia	10 2	0	0
Illinois	3 7	1 0	0
Indiana	2 1	0	0
Maryland	5	0	0
Michigan	3 5	0	0
Missouri	2	0	0
North Carolina	3	0 1	0
New York	4 3	0	0
New Jersey	6 7	0	0
Ohio	6 3	0	0
Pennsylvania	5 4	0	0
South Carolina	4 6	0 1	0
Tennessee	4 3	0	0
Texas	16 11	1	0
Virginia	14 13	0 1	0
Total	127 106	4 6	0

The names, addresses, and telephone numbers of our franchisees as of our fiscal year ending December 31, ~~2024~~2025 are listed in Exhibit H. The name and last known home address and telephone number of every one of our franchisees who has had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under an agreement during the one-year period ending December 31, ~~2024~~2025, is also listed in Exhibit H. There are no franchisees who have not communicated with us within ten weeks of the date of

this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed a confidentiality clause in a Franchise Agreement, settlement or other contract within the last three years that would restrict their ability to speak openly about their experience with our company.

As of the date of this disclosure document, there are no Bruster's franchisee associations in existence regardless of whether they use our trademarks or not.

Item 21

Financial Statements

A copy of our audited financial statements as of December 31, ~~2024~~2025, December 31, ~~2024~~2023, and December 31, ~~2022~~2023, are attached as Exhibit F.

Item 22

Contracts

You will find the following documents attached to this disclosure document:

Exhibit A-1	Franchise Agreement with Exhibits A – Data Sheet B – Guarantee, Indemnification, & Acknowledgements C – List of Principals D – ACH – Authorization Agreement for Direct Debit E – ADA Certification F – Site Selection Addendum G – Lease Rider H – Index to Defined Terms
Exhibit A-2	Development Agreement with Exhibits A – Data Sheet B – Guarantee, Indemnification, and Acknowledgements C – List of Principals D – Form of Franchise Agreement
Exhibit D	Form of General Release
Exhibit G	State-Specific Addenda

Item 23

Receipts

The last two pages of this disclosure document (Exhibit K) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy of the receipt page and please keep the other copy together with this disclosure document.

Bruster's Limited Partnership Franchise Agreement

2025

2026

Bruster's Limited Partnership Franchise Agreement

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Exhibits:

- | | |
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| A Data Sheet | E ADA Certification |
| B Guarantee, Indemnification, and Acknowledgement | F Site Selection Addendum |
| C List of Principals | G Lease Rider |
| D ACH - Authorization Agreement for Prearranged Payments (Direct Debits) | H Index to Defined Terms |

Bruster's Limited Partnership Franchise Agreement

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into as of the date that we have indicated on the signature page of this Agreement (the "**Effective Date**") by and between:

- Bruster's Limited Partnership, a Pennsylvania limited partnership with its principal place of business at 730 Mulberry Street, Bridgewater, PA 15009 ("**we**," "**us**," "**our**", or "**Franchisor**"); and
- _____, a [resident of] [corporation organized in] [limited liability company organized in] [partnership organized in] the State of _____ with offices at _____ ("**you**" or the "**Franchisee**").

Introduction

*We and our affiliates (as defined below) own a format and system relating to the establishment and operation of "Bruster's" retail businesses that feature, among other things, ice cream, frozen yogurt and frozen desserts and other beverage and food products (each a "**Store**"). Stores specialize in the sale of food products and beverages that we may periodically specify for on-premises, carry-out and delivery consumption, which may include Proprietary Items (as defined in this Agreement) as well as non-Proprietary Items to customers on-site (collectively, the "**Retail Products**"). The services associated with offering Retail Products to consumers are referred to as the "**Services**".*

*Among the distinguishing characteristics of a Store are that it operates under our "Bruster's" System. Our System includes (among other things): Retail Products; signage; distinctive interior and exterior design and accessories; opening hours; operational procedures; standards and specifications; quality and uniformity of products and services offered; recipes and preparation techniques; management and inventory control procedures; software; training and assistance; business format, layouts and floor plans, methods, equipment lists and layouts, menus, the Proprietary Marks (defined below), as well as advertising and promotional programs (together, the "**System**").*

*We identify the System by means of our Proprietary Marks. Our proprietary marks include certain trade names (for example, the mark "BRUSTER'S" and logo), service marks, trademarks, logos, emblems, and indicia of origin (for example, the "BRUSTER'S" mark and logo), as well as other trade names, service marks, and trademarks that we may periodically specify in writing for use in connection with the System (all of these are referred to as our "**Proprietary Marks**"). We and our affiliates continue to develop, use, and control the use of our Proprietary Marks in order to identify for the public the source of Retail Products and Services marketed under those marks and under the System, and to represent the System's standards of quality, cleanliness, appearance, and service.*

We are in the business of developing, programming and awarding franchise rights to third party franchisees, such as you. You will be in the business of operating a Store, using the same brand and Proprietary Marks as other independent businesses that operate other Stores under the System (including some operated by our affiliates). We will not operate your Store for you, although we have (and will continue) to set standards for Stores that you will have chosen to adopt as yours by signing this Agreement and by your day-to-day management of your Store according to our brand standards.

You have asked to enter into the business of operating a Store under our System and wish to obtain a franchise from us for that purpose, as well as to receive the training and other assistance we provide as described in this Agreement. You also understand and acknowledge the importance of our standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised under this Agreement in conformity with our standards and specifications.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1 GRANT

1.1 *Rights and Obligations.* We grant you the right, and you accept the obligation, all under the terms (and subject to the conditions) of this Agreement:

1.1.1 To operate one Store under the System (the “**Franchised Business**”);

1.1.2 To use the Proprietary Marks and the System, but only in connection with the Franchised Business (recognizing that we may periodically change or improve the Proprietary Marks and the System); and

1.1.3 To do all of those things only at the Accepted Location (as defined in Section 1.2 below).

1.2 *Accepted Location.* The street address of the location for the Franchised Business approved under this Agreement is specified in Exhibit A to this Agreement, and is referred to as the “**Accepted Location**.”

1.2.1 You will establish and operate your Store only at the Accepted Location.

1.2.2 You agree to enter into the site selection addendum (the “**Site Selection Addendum**,” attached as Exhibit F to this Agreement) at the same time as you sign this Agreement. Under the Site Selection Addendum, you will be required to find a site which will become the Accepted Location after we have given you our written approval for that site and you have obtained the right to occupy the premises, by lease, sublease, or acquisition of the property, all subject to our prior written approval and in accordance with the Site Selection Addendum. We have the right to grant, condition, and/or to withhold approval of the Accepted Location under this Section 1.2. You agree that our review and approval of your proposed location, under this Section 1.2 or pursuant to the Site Selection Addendum, does not constitute our assurance, representation, or warranty of any kind that your Franchised Business at the Accepted Location will be profitable or successful (as further described in Section 5 of the Site Selection Addendum).

1.2.3 You agree not to relocate the Franchised Business without our prior written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration commitments that we have made to other franchisees, licensees, landlords, real estate developers, and other parties relating to the proximity of a new Store to their establishment. If you wish to relocate, then you must pay us a relocation fee of Ten Thousand Dollars (\$10,000).

1.3 *Protected Territory.* During the term of this Agreement, we will not operate, nor will we grant to any other party the right to operate, a Store within the area designated in the Data Addendum (Exhibit A) as your “**Protected Territory**,” subject to the limitations in Sections 1.4 to 1.6 below.

1.4 *Our Reserved Rights.* We and our affiliates reserve all rights that are not expressly granted to you under this Agreement. Therefore, among other things, we have the sole right to do any or all of the following (despite proximity to your Protected Territory and/or Franchised Business as well as any actual or threatened impact on sales at your Franchised Business):

1.4.1 We have the right to establish, and franchise others to establish, Stores anywhere outside the Protected Territory;

1.4.2 We have the right to establish, and license others to establish, Stores at any Non-Traditional Facility or Captive Market Location (as defined below) inside or outside the Protected Territory, despite such Stores' proximity to the Accepted Location or their actual or threatened impact on sales at the Franchised Business;

1.4.3 We have the right to establish, and license others to establish, businesses that do not operate under the System and that do not use the Proprietary Marks licensed under this Agreement, even if those businesses also offer or sell products and services that are the same as or similar to those offered from the Franchised Business, no matter where those businesses are located;

1.4.4 We have the right to acquire (or be acquired) and then operate any business of any kind, anywhere (but not to be operated as a Store under the Proprietary Marks inside the Protected Territory); and

1.4.5 We have the right to sell Retail Products and services through any method that is not a physical Store (including alternative distribution channels such as e-commerce), anywhere.

1.4.6 Definitions.

1.4.6.1 The term "**Captive Market Location**" is agreed to include, among other things, non-foodservice businesses of any sort within which a Store or a "Bruster's" branded facility is established and operated (including for example, hotels and resorts), as well as branded locations that serve only our Retail Products.

1.4.6.2 The term "**Non-Traditional Facility**" includes, among other things, college campuses, schools, hotels, casinos, airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers.

1.5 *Limits on Where You May Operate.*

1.5.1 You may offer and sell the Retail Products and Services only: **(a)** in accordance with the requirements of this Agreement and the procedures set out in the Brand Manual (defined below); and **(b)** to customers of the Franchised Business.

1.5.2 Except as permitted under Section 1.6 below, you agree not to offer or sell any products or services (including the Retail Products and the Services) through any means other than through the Franchised Business at the Accepted Location (so for example, you agree not to offer or sell services or products from satellite locations, temporary locations, kiosks, by use of catalogs, the Internet, Digital Sites, through other businesses, and/or through any other electronic or print media).

- 1.5.3 You agree that you will offer and sell Retail Products from the Accepted Location only to retail customers:
- 1.5.3.1 Face to face, for consumption on the Store premises;
 - 1.5.3.2 Face to face, for personal carry-out consumption; and/or
 - 1.5.3.3 For delivery service through the use of an approved local third-party provider of delivery services (“**Delivery**”), for the offer or sale of products to customers from mobile carts (“**Carts**”), and for catering services provided at customers’ homes, offices, and other locations (“**Catering**”), all according to the terms of Section 1.6 below.
- 1.5.4 You further understand that we will not prohibit other Stores or any other restaurant or food service business (whether owned or franchised by us or by our affiliates) from delivering food to customers at any location.
- 1.5.5 You understand that: (a) your rights under this Agreement are for the development and operation of one Store at the Approved Location, under the terms and conditions of this Agreement; and (b) that this Agreement does not grant nor does it imply any further rights to (or rights of any first refusal for) additional Stores.
- 1.6 **Outside Sales.** You may conduct Catering, Delivery, and Cart services (“**Outside Sales**”) according to the terms of this Section 1.6.
- 1.6.1 You must construct, open and commence operations of the Franchised Business at the Accepted Location only before you may begin Outside Sales efforts. All Retail Products offered or sold in connection with Outside Sales must be produced on the premises of the Accepted Location.
 - 1.6.2 You may not conduct Outside Sales in the protected territory of another “Bruster’s” Store and/or within the development area of a “Bruster’s” area developer (~~together, an~~ “**Assigned Area(s)**”). You may provide Outside Sales in areas located outside ~~your~~ the Protected Territory so long as: (a) those services are provided in an area that is not an Assigned Area (an “**Open Area**”); and (b) within an area that we determine is reasonably proximate to your Store; ~~and (c) you meet all of the other requirements of this Agreement.~~
 - 1.6.3 If you wish to provide, or receive an inquiry to provide, Outside Sales outside of your Protected Territory, you must inquire with us as to whether such Outside Sales would take place in an Assigned Area. Upon receipt of written confirmation from us that the requested Outside Sales are not in an Assigned Area, and are in an Open Area, you may provide those Outside Sales. If we notify you that the Outside Sales would be in an Assigned Area, you must refer those services to the Store operating in that Assigned Area.
 - 1.6.4 All Outside Sales activities that you undertake must be conducted in accordance with the procedures that we specify in the Manual (as defined in Sections 3.5 and 10 below) or otherwise in writing.
 - 1.6.5 You agree to conduct Delivery only using approved third-party Delivery vendors. We have the right at all times to approve or disapprove of any Delivery services and other

vendors (including aggregators), including the arrangements that you propose to make with any third-party Delivery vendor.

- 1.6.6 Any Cart that you wish to operate must meet all of the requirements that we specify for such a device, whether in the Manuals or otherwise.
 - 1.6.7 All Outside Sales will be considered as “sales” made from your Store for all purposes under this Agreement, including that such sales will be considered part of the Gross Sales (see Section 4.2.2 below) of your Franchised Business.
 - 1.6.8 We may ask (and if so, you agree) that you and we enter into a letter of understanding (which will serve as an addendum to this Agreement) to memorialize and implement the arrangements that we mutually agree upon with respect to an Outside Sales opportunity.
- 1.7 *Other Brands.* You understand that we may operate (or be affiliated with companies that operate) businesses under brand names (whether as company-owned concepts, as a franchisor, or as a franchisee) in addition to the “Bruster’s” brand, and also that we may acquire other brands (or be acquired by a company that operates other brands) (collectively, “**Other Brands**”). You understand and agree that this Agreement does not grant you any rights with respect to any such Other Brands.

2 TERM AND RENEWAL

- 2.1 *Term.* The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire at the earlier of: **(a)** ten (10) years following the date when the Franchised Business first opened; or **(b)** eleven (11) years following the Effective Date.
- 2.2 *Renewal.* You will have the right to renew your rights to operate the Franchise Business for three (3) additional consecutive successor terms of ten (10) years each, so long as you have satisfied all of the conditions specified in Sections 2.2.1 through 2.2.9 before each such renewal:
- 2.2.1 You agree to give us written notice of your choice to renew at least three (3) months before the end of the term of this Agreement (but not more than six (6) months before the term expires).
 - 2.2.2 You agree to remodel and refurbish the Franchised Business to comply with our then-current standards in effect for new Stores (as well as the provisions of Section 8.8 below).
 - 2.2.3 At the time of renewal: **(a)** you must be in material compliance with the provisions of this Agreement (including any amendment to this Agreement), any successor to this Agreement, and/or any other contract between you (and your affiliates) and us (and our affiliates); and **(b)** in our reasonable judgment, you must have been in material compliance during the term of this Agreement, even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet your obligations.
 - 2.2.4 You must have timely met all of your financial obligations to us, our affiliates, the Marketing Fund, and/or the Regional Fund, as well as your vendors (including your lessors, suppliers, staff, and all other parties with whom you do business), throughout

the term of this Agreement (even if we did not issue a notice of default or exercise our right to terminate this Agreement if you did not meet your obligations).

- 2.2.5 You must sign our then-current form of franchise agreement, which will supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which will not supersede this Section 2), and which you acknowledge and agree may contain terms, conditions, obligations, rights, and other provisions that are substantially and materially different from those spelled out in this Agreement (including a higher percentage Royalty Fee and marketing contribution, and a different protected area). Your direct and indirect owners must also sign and deliver to us a personal guarantee of your obligations under the renewal form of franchise agreement. (In this Agreement, the term “**entity**” includes a corporation, a limited liability company, a partnership, and/or a limited liability partnership.)
- 2.2.6 You agree to sign and deliver to us a renewal agreement that will include a mutual general release (which will be effective as of when signed as well as the date of renewal), in a form that we will provide (which will include limited exclusions), which will release all claims against us and our affiliates, and our respective officers, directors, members, managers, agents, and employees. Your affiliates and your respective direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us.
- 2.2.7 You and your personnel must meet our then-current qualification and training requirements.
- 2.2.8 You agree to present to us satisfactory evidence that you have the right to remain in possession of the Accepted Location for the entire renewal term of this Agreement.

3 OUR DUTIES

- 3.1 *Training.* We will provide you with the training specified in Section 6 below.
- 3.2 *Site Selection.* We will provide the site selection assistance that we think is needed, but you will retain the sole responsibility for choosing a viable site (even though we will have provided assistance and our opinions on the options).
- 3.3 *Standard Layout and Equipping of a Store.* We will make available to, at no additional charge, our standard layout, design and image specifications for a Store based on the format you have chosen to develop and operate, including the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. We have the right to modify our standard layout plans and specifications as we deem appropriate periodically (however, once we have provided those plans and specifications to you, we will not further modify the layout plans and specifications for the initial construction of your Store). We will also provide the site selection and lease review assistance called for under Section 5.3 below.
- 3.4 *Opening and Additional Assistance.* We will provide a representative to be present at the opening of the Franchised Business. We will provide such additional on-site pre-opening and opening supervision and assistance that we think is advisable, and as may be described in the Brand Manual (defined below).
- 3.5 *Brand Manual.* We will lend to you one (1) copy of (or provide you with access to), during the term of this Agreement, our confidential brand manuals and other written instructions relating

to the operation of a Store (the “**Brand Manual**”), in the manner and as described in Section 10 below.

- 3.6 *Marketing Materials.* We will assist you in developing the Grand Opening Marketing Program (defined below). We have the right to approve or disapprove all marketing and promotional materials that you propose to use, pursuant to Section 13 below.
- 3.7 *Marketing Funds.* We will administer the Marketing Fund (as defined in Section 13 below) in the manner set forth in Section 13 below.
- 3.8 *Inspection Before Opening.* We will evaluate the Franchised Business before it first opens for business. You agree to not open the Franchised Business to customers or otherwise start operation until you have received our prior written approval to do so. You agree to provide us with written notice of the date that you intend to start operating at least forty-five (45) days in advance of the planned opening date.
- 3.9 *Periodic Assistance.* We will provide you periodic assistance in the marketing, management, and operation of the Franchised Business at the times and in the manner that we determine. We will periodically offer you the services of certain of our representatives, such as a field consultant, and these representatives will periodically visit your Franchised Business and offer advice regarding your operations.
- 3.10 *Services Performed.* You agree that any of our designees, employees, agents, or independent contractors (such as an “area representative”) may perform any duty or obligation imposed on us by the Agreement, as we may direct (if so, we will, nonetheless, remain responsible to you for the performance of these obligations).
- 3.11 *Our Decision-Making.* In fulfilling our obligations under this Agreement, and in conducting any activities or exercising our rights pursuant to this Agreement, we (and our affiliates) will always have the right: **(a)** to take into account, as we see fit, the effect on, and the interests of, other franchised and company-owned or affiliated businesses and systems; **(b)** to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which we (or our affiliates) have an interest, and/or with our affiliates; **(c)** to test market various items in some or all parts of the System; **(d)** to introduce new Proprietary Items, products that are not Proprietary Items, and operational equipment; and/or **(e)** to allocate resources and new developments between and among systems, and/or our affiliates, as we see fit. You understand and agree that all of our obligations under this Agreement are subject to this Section, and that nothing in this Section will in any way affect your obligations under this Agreement.
- 3.12 *Confirmation of Performance.* After we have performed our pre-opening obligations to you under this Agreement, we may ask that you execute and deliver to us a confirmation (the “**Confirmation of Performance**”), in a form we reasonably request, confirming that those obligations have been completed. If we ask you to provide us with such a certificate, then you agree to execute and deliver the Confirmation of Performance to us within three (3) business days after our request. However, if you do not reasonably believe that we have performed all of our pre-opening obligations, you must, within that same three (3) business day period, provide us with written notice specifically describing the obligations that we have not performed. Not later than three (3) business days after we complete all the obligations that you specified in that notice, you agree to execute and deliver the Confirmation of Performance to us. You agree to do so even if we performed such obligations after the time performance was due under this Agreement. The term “pre-opening obligations” means the obligations we have

to you under this Agreement that must be performed before you open your Franchised Business.

4 FEES; SALES REPORTING

4.1 *Initial Franchise Fee.* You agree to pay us an initial franchise fee in the amount set out in the Data Sheet attached as Exhibit A (the “**Initial Franchise Fee**”). The Initial Franchise Fee is due and payable to us on the day that you sign this Agreement. The Initial Franchise Fee is not refundable. The Initial Franchise Fee is payable in consideration of the services that we provide to you in connection with helping you to establish your new Store.

4.2 *Royalty Fee and Sales Reports.* For each Period during the term of this Agreement, you agree to: **(a)** pay us a continuing royalty fee in the amount equal to five percent (5%) of the Gross Sales of the Franchised Business (“**Royalty Fees**” or “**Royalties**”); and **(b)** report to us your Gross Sales, in the form and manner that we specify (a “**Sales Report**”), by the time specified in Section 4.3 below. As used in this Agreement:

4.2.1 The term “**Gross Sales**” means all revenue from the sale of all Retail Products and Services and all other income of every kind and nature related to, derived from, or originating from the Franchised Business (whether or not permitted under this Agreement), including barter and the proceeds of any business interruption insurance policies, whether for cash or credit, and regardless of theft, or of collection in the case of credit. Gross Sales excludes: **(a)** sales taxes and other taxes that you collect from your customers and actually pay to the appropriate taxing authorities; **(b)** discounts from coupons; and **(c)** the amount of any documented refunds or credits the Franchised Business in good faith gives to customers (if those amounts were originally included in calculating Gross Sales). Gross Sales include delivery and off-site sales (for example, catering, kiosks, etc.) (all of which are subject to our prior written approval, and all of which are subject to all the terms of this Agreement).

4.2.2 The term “**Period**” means a seven-day accounting interval for the purpose of organizing books and records (with 52 Periods in one year). We will have the right to establish the schedule for Periods with reasonable advance notice to you.

4.3 *Due Date.* All payments required by Section 4.2 above and Section 13 below must be made by ACH (as specified below) by Thursday of each Period (the “**Due Date**”), based on the Gross Sales of the previous Period. In addition, you agree to all of the following:

4.3.1 We will have access to your **ComputerTech** System (defined below) and will receive Sales Report and other information from your **ComputerTech** System. However, if at any time we ask you to do so, then you agree to deliver to us all of the reports, statements, and/or other information that is required under Section 12 below, at the time and in the format that we reasonably request. You also agree to deliver the Sales Report to us by the Due Date based on the sales of the previous Period.

4.3.2 You agree to establish an arrangement for electronic funds transfer to us, or electronic deposit to us of any payments required under this Agreement. Among other things, to implement this point, you agree to sign and return to us our current form of “ACH - Authorization Agreement for Prearranged Payments (Direct Debits),” a copy of which is attached to this Agreement as Exhibit D (and any replacements for that form that we deem to be periodically needed to implement this Section 4.3.2), and you agree to: **(a)** comply with the payment and reporting procedures that we may specify in the Brand Manual or otherwise in writing; and **(b)** maintain an adequate balance in

your bank account at all times to pay by electronic means the charges that you owe under this Agreement. If we elect to use ACH withdrawal to sweep payment of fees, then you will not be required to submit a separate payment to us unless you do not maintain sufficient funds to pay the full amount due. Accordingly: **(i)** you agree to maintain a proper and sufficient balance in the account from which your ACH deductions are made to pay all of the fees that are due under this Agreement; and **(ii)** if you do not do so, then you agree to pay us upon demand the amounts due and also reimburse us for the bank fees (if any) that we incur as well as a reasonable additional administrative fee that we will have the right to impose.

- 4.3.3 You agree that your obligations to make full and timely payment of Royalty Fees and Marketing Contributions (and all other sums due to us) are absolute, unconditional, fully-earned (by us), and due as soon as you are first open to the public.
- 4.3.4 You agree not to, for any reason, delay or withhold the payment of any amount due to us under this Agreement; put into escrow any payment due to us; set-off payments due to us against any claims or alleged claims that you may allege against us, the Marketing Fund, the Regional Fund, our affiliates, suppliers, or others.
- 4.3.5 You agree that if you do not provide us, as requested, with access to your [ComputerTech](#) System to obtain sales information or, if we require pursuant to Section 12.1.4 below or otherwise, printed and signed sales reports, then we will have the right to impute your sales for any period using (among other things) your sales figures from any Period(s) that we choose (which may be those with your highest grossing sales), and that you agree to pay the Royalties on that amount by our deduction of that amount from your direct debit account.
- 4.4 *No Subordination.* You agree: **(a)** not to subordinate to any other obligation your obligation to pay us the Royalty Fee and/or any other amount payable to us, whether under this Agreement or otherwise; and **(b)** that any such subordination commitment that you may give without our prior written consent will be null and void.
- 4.5 *Late Payment.* If we do not receive any payment due under this Agreement (and if the appropriate marketing fund does not receive payment due) on or before the due date, then that amount will be deemed overdue. If any payment is late, then you agree to pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month (but if there is a legal maximum interest rate that applies to you in your jurisdiction, then not more than that maximum rate). Our entitlement to such interest will be in addition to any other remedies we may have. Any report that we do not receive on or before the due date will also be deemed overdue.
- 4.6 *Other Funds Due.* You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any amounts that we have paid, that we have become obligated to pay, and/or that we choose to pay on your behalf.
- 4.7 *Index.* We have the right to adjust, for inflation, the fixed-dollar amounts under this Agreement (except for the Initial Franchise Fee) to reflect changes in the Index from the year in which you signed this Agreement. For the purpose of this Section 4.7, the term "**Index**" means the Consumer Price Index as published by the U.S. Bureau of Labor Statistics ("**BLS**") (1982-84=100; all items; CPI-U; all urban consumers). If the BLS [changes or](#) no longer publishes the Index, then we will have the right to designate a reasonable alternative measure of inflation.

4.8 *Funds.* You agree to make all payments to us in U.S. Dollars to such bank account as we may periodically designate in writing (or as we otherwise direct in writing).

5 FRANCHISED BUSINESS LOCATION, CONSTRUCTION AND RENOVATION

5.1 *Opening Deadline.* You are responsible for purchasing, leasing, or subleasing a suitable site for the Franchised Business. You agree to establish the Franchised Business and have it open and in operation within twelve (12) months after the Effective Date of this Agreement. **Time is of the essence.**

5.2 *Site for the Store.* As provided in Section 1.2 above, if you do not have (and we have not approved in writing) a location for the Store as of the Effective Date, then you must find and obtain the right to occupy (by lease, sublease, or acquisition of the property) premises that we find acceptable to serve as your Store, all in accordance with the Site Selection Addendum.

5.3 *Our Review and Your Responsibilities.* Any reviews that we conduct of the proposed site, lease, and other details concerning your site are for our benefit only, and to evaluate the proposed site against our internal standards. In addition:

5.3.1 You agree that our review, comments about, and even our approval of a proposed site, lease, sublease, design plans, and/or renovation plans for the Store is not (and shall not be deemed) our recommendation, endorsement, and/or guarantee of the suitability of that location or the terms of the lease, sublease, and/or purchase agreement.

5.3.2 You agree to take all steps necessary to determine for yourself whether a particular location and the terms of any lease, sublease, and/or purchase agreement for the site are beneficial and acceptable to you (including retaining your own legal counsel to review the lease). Additionally, no matter to what extent (if any) that we participate in any lease, sublease, and/or purchase negotiations, discussions with the landlords or property owners, and/or otherwise in connection with reviewing the lease, sublease and/or purchase agreement, you have to make the final decision as to whether or not the proposed contract is sensible for your business, and the final decision as to whether or not to sign the lease, sublease, and/or purchase agreement is yours, and we will not be responsible for the terms and conditions of your lease, sublease, and/or purchase agreement.

5.3.3 You agree that: **(a)** any standard layout and equipment plans that we provide to you, as well as any review and comments that we provide to the plans that you develop for your Store, are not meant to address the requirements of any Operating Codes (as defined in Section 8.7 below); **(b)** our standard plans or comments to your modified plans, will not reflect the requirements of, nor may they be used for, construction drawings or other documentation that you will need in order to obtain permits or authorization to build a specific Store; **(c)** you will be solely responsible to comply with all local laws, requirements, architectural needs, and similar design and construction obligations associated with the site, at your expense; and **(d)** our review, comment, and approval of your plans will be limited to reviewing those plans to assess compliance with our standards (including issues such as trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain products and services that are central to the purpose, atmosphere, and functioning of Stores).

5.3.4 You agree that our recommendation or acceptance of the Accepted Site indicates only that we believe that the Accepted Site falls within the acceptable criteria for sites and

premises that we have established as of the time of our recommendation or acceptance of the Accepted Site.

- 5.3.5 We will not review nor may our approval be deemed to address whether or not you have complied with any of the Operating Codes, including provisions of the Americans with Disabilities Act (the “**ADA**”); and you agree that compliance with such laws is and will be your sole responsibility.
 - 5.3.6 You acknowledge that we will have no liability to you or any regulatory authority if you fail to obtain and/or maintain any necessary licenses or approvals required for the operation of the Franchised Business.
- 5.4 *Lease Review.* You agree to provide us with a copy of the proposed lease, sublease, or purchase agreement for the Accepted Location, and you agree not to enter into that lease, sublease, or purchase agreement until you have received our written approval. We have the right to condition our approval of the lease, sublease, or purchase agreement upon the inclusion of terms that we find acceptable and that are consistent with our rights and your responsibilities under this Agreement, including that you and the landlord execute a lease rider in the form attached to this Agreement as Exhibit G. You also agree:
- 5.4.1 that our acceptance of the proposed site as well as your proposed lease, sublease, or purchase agreement for the Accepted Site does not constitute any guarantee or warranty, express or implied, of the successful operation or profitability of your Store operated at the Accepted Site (and that our acceptance indicates only that we believe that the Accepted Site and the terms of the lease, sublease, or purchase agreement fall within our own internal criteria); and
 - 5.4.2 that we have advised that you have your own attorney review and evaluate the lease, sublease, or purchase agreement.
- 5.5 *Preparing the Site.* You agree that after obtaining possession of the Accepted Location, you will do all of the following things:
- 5.5.1 obtain all required zoning permits, all required building, utility, health, sign permits and licenses, and any other required permits and licenses;
 - 5.5.2 purchase equipment, fixtures, furniture and signs as required under this Agreement (including the specifications we have provided in writing, whether in the Brand Manual or otherwise);
 - 5.5.3 complete the construction and/or remodeling as described in Section 8.8 below, and installation of all equipment, fixtures, furniture and signs and decorating of the Franchised Business in full and strict compliance with plans and specifications for the Franchised Business that we have approved in writing, as well as all applicable ordinances, building codes and permit requirements;
 - 5.5.4 obtain all customary contractors’ partial and final waivers of lien for construction, remodeling, decorating and installation services; and
 - 5.5.5 purchase an opening inventory of ingredients for Retail Products and other materials and supplies.

- 5.6 **Construction or Renovation.** In connection with any construction or renovation of the Franchised Business (and before you start any such construction or renovation) you agree to comply, at your expense, with all of the following requirements, which you agree to satisfy to our reasonable satisfaction:
- 5.6.1 You agree to employ a qualified, licensed architect or engineer who is reasonably acceptable to us to prepare, for our approval, preliminary architectural drawings and equipment layout and specifications for site improvement and construction of the Franchised Business based upon standard layout, design and image specifications we will furnish in the Brand Manual. The materials that you submit to us must include a description of any modifications to our specifications (including requirements for dimensions, interior and exterior design and layout, equipment, fixtures, furnishings, signs, and decorating materials) required for the development of a Franchised Business. Our approval will be limited to conformance with our standard image specifications and layout, and will not relate to your obligations with respect to any applicable Operating Codes, including the ADA. After we have responded to your preliminary plans and you have obtained any permits and certifications, you agree to submit to us, for our prior written approval, final architectural drawings, plans and specifications. We will have the right to request changes and approve, but we will not supervise or otherwise oversee your project. We will not unreasonably withhold our approval of your adapted plans, provided that such plans and specifications conform to our general criteria. Once we have approved those final plans, you cannot change or modify the plans later without our prior written consent.
 - 5.6.2 You agree to comply with all Operating Codes, including the applicable provisions of the ADA regarding the construction and design of the Franchised Business. Additionally, before opening the Franchised Business, and after any renovation, you agree to execute and deliver to us an ADA Certification in the form attached to this Agreement as Exhibit E, to certify that the Franchised Business and any proposed renovations comply with the ADA.
 - 5.6.3 You are solely responsible for obtaining (and maintaining) all permits and certifications (including zoning permits, licenses, construction, building, utility, health, sign permits and licenses) which may be required by state or local laws, ordinances, or regulations (or that may be necessary or advisable due to any restrictive covenants relating to your location) for the lawful construction and operation of the Franchised Business. You must certify in writing to us that all such permits and certifications have been obtained.
 - 5.6.4 You agree to employ a qualified licensed general contractor who is reasonably acceptable to us to construct the Franchised Business and to complete all improvements.
 - 5.6.5 You agree to obtain (and maintain) during the entire period of construction the insurance required under Section 15 below; and you agree to deliver to us such proof of such insurance as we may reasonably require.
- 5.7 **Pre-Opening.** Before opening for business, you agree to meet all of the pre-opening requirements specified in this Agreement, the Brand Manual, and/or that we may otherwise specify in writing.
- 5.8 **Reporting Development Costs.** Within ninety (90) days after the Franchised Business first opens for business, you agree to give us a full written breakdown of all costs associated with

the development and construction of the Franchised Business, in the form that we may reasonably find acceptable or that we may otherwise require.

6 OPERATING OWNER, PERSONNEL, AND TRAINING

6.1 *Operating Owner and Management.*

- 6.1.1 One of the parties that owns an interest in you must serve as your “**Operating Owner.**” The Operating Owner or Manager (defined below) must supervise the operation of the Franchised Business. The Operating Owner (and any replacement for that individual) must have qualifications reasonably acceptable to us to serve in this capacity, complete our training program as described below, must have authority over all business decisions related to the Franchised Business, must have the power to bind you in all dealings with us, and must have signed and delivered to us the Guarantee, Indemnification, and Acknowledgement attached to this Agreement as Exhibit B.
- 6.1.2 You must inform us in writing whether the Operating Owner will assume full-time responsibility for the daily supervision and operation of the Franchised Business. If not, then you must employ a full-time manager for the Franchised Business (a “**Manager**”) with qualifications reasonably acceptable to us, who will assume responsibility for the daily operation of the Franchised Business.
- 6.1.3 If you do not have a Manager, then you must employ at least one (1) general manager and at least one (1) assistant manager (or someone serving in an equivalent capacity, subject to our prior written approval) at all times in the Franchised Business throughout the term of this Agreement, who have successfully completed, to our satisfaction, our initial training program and any additional training that we may require of such persons.
- 6.1.4 The Franchised Business must at all times be under the active full-time management of either Operating Owner or Manager (who must have successfully completed our initial training program to our satisfaction) or employees of yours who are under the direct supervision of the Operating Owner or Manager.
- 6.1.5 The term “**Additional Trained Personnel**” means Store personnel, in addition to the Operating Owner and Manager, who have successfully completed our initial and ongoing training requirements and possess the qualifications necessary to the management and/or service roles that each such person will perform in operating the Franchised Business.

6.2 *Initial Management Training.*

- 6.2.1 **Owners Training.** The Operating Owner and your Manager must attend and successfully complete, to our satisfaction, the initial training program that we offer at our headquarters or another location that we specify.
- 6.2.2 **Brand Management Training.**
- 6.2.2.1 The Manager (and your initial general manager as well as your initial assistant manager) must also attend and successfully complete, to our satisfaction, the brand management training program that we offer at our headquarters or another location that we specify. (Your Manager will train your subsequently hired general managers and assistant managers.)

6.2.2.2 You must send at least two (2) individuals to the initial training program to our designated training facilities (which may be in Pennsylvania or elsewhere).

6.3 *Additional Obligations and Terms Regarding Training.*

6.3.1 If for any reason your Operating Owner and/or Manager cease active management or employment at the Franchised Business, or if we revoke the certification of your Operating Owner or your Manager to serve in that capacity, then you agree to enroll a qualified replacement (who must be reasonably acceptable to us to serve in that capacity) in our initial training program within thirty (30) days after the former individual ended his/her full time employment and/or management responsibilities. The replacement must attend and successfully complete the basic management training program, to our reasonable satisfaction as soon as it is practical to do so.

6.3.2 We may require that you and your Operating Owner, Manager, and Additional Trained Personnel attend such refresher courses, seminars, and other training programs as we may reasonably require periodically.

6.3.3 We may require you to enroll each of your employees in web-based training programs relating to the Retail Products and Services that will be offered to customers of the Store.

6.3.4 Training Costs and Expenses.

6.3.4.1 We agree to bear the cost of providing the instruction and required materials, except as otherwise provided in Sections 6.2, 6.3, 6.4, and 6.5 of this Agreement.

6.3.4.2 You agree to bear all expenses incurred in connection with any training, including the costs of transportation, lodging, meals, wages, benefits, and worker's compensation insurance for you and your employees.

6.3.4.3 You also agree to cover all of your employees at all times (including the pre-opening period, and including those attending training) under the insurance policies required in Section 15 below.

6.3.4.4 We have the right to reduce the duration or content of the training program for any trainee who has prior experience with our System or in similar businesses.

6.3.5 We have the right to provide any or all of the training specified in this Agreement at locations and/or using modalities that we select, including in-person (possibly in Pennsylvania), online, through digital means, and/or in other formats.

6.4 *Additional On-Site Training.* You may ask us to provide on-site training in addition to that which we will provide to you in connection with the initial training program and/or the opening of the Franchised Business, and if we are able to do so, then you agree to pay us our then-current per diem training charges as well as our out-of-pocket expenses. Additionally, if you do not pass one or more mystery shopper visits and/or inspections, then we have the right to determine that you are not operating your Store in accordance with our brand standards, and we may place you in default of this Agreement and/or require you and/or your employees to complete additional training at the Franchised Business or a location that we designate, at

your expense, which will include our then-current per diem training charges and our out-of-pocket expenses for any training conducted at your Franchised Business.

- 6.5 *Conventions and Meetings.* You agree to attend the conventions and meetings that we may periodically require. You will be responsible for all of costs of attendance at the convention or meeting, including travel, room and board, and your employees' wages, benefits and other expenses. Currently, we hold a System-wide convention every other year, with a "regional meeting" in the years in between. If you do not attend a convention, then you agree to pay a fee in the amount of Two Thousand Dollars (\$2,000), and if you do not attend a regional meeting or any other meetings (such as an online webinar), then you agree to pay a fee of Three Hundred Dollars (\$300).
- 6.6 *Human Relations.* You agree to engage the services of a competent full-service human relations (HR) professional to obtain training and ongoing guidance on HR and personnel matters (which may include your own HR lawyer and/or a third party service provider (including as a payroll processing company such as ADP or Paychex, and/or a professional employer organization (PEO), subject to our right to approve such service providers under Section 7 below).

7 PURCHASING AND SUPPLY

The requirements of this Section 7 apply to Proprietary Items (Section 7.2), Input Items that you must purchase or otherwise source from approved suppliers (Section 7.1), and Input Items that you must otherwise purchase or source in accordance with our standards and specifications (Section 7.3).

- 7.1 *Input Items.* You agree to buy all ingredients, equipment, furniture, supplies, paper products, t-shirts, and other apparel, materials (such as packaging), and other products and services used (or offered for sale) at the Store (together, "**Input Items**") only from suppliers as to whom we have given our prior written approval (and whom we have not subsequently disapproved). (The term Input Items also includes any pre-packaged Retail Products that you buy from approved suppliers.) In this regard, the parties further agree:
- 7.1.1 In determining whether we will approve any particular supplier for an Input Item, we will consider various factors, including: **(a)** whether the supplier can demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; **(b)** whether the supplier has adequate quality controls and capacity to supply your needs promptly and reliably; **(c)** whether approval of the supplier would enable the System, in our sole opinion, to take advantage of marketplace efficiencies; and/or **(d)** whether the supplier will sign a confidentiality agreement and a license agreement in the form that we may require (which may include a royalty fee for the right to use our Proprietary Marks and any other proprietary rights, recipes, and/or formulae).
- 7.1.2 For the purpose of this Agreement, the term "**supplier**" includes, but is not limited to, manufacturers, distributors, resellers, and other vendors. You agree that: **(a)** we have the right to appoint only one supplier for any particular Product or item (which may be us or one of our affiliates); **(b)** we do not and cannot guarantee that any vendor (including us or one of our affiliates) will extend credit to you with respect to the purchase terms; and **(c)** you will not contact with any supplier to seek revisions to any particular Product or Item.

- 7.1.3 You agree to offer and sell only Retail Products and Services at the Franchised Business. You may not offer or sell anything at the Franchised Business that is not an approved Retail Product or a Service. Retail Products and Services are described, and periodically adjusted, in the Brand Manual.
- 7.1.4 If you want to buy any Input Item from an unapproved supplier (except for Proprietary Items, which are addressed in Section 7.2 below), then you must first submit a written request to us asking for our prior written approval. You agree not to buy from any such supplier unless and until we have given you our prior written consent to do so. We have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory that we have designated for testing. You (or the supplier) may be required to pay a charge, not to exceed the reasonable cost of the inspection, as well as the actual cost of the test. We have the right to also require that the supplier comply with such other requirements that we have the right to designate, including payment of reasonable continuing inspection fees and administrative costs and/or other payment to us by the supplier on account of their dealings with you or other franchisees, for use of our trademarks, and for services that we may render to such suppliers. We also reserve the right, at our option, to periodically re-inspect the facilities and products of any such approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria. We are not required to approve any particular supplier, nor to make available our standards, specifications, or formulas to prospective suppliers, which we have the right to deem confidential.
- 7.1.5 You agree we have the right to establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers that are willing to supply all or some Stores with some or all of the products and/or services that we require for use and/or sale in the development and/or operation of Stores, notwithstanding anything to the contrary contained in this Agreement. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all Input Items, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the network of Stores. We have the right to approve or disapprove of the suppliers who may be permitted to sell Input Items to you. Any of our affiliates that sell Input Items to you will do so at our direction. If you are in default of this Agreement, we reserve the right to direct our affiliates not to sell Input Items to you, or to withhold certain discounts that might otherwise be available to you.
- 7.1.6 We have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "**Allowances**") offered by suppliers to you or to us (or our affiliates) based upon your purchases of Input Items. These Allowances include those based on purchases of products, paper goods, ingredients, beverages, and other items (such as packaging). Although it is our current practice to allocate Allowances to the Marketing Fund, we are not required to do so, and we have the right to retain any or all such Allowances without restriction.
- 7.1.7 If we require you to offer and sell items that bear our Proprietary Marks, or to use items that bear our Proprietary Marks, then you must buy, use, and sell only the items that we require, and you must buy those items only from our approved suppliers.
- 7.1.8 No matter what party is the supplier of any Input Item, you will be responsible for paying shipping charges for the products that you purchase.

- 7.2 *Proprietary Items.* You agree that: **(a)** we have the right to require that certain Retail Products that you offer at the Franchised Business must be produced in accordance with our proprietary standards and specifications (and/or those of our affiliates) and our proprietary recipe book (“**Recipe Book**”), and that such items are our proprietary products (“**Proprietary Items**”); **(b)** we have the right to require that you purchase and offer Proprietary Items (as well as any packaging bearing the Proprietary Marks) only from us, our affiliates, and/or our designated suppliers, and not to offer or sell any other such products at or from the Franchised Business; and **(c)** we have the right to determine whether any particular item (now or in the future) is or will be deemed a “Proprietary Item.”
- 7.3 *Specifications.* In addition to the provisions of Sections 7.1 and 7.2 above, as to those Input Items that we do not require you to buy or otherwise source from approved suppliers and that are not proprietary items (as specified in Section 7.2 above), you agree to purchase or otherwise source those Input Items only in accordance with the standards and specifications that we specify in the Brand Manual or otherwise in writing (for example, USDA Grade A eggs).
- 7.4 *Use of the Marks.* You agree to use all Logo Items that we require and not to use any items that are a substitute for a Logo Item without our prior written consent. The term “**Logo Items**” is agreed to mean all marketing materials, signs, decorations, paper goods (including and all forms and stationery used in the Franchised Business). You agree that all Logo Items that you use will bear the Proprietary Marks in the form, color, location, and manner we prescribe (and that all such Logo Items will be subject to our prior written approval as provided in Section 13.8 below).
- 7.5 *Manufacturing.* You agree not to produce or otherwise manufacture any items in your Store (except for products that we have otherwise authorized and approved for production in the Brand Manual or otherwise in writing).
- 7.6 *Wholesaling.* You agree not to sell products to any party that you know or have reason to believe is purchasing those items for resale.

8 YOUR DUTIES

In addition to all of the other duties specified in this Agreement, for the sake of brand enhancement and protection, you agree to all of the following:

- 8.1 *Importance of Following Standards.* You understand and acknowledge that every detail of the Franchised Business is important to you, to us, and to other “Bruster’s” franchisees in order to develop and maintain our brand and operating standards, to provide customer service to customers and participants, to increase the demand for the Retail Products and Services sold, by all franchisees, and to protect and enhance the reputation and goodwill associated with our brand.
- 8.2 *Opening.* In connection with the opening of the Franchised Business:
- 8.2.1 You agree to conduct, at your expense, such promotional and marketing activities as we may require.
- 8.2.2 You agree to open the Franchised Business by the date specified in Section 5.1 above. Subject to availability and scheduling, we will send a representative to attend the opening; and you agree not to open the Franchised Business without our representative present. If we cannot provide our representative on the date that you propose to first open the Franchised Business for business, then you must reschedule

such opening to a date on which our representative can be in attendance; provided, that we will not unreasonably delay opening of the Franchised Business due to these considerations.

- 8.2.3 You will not open the Franchised Business until we have determined that all construction has been substantially completed, and that such construction conforms to our standards including to materials, quality of work, signage, decor, paint, and equipment, and we have given you our prior written approval to open, which we will not unreasonably withhold.
- 8.2.4 You agree not to open the Franchised Business until the Operating Owner, Manager, and Additional Trained Personnel have successfully completed all training that we require, and not until you have hired and trained to our standards a sufficient number of employees to service the anticipated level of the Franchised Business's customers.
- 8.2.5 In addition, you agree not to open the Franchised Business until the Initial Franchise Fee and any other amounts due to us (and our affiliates) under this Agreement or any other agreements have been paid.

8.3 *Staffing.*

- 8.3.1 You agree to maintain a competent, conscientious staff in numbers sufficient to promptly service customers and to comply with staffing and service criteria, which may include without limitation specified positions that we may designate from time to time as necessary or appropriate for providing quality member experience according to our standards. We will provide our requirements for service/function positions that we may establish from time to time and which will be set forth in our Brand Manual.
- 8.3.2 For the sake of efficiency and to enhance and protect our brand you and your staff must, at all times, cooperate with us and with our representatives, and conduct the operation of the business in a first-class and professional manner in terms of dealing with customers, vendors, and our staff as well.
- 8.3.3 You must ensure that you and your employees comply the brand dress code and other brand standards that we may reasonably specify, which may include use of branded (or other "**uniform**") apparel, and otherwise identify themselves with the Proprietary Marks at all times in the manner we specify (whether in the Brand Manual or otherwise in writing) while on a job for the Franchised Business. We may also require that you (and that you ensure that your employees also) comply with our brand standards concerning personal appearance (including dress code, footwear, hair color, body art, piercing, sanitation and personal hygiene, foundation garments, personal displays at work stations, etc.).
- 8.3.4 You agree to develop, cultivate, and at all times maintain a cooperative, cordial, and respectful work environment for your staff and among all of the owners of the Franchised Business.

- 8.4 *Operate According to Our Standards.* To ensure that the highest degree of quality and service is maintained, you agree to operate your Franchised Business in strict conformity with such methods, standards, and specifications that we may periodically require in the Brand Manual or otherwise in writing. In this regard, you agree to do all of the following:

- 8.4.1 You agree to maintain in sufficient supply, and to use at all times only the items, products, equipment, services, materials, and supplies that meet our written standards and specifications, and you also agree not to deviate from our standards and specifications by using or offering any non-conforming items without our specific prior written consent.
- 8.4.2 You agree: **(a)** to sell or offer for sale only those Services, items, and Retail Products using the standards and techniques that we have approved in writing for you to offer and use at your Franchised Business; **(b)** to sell or offer for sale all Services, items, and Products using the standards and techniques that we specify in writing; **(c)** to sell and offer for sale all limited time product (LTO) offerings we periodically require, and to purchase and acquire all ingredients necessary to offer the LTO Retail Products as we may specify; **(d)** not to deviate from our standards and specifications; **(e)** to stop using and offering for use any Services or Retail Products that we at any time disapprove in writing (recognizing that we have the right to do so at any time); and **(f)** that if you propose to deviate (or if you do deviate) from our standards and specifications, whether or not we have approved the deviation, that deviation will become our property.
- 8.4.3 You agree to permit us, or our agents, at any reasonable time, to inspect the Retail Products, equipment and to remove samples of items and/or Retail Products, without payment, in amounts reasonably necessary for testing by us or an independent third party to determine whether the Retail Products, equipment, or samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if we had not previously approved the supplier of the item or if the sample fails to conform to our specifications.
- 8.4.4 You agree to buy and install, at your expense, all fixtures, furnishings, equipment, decor, and signs as we may specify, and to periodically make upgrades and other changes to such items at your expense as we may reasonably request in writing. Without limiting the above, you agree that changes in our System standard may require you to purchase new and/or additional equipment for use in the Franchised Business.
- 8.4.5 You agree not to install or permit to be installed on or about the premises of the Franchised Business, without our prior written consent, any fixtures, furnishings, equipment, machines, décor, signs, or other items that we have not previously in writing approved as meeting our standards and specifications.
- 8.4.6 You agree to immediately notify us in writing if you or any of your Principals are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein.
- 8.4.7 You must conduct yourself, and only post such information and materials, on Online Sites (defined below) according to our brand standards and specifications.
- 8.4.8 You must maintain the interior and exterior of the building for the Franchised Business, its patio, parking lot and landscaping surrounding the building according to our brand standards and specifications.

- 8.4.9 You agree to purchase or lease, and use, the music system and playlist that we require, and pay fees to the licensing organizations associated with playing that music (subject to Section 14.1.2 below).
- 8.5 *Use of the Premises.* You may use the Accepted Location only for the purpose of operating the Franchised Business and for no other purpose. You agree not to co-brand or permit any other business to operate at the Accepted Location.
- 8.6 *Hours and Days of Operation.* You agree to keep the Franchised Business open and in normal operation for such hours and days as we may periodically specify in the Brand Manual or as we may otherwise approve in writing.
- 8.7 *Health Standards and Operating Codes.* You agree to meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Business. You agree to fully and faithfully comply with all Operating Codes applicable to your Franchised Business. You will have the sole responsibility to fully and faithfully comply with any Operating Codes, and we will not review whether you are in compliance with any Operating Codes. As used in this Agreement, “**Operating Codes**” means all applicable laws, codes, ordinances, and/or regulations (whether federal, state, municipal, and/or local) that apply to the Services, Retail Products, construction and design of the Store, and/or other aspects of operating the Franchised Business (including the ADA, laws pertaining to employment, etc.).
- 8.7.1 You agree to send us, within two (2) days of your receipt, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Business.
- 8.7.2 You must also obtain and maintain during the term of this Agreement all licenses and approvals from any governmental or regulatory agency required for the operation of the Franchised Business or provision of the Services you will offer, sell, and provide. Where required, you must obtain the approval of any regulatory authority with jurisdiction over the operation of your Franchised Business.
- 8.7.3 You acknowledge that we will have no liability to you or any regulatory authority for any failure by you to obtain or maintain during the term of this Agreement any necessary licenses or approvals required for the operation of the Franchised Business.
- 8.8 *Your Franchised Business:*
- 8.8.1 *Franchised Business Condition, Maintenance.* You agree that at all times, you will maintain the Franchised Business in a high degree of sanitation, repair, and condition. In addition, you agree to make such repairs and replacements to the Franchised Business as may be required for that purpose (but no others without our prior written consent), including the periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor that we may reasonably require. You also agree to obtain maintenance services from qualified vendors for any equipment as we may specify and maintain those service agreements at all times. Your maintenance and upkeep obligations under this Section 8.8,1 are separate from those with respect to periodic upgrades that we may require regarding fixtures, furnishings, equipment, decor, and signs, and Section 8.8.2 below with respect to Major Remodeling. You also agree to complete a Minor Refurbishment as we may reasonably require, which will not be more than once every five (5) years. (The term “**Minor Refurbishment**” includes Computer Upgrades as defined in Section 14 below.)

- 8.8.2 *Major Remodeling.* In addition to the maintenance and upkeep obligations requirements under Section 8.8.1 above, you agree to refurbish the Franchised Business at your expense to conform to our then-current building design, exterior facade, trade dress, signage, furnishings, decor, color schemes, and presentation of the Proprietary Marks in a manner consistent with the then-current image for new Stores, including remodeling, redecoration, and modifications to existing improvements, all of which we may require in writing (collectively, “**Major Remodeling**”). In this regard, the parties agree that:
- 8.8.2.1 You will not have to conduct a Major Remodeling more than once every ten (10) years during the term of this Agreement (and not in an economically unreasonable amount); provided, however, that we may require Major Remodeling more often if a Major Remodeling is required as a pre-condition to renewal (as described in Section 2.2.2 above); and
 - 8.8.2.2 You will have one hundred and eighty (180) days after you receive our written notice within which to complete a Major Remodeling (but, in the case of a renewal, the Major Remodeling must be completed before you may renew).
- 8.9 *Use of the Marks.* You agree to follow all of our instructions and requirements regarding any marketing and promotional materials, signs, decorations, merchandise, any and all replacement trade dress products, and other items that we may designate to bear our then-current Proprietary Marks and logos (including our requirements as to the form, color, location, and manner for making use of those marks).
- 8.10 *Depending on your type of Entity:*
- 8.10.1 *Corporation.* If you are a corporation, then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** maintain stop transfer instructions on your records against the transfer of any equity securities and will only issue securities upon the face of which a legend, in a form satisfactory to us, appears which references the transfer restrictions imposed by this Agreement; **(c)** not issue any additional shares (whether voting securities or securities convertible into voting securities); and **(d)** maintain a current list of all owners of record and all beneficial owners of any class of voting stock of your company and furnish the list to us upon request.
 - 8.10.2 *Partnership/LLP.* If you are a general partnership, a limited partnership, or a limited liability partnership (LLP), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare and furnish to us, upon request, a current list of all of your general and limited partners; and **(d)** consistent with the transfer restrictions set out in this Agreement, maintain instructions against the transfer of any partnership interests without our prior written approval.
 - 8.10.3 *LLC.* If you are a limited liability company (LLC), then you agree to: **(a)** confine your activities, and your governing documents will at all times provide that your activities are confined, exclusively to operating the Franchised Business; **(b)** furnish us with a copy of your articles of organization and operating agreement, as well as such other documents as we may reasonably request, and any amendments thereto; **(c)** prepare

and furnish to us, upon request, a current list of all members and managers in your LLC; and **(d)** maintain stop transfer instructions on your records against the transfer of equity securities and will only issue securities upon the face of which bear a legend, in a form satisfactory to us, which references the transfer restrictions imposed by this Agreement.

- 8.10.4 *Guarantees.* If the Franchisee under this Agreement is an entity, then you agree to obtain, and deliver to us, a guarantee of your performance under this Agreement and covenant concerning confidentiality and competition, in the form attached as Exhibit B, from each current and future direct and indirect: **(a)** shareholder of a corporate Franchisee; **(b)** member of a limited liability company Franchisee; **(c)** partner of a partnership Franchisee; and/or **(d)** partner of a limited liability partnership Franchisee.
- 8.11 *Quality-Control and Customer Survey Programs.* We may periodically designate an independent evaluation service to conduct a “mystery shopper,” “customer survey,” “food safety,” and/or similar quality-control and evaluation programs with respect to Stores. You agree to participate in such programs as we require, and promptly pay the then-current charges of the evaluation service. If you receive an unsatisfactory or failing report in connection with any such program, then you agree to: **(a)** immediately implement any remedial actions we require; and **(b)** reimburse us for the expenses we incur as a result thereof (including the cost of having the evaluation service re-evaluate the Franchised Business, our inspections of the Franchised Business, and other costs or incidental expenses).
- 8.12 *Prices.*
- 8.12.1 We may periodically provide suggested retail pricing, however (subject to Section 8.12.2 below), you will always have the right to set your own prices.
- 8.12.2 You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the Retail Products and Services offered and sold at the Store under this Agreement. You will have the right to set the prices that you will charge to your customers; provided, however, that (subject to applicable law): **(a)** if we have established a maximum price for a particular item, then you may charge any price for that item up to and including the maximum price we have established; and **(b)** if we have established a minimum price for a particular item, then you may charge any price for that item that is equal to or above the minimum price we have established.
- 8.13 *Environmental Matters.* Both parties recognize and agree that there are changing standards in this area in terms of applicable law, competitors’ actions, consumer expectations, obtaining a market advantage, available and affordable solutions, and other relevant considerations. In view of those and other considerations, as well as the long-term nature of this Agreement, you agree that we have the right to periodically set reasonable standards with respect to environmental, sustainability, and energy for the System through the Brand Manual, and you agree to abide by those standards.
- 8.14 *Innovations.* You agree to disclose to us all ideas, concepts, methods, techniques and products conceived or developed by you, your affiliates, owners and/or employees during the term of this Agreement relating to the development and/or operation of the Store. All such products, services, concepts, methods, techniques, and new information will be deemed to be our sole and exclusive property and works made-for-hire for us. You hereby grant to us (and agree to obtain from your affiliates, owners, employees, and/or contractors), a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques and products in any businesses that we and/or our affiliates, franchisees and designees operate.

We will have the right to use those ideas, concepts, methods, techniques, and/or products without compensation to you. You agree not to use or allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

- 8.15 *Suspending Operation.* You agree to immediately suspend operation of (and close) the Franchised Business, and promptly notify us in writing if: **(a)** any equipment used, or products or services sold, at the Franchised Business deviate from our standards; **(b)** any equipment used, or products or services sold, at the Franchised Business fail to comply with applicable laws or regulations; ~~and/or~~ **(c)** you fail to maintain the equipment, Franchised Business premises, personnel, or operation of the Franchised Business in accordance with any applicable law or regulations; and/or (d) you fail to adhere to our brand standards and/or the Brand Standards Manuals in a manner that we determine is (or could be) damaging to our brand and/or the goodwill associated with our Proprietary Marks. We also have the right to require that you suspend operations under the previous sentence if we determine that you have failed to comply with a material requirement of this Agreement and/or if we believe that your operation of the Franchised Business may present a threat to public health or safety. In the event of such closing, you agree to immediately notify us, in writing, and also remedy the unsafe or other condition or other violation of the applicable law or regulation. You agree not to reopen the Franchised Business until after we have inspected the Franchised Business premises (physically or otherwise), and we have determined that you have corrected the condition and that all equipment used, or products or services to be sold, at the Franchised Business comply with our standards. This Section 8.15 does not limit or restrict our other rights under this Agreement, at law, or in equity.

9 PROPRIETARY MARKS

- 9.1 *Our Representations.* We represent to you that we own (and/or have an appropriate license to) all right, title, and interest in and to the Proprietary Marks, and that we have taken (and will take) all steps reasonably necessary to preserve and protect the ownership and validity in, and of, the Proprietary Marks.
- 9.2 *Your Agreement.* With respect to your use of the Proprietary Marks, you agree that:
- 9.2.1 You will use only the Proprietary Marks that we have designated in writing, and you will use them only in the manner we have authorized and permitted in writing; and all items bearing the Proprietary Marks must bear the then-current logo.
- 9.2.2 You will use the Proprietary Marks only for the operation of the business franchised under this Agreement and only at the location authorized under this Agreement, or in franchisor-approved marketing for the business conducted at or from that location (subject to the other provisions of this Agreement).
- 9.2.3 Unless we otherwise direct you in writing to do so, you agree to operate and advertise the Franchised Business only under the name "Bruster's" without prefix or suffix (except with our prior written approval).
- 9.2.4 During the term of this Agreement and any renewal of this Agreement, you agree to identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business (visible to customers, visible only to your staff, and otherwise as we may designate in writing).

- 9.2.5 Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights.
- 9.2.6 You agree not to use the Proprietary Marks to incur any obligation or indebtedness on our behalf.
- 9.2.7 You agree not to use the Proprietary Marks: **(a)** as part of your corporate or other legal name; **(b)** as part of any e-mail address, domain name, social networking site page, or other identification of you in any electronic medium (except as otherwise provided in Section 14.11); and/or **(c)** in any human relations (HR) document or materials, including job applications, employment agreements, pay checks, pay stubs, and the like.
- 9.2.8 You agree to: **(a)** comply with our instructions in filing and maintaining requisite trade name or fictitious name registrations; and **(b)** execute any documents that we (or our affiliates) deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability, including any additional license agreements we may require for use of the Proprietary Marks on the Internet or in other marketing.
- 9.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:
- 9.2.9.1 You agree to promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks licensed under this Agreement. You agree to communicate only with us, our affiliates, our counsel, or your counsel regarding any such infringement or challenge. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We will also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.
- 9.2.9.2 Defense and Costs:
- (a) *If You Used the Marks in Accordance with this Agreement*: If you have used the Proprietary Marks in accordance with this Agreement, then we will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your use thereof, and we agree to reimburse you for your out-of-pocket litigation costs in doing such acts and things (except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement). .
- (b) *If You Used the Marks But Not in Accordance with this Agreement*: If you used the Proprietary Marks in any manner that was not in accordance with this Agreement (including our instructions), then we will still defend you, but at your expense, against such third party claims, suits, or demands (including all of the costs of defense as well as the cost of any judgment or settlement). You agree to reimburse us for the cost of such litigation (or, upon our written request, pay our legal fees directly), including reasonable attorneys' fees, court costs, discovery costs, and

all other related expenses, as well as the cost of any judgment or settlement.

- 9.2.9.3 If we undertake the defense or prosecution of any litigation or other similar proceeding relating to the Proprietary Marks, then you agree to sign any and all documents, and do those acts and things that may, in our counsel's opinion, be necessary to carry out the defense or prosecution of that matter (including becoming a nominal party to any legal action).

9.3 *Your Acknowledgements.* You agree that:

- 9.3.1 We own all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.
 - 9.3.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System.
 - 9.3.3 Neither you nor any of your owners, principals, or other persons acting on your behalf will directly or indirectly contest the validity or our ownership of the Proprietary Marks, nor will you, directly or indirectly, seek to register the Proprietary Marks with any government agency (unless we have given you our express prior written consent to do so).
 - 9.3.4 Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.
 - 9.3.5 Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted as part of this Agreement, there will be no monetary amount assigned as attributable to any goodwill associated with your use of our System or of our Proprietary Marks.
 - 9.3.6 The license that we have granted to you under this Agreement to use our Proprietary Marks is not exclusive, and therefore we have the right, among other things:
 - 9.3.6.1 To use the Proprietary Marks ourselves in connection with selling Retail Products and Services;
 - 9.3.6.2 To grant other licenses for the Proprietary Marks, in addition to licenses we may have already granted to you and other licensees; and
 - 9.3.6.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises for those other marks without giving you any rights to those other marks.
- 9.4 *Change to Marks.* We reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Proprietary Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different, updated, or changed Proprietary Marks will be beneficial to the System. In such circumstances, you agree to adopt the new Proprietary Marks and that your right to use the substituted proprietary marks shall be governed by (and pursuant to) the terms of this Agreement.

10 CONFIDENTIAL BRAND MANUAL

- 10.1 *You Agree to Abide by the Brand Manual.* In order to protect our reputation and goodwill and to maintain our standards of operation under our Proprietary Marks, you agree to conduct your business in accordance with the written instructions that we provide, including the Brand Manual. We will lend to you (or permit you to have access to) one (1) copy of our Brand Manual, only for the term of this Agreement, and only for your use in connection with operating the Franchised Business during the term of this Agreement.
- 10.2 *Format of the Brand Manual.* We will have the right to provide the Brand Manual in any one or more format that we determine is appropriate (including paper and/or by making some or all of the Brand Manual available to you only in electronic form, such as through an internet website or a Private Portal), and we may change how we provide the Brand Manual from time to time. If at any time we choose to provide some or all of the Brand Manual electronically, you agree to immediately return to us any and all physical copies of the portions of the Brand Manual that we have previously provided to you.
- 10.3 *We Own the Brand Manual.* The Brand Manual will at all times remain our sole property and you agree to promptly return the Brand Manual (including any and all copies of some or all of the Brand Manual) when this Agreement expires and/or is terminated.
- 10.4 *Confidentiality and Use of the Brand Manual.*
- 10.4.1 The Brand Manual contains our proprietary information and you agree to keep the Brand Manual confidential both during the term of this Agreement and after this Agreement expires and/or is terminated. You agree that, at all times, you will insure that your copy of the Brand Manual will be available at the Franchised Business premises in a current and up-to-date manner. Whenever the Brand Manual is not in use by authorized personnel, you agree to maintain secure access to the Brand Manual at the premises of the Franchised Business, and you agree to grant only authorized personnel (as defined in the Brand Manual) with access to the security protocols for the Brand Manual.
- 10.4.2 You agree to never make any unauthorized use, disclosure, and/or duplication of the Brand Manual in whole or in part.
- 10.5 *You Agree to Treat Brand Manual as Confidential.* You agree that at all times, you will treat the Brand Manual, any other manuals that we create (or approve) for use in the operation of the Franchised Business, and the information contained in those materials, as confidential, and you also agree to use your best efforts to maintain such information as secret and confidential. You agree that you will never copy, duplicate, record, or otherwise reproduce those materials, in whole or in part, nor will you otherwise make those materials available to any unauthorized person.
- 10.6 *Which Copy of the Brand Manual Controls.* You agree to keep your copy of the Brand Manual only at the Franchised Business (and as provided in Section 10.4 above) and also to insure that the Brand Manual is kept current and up to date. You also agree that if there is any dispute as to the contents of the Brand Manual, the terms of the master copy of the Brand Manual that we maintain in our head office will be controlling. Access to any electronic version of the Brand Manual will also be subject to our reasonable requirements with respect to security and other matters, as described in Section 14 below.

- 10.7 *Revisions to the Brand Manual.* We have the right to revise the contents of the Brand Manual whenever we deem it appropriate to do so, and you agree to make corresponding revisions to your copy of the Brand Manual and to comply with each new or changed standard.
- 10.8 *Modifications to the System.* You recognize and agree that we may periodically change or modify the System and you agree to accept and use for the purpose of this Agreement any such change in the System (which may include, among other things, new or modified trade names, service marks, trademarks or copyrighted materials, new products, new equipment or new techniques) as if they were part of this Agreement at the time when you and we signed this Agreement. You agree to make such expenditures and such changes or modifications as we may reasonably require pursuant to this Section and otherwise in this Agreement.

11 CONFIDENTIAL INFORMATION

11.1 Confidentiality.

- 11.1.1 You agree that you will not, during the term of this Agreement or at any time thereafter, communicate, divulge, or use (for yourself and/or for the benefit of any other person, persons, partnership, entity, association, or corporation) any Confidential Information that may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement. You agree that you will divulge our Confidential Information only to those of your employees as must have access to it in order to operate the Franchised Business.
- 11.1.2 Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed Confidential Information for purposes of this Agreement, except information that you can demonstrate came to your attention before disclosure of that information by us; or which, at or after the time of our disclosure to you, had become or later becomes a part of the public domain, through publication or communication by another party that has the right to publish or communicate that information.
- 11.1.3 Any employee who may have access to any Confidential Information regarding the Franchised Business must execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with you. Such covenants must be on a form that we provide, which form will, among other things, designate us as a third-party beneficiary of such covenants with the independent right to enforce them.
- 11.1.4 As used in this Agreement, the term “**Confidential Information**” includes, without limitation, our business concepts and plans, business model, financial model, recipes, food preparation methods, equipment, printing and digital document management methods, operating techniques, marketing methods, processes, formulae, manufacturing and vendor information, results of operations and quality control information, financial information, sales, royalty rates, accounting chart, demographic and trade area information, prospective site locations, market penetration techniques, plans, or schedules, the Brand Manual, customer profiles, preferences, or statistics, menu breakdowns, itemized costs, franchisee composition, territories, and development plans, this Agreement and other contracts related to the Franchised Business, and all related trade secrets or other confidential or proprietary information treated as such by us, whether by course of conduct, by letter or report, or by the use of any appropriate proprietary stamp or legend designating such information or item to

be confidential or proprietary, by any communication to such effect made before or at the time any Confidential Information is disclosed to you.

- 11.2 *Consequences of Breach.* You agree that any failure to comply with the requirements of this Section 11 will cause us irreparable injury, and you agree to pay all costs (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

12 ACCOUNTING, FINANCIAL AND OTHER RECORDS, AND INSPECTIONS

12.1 *Accounting Records and Sales Reports.*

12.1.1 With respect to the operation and financial condition of the Franchised Business, we will have the right to designate, and you agree to adopt, the fiscal year and interim fiscal periods that we decide are appropriate for the System.

12.1.2 With respect to the Franchised Business, you agree to maintain for at least seven (7) years during (as well as after) the term of this Agreement (and also after any termination and/or transfer), full, complete, and accurate books, records, and accounts prepared in accordance with generally accepted accounting principles and in the form and manner we have prescribed periodically in the Brand Manual or otherwise in writing, including: **(a)** daily cash reports; **(b)** cash receipts journal and general ledger; **(c)** cash disbursements and weekly payroll journal and schedule; **(d)** monthly bank statements, bank reconciliations, daily deposit slips, and cancelled checks; **(e)** all tax returns; **(f)** supplier's invoices (paid and unpaid); **(g)** dated daily and weekly cash register journals and POS reports in accordance with our standards; **(h)** periodic balance sheets, periodic profit and loss statements, and periodic trial balances; **(i)** operational schedules and weekly inventory records; **(j)** records of promotion and coupon redemption; and **(k)** such other records that we may periodically and reasonably request. You agree to allow us access to review all of these records as specified below in Section 12.6.

12.1.3 We have the right to specify the accounting software and a common chart of accounts, and, if we do so, you agree to use that software and chart of accounts (and require your bookkeeper and accountant to do so) in preparing and submitting your financial statements to us. We have the right to require you to use only an approved bookkeeping service and an approved independent certified public accountant. You agree to provide to the accounting service provider complete and accurate information that we or the accounting service provider require, and agree that we will have full access to the data and information that you provide to the accounting service provider or through the designated program.

12.1.4 Each Period you agree to submit to us, in the form we specify and/or utilizing our Required Software (as that term is defined in Section 14.1.2 below), the Sales Report for the immediately preceding Period. You agree to submit the report to us by whatever method that we reasonably require (whether electronically through your use of our Required Software or otherwise) for our receipt no later than the times required under Section 4.3 above. You agree that if you do not submit those reports to us in a timely manner, and/or if you do not permit us to access your [ComputerTech](#) System as provided, we will have the right to charge you for the costs that we incur in auditing your records.

12.2 *Financial Statements.*

- 12.2.1 You agree to provide us, at your expense, and in a format that we reasonably specify, a complete annual financial statement prepared on a review basis by an independent certified public accountant (as to whom we do not have a reasonable objection) within ninety (90) days after the end of each fiscal year of the Franchised Business during the term of this Agreement. Your financial statement must be prepared according to generally accepted accounting principles, include a fiscal year-end balance sheet, an income statement of the Franchised Business for that fiscal year reflecting all year-end adjustments, and a statement of changes in your cash flow reflecting the results of operations of the Franchised Business during the most recently completed fiscal year.
- 12.2.2 In addition, each Period during the term of this Agreement after the opening of the Franchised Business, and to the extent we are unable to access such information in your [ComputerTech](#) System or if we request you to do so, you agree to submit to us, in a format acceptable to us (or, at our election, in a form that we have specified): **(a)** a fiscal period and fiscal year-to-date profit and loss statement and a periodic balance sheet (which may be unaudited) for the Franchised Business and a periodic trial balance through the end of each Period; **(b)** reports of those income and expense items of the Franchised Business for the Period that we periodically specify for use in any revenue, earnings, and/or cost summary we choose to furnish to prospective franchisees (provided that we will not identify to prospective franchisees the specific financial results of the Franchised Business); **(c)** copies of all state sales tax returns for the Franchised Business; and **(d)** copies of withholding remittances. You agree to provide to us the materials required by Sections 12.2.2**(a)** and 12.2.2**(b)** above by the Due Date, and the materials required by Sections 12.2.2**(c)** and 12.2.2**(d)** within ten (10) days after you have filed those returns with the appropriate taxing authorities.
- 12.2.3 Upon our request, you agree to take a physical inventory of the stock at your Store and to provide us with a written report on the results of that inventory.
- 12.2.4 You must certify as correct and true all reports and information that you submit to us pursuant to this Section 12.2.
- 12.2.5 You also agree to provide us with copies of your federal, state, and local income tax returns within ten (10) days of when you file those returns and within one hundred and eighty (180) days of each fiscal year end. If you do not meet your obligation to provide us with access to your books and records, as well as copies of required accounting records and financial statements, as specified in this Section 12, or if you fail to provide us with required reports (such as sales reports), then we will have the right to require you to have your annual financial statement prepared on a review basis by an independent certified public accountant that is reasonably satisfactory to us (however, if you have failed on more than one occasion to meet the foregoing standards, then we will have the right to require that your annual financial statement be prepared on an audited basis by an independent certified public accountant that is reasonably satisfactory to us).
- 12.2.6 You agree that upon our request, and for a limited period of time, you will provide us (and/or our agents, such as our auditors) with passwords and pass codes necessary for the limited purpose of accessing your [ComputerTech](#) System in order to conduct the inspections specified in this Section 12. You also agree that you will change all passwords and pass codes after the inspection is completed.

- 12.3 *Additional Information.* You also agree to submit to us (in addition to the sales reports required pursuant to Section 12.1.4 above), for review or auditing, such other forms, reports, records, information, and data as and when we may reasonably designate (but not including consumers' credit and debit card information), in the form and format, and at the times and places as we may reasonably require, upon request and as specified periodically in the Brand Manual or otherwise in writing, including: **(a)** information in electronic format; **(b)** restated in accordance with our financial reporting periods; **(c)** consistent with our then-current financial reporting periods and accounting practices and standards; and/or **(d)** as necessary so that we can comply with reporting obligations imposed upon us by tax authorities with jurisdiction over the Franchised Business and/or our company. The reporting requirements of this Section 12.3 will be in addition to, and not in lieu of, the electronic reporting required under Section 14 below.
- 12.4 *PCI Compliance and Credit Cards.* With respect to processing customer payments by credit and debit cards, you agree to do all of the following:
- 12.4.1 You agree to comply with all of our policies regarding customer payment by credit and/or debit cards, including for example the required use of credit and/or debit cards and other payment methods offered by Payment Vendors, minimum purchase requirements for a customer's use of a credit and/or debit card, and other such requirements that we may set out in the Brand Manual.
- 12.4.2 You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Payment Vendors**") that we may periodically designate as mandatory. The term "Payment Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet").
- 12.4.3 You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval.
- 12.4.4 We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.
- 12.4.5 In addition to the other requirements of this Agreement to provide us with various information and reports, you agree to provide us with the information that we reasonably require concerning your compliance with data and cybersecurity requirements.
- 12.4.6 You agree to comply with our requirements concerning data collection and protection, as specified in Section 14.3 below.
- 12.4.7 You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

- 12.5 *Gift Cards, Incentive Programs, Online and Mobile Ordering Programs.* You agree to offer for sale, and to honor for purchases by customers, all gift cards and other incentive or convenience programs that we may periodically institute and/or approve in writing (including loyalty programs that we or a third party vendor operate, as well as mobile payment and/or customer loyalty applications) (together, "**Gift Cards**"); and you agree to do all of those things in compliance with our standards and procedures for such programs (which may be set out in the Brand Manual or otherwise in writing). You agree to abide by the written standards that we establish and disseminate (in the Brand Manual or otherwise) with respect to Gift Card residual value. For this purpose, you must purchase the software, hardware, devices, and other items needed to sell and process Gift Cards, and to contact with the supplier of Gift Cards and Gift Card processing services, as we may specify in writing in the Brand Manual or otherwise. You must also pay such transaction fees as may be required by the vendors of the Gift Card system. You agree not to sell, issue, or redeem coupons, gift certificates and similar cards other than Gift Cards. In addition, you agree to purchase, enroll in or subscribe to, as applicable, all online and mobile ordering software or programs as specified by us in the Brand Manual or otherwise in writing. We have the right to periodically change the designated suppliers of these or similar services. You agree to change, purchase, or subscribe to the additional programs or software, as applicable, immediately upon notice from us to do so.
- 12.6 *Our Right to Inspect Your Books and Records.* We have the right at all reasonable times to examine, copy, and/or personally review or audit (at our expense) all of your sales receipts, books, records, and sales and income tax returns in person or through electronic access (at our option). We will also have the right, at any time, to have an independent audit made of your books and records. If an inspection should reveal that you have understated any payments in any report to us, then this will constitute a default under this Agreement, and you agree to immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one-half percent (1.5%) per month (but if there is a legal maximum interest rate that applies to you in your jurisdiction, then not more than that maximum rate). If we conduct an inspection because you did not timely provide sales reports to us, or if an inspection discloses that you understated your sales, in any report to us (and/or underpaid your Royalties), by two percent (2%) or more, or if you did not maintain and/or provide us with access to your records, then you agree (in addition to paying us the overdue amount and interest) to reimburse us for any and all costs and expenses we incur in connection with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). These remedies will be in addition to any other remedies we may have. We may exercise our rights under this Section 12 directly or by engaging outside professional advisors (for example, a CPA) to represent us.
- 12.7 *Operational Inspections.* In addition to the provisions of Section 12.6 above, you also grant to us and our agents the right to enter upon the Franchised Business premises at any reasonable time for the purpose of conducting inspections, for among other purposes, preserving the validity of the Proprietary Marks, and verifying your compliance with this Agreement and the policies and procedures outlined in the Brand Manual. You agree to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or from our agents (and without limiting our other rights under this Agreement), you agree to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. You further agree to pay us our then-current per diem fee for our representative(s) in the amount of Two Hundred and Fifty Dollars (\$250) and to reimburse us for our reasonable travel expenses if additional inspections at the Franchised Business are required when a violation has occurred and you have not corrected the violation, or if you did not provide us with your records or access to your records upon reasonable request that is permitted under this Agreement.

13 **MARKETING**

13.1 *Marketing Contribution.*

13.1.1 For each Period during the term of this Agreement, you agree to contribute three percent (3%) of your Franchised Business' Gross Sales during the preceding Period (the "**Marketing Contribution**"). You agree to pay the Marketing Contribution to the marketing and promotional fund for the U.S. (the "**Marketing Fund**") in the manner and at the times required under Section 4.3 above (and as otherwise provided in this Section 13).

13.1.2 In addition to the Marketing Contribution, you agree to spend a minimum sum specified in Exhibit A to this Agreement to conduct the Grand Opening Marketing Program (as further described in Section 13.5 below).

13.1.3 No part of the Marketing Contribution shall be subject to refund or repayment under any circumstances.

13.2 *Marketing Fund.* We have the right (but not the obligation) to establish, maintain, and administer the Marketing Fund. If we establish the Marketing Fund, then the following provisions will apply to it:

13.2.1 We (or our designee) will have the right to direct all marketing programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. You agree that the Marketing Fund is intended to maximize general public recognition, acceptance, and use of the System; and that we and our designee are not obligated, in administering the Marketing Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund.

13.2.2 The Marketing Fund, all contributions to that fund, and any of that fund's earnings, will be used exclusively to meet any and all costs of maintaining, administering, staffing, directing, conducting, preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities that we believe will enhance the image of the System (including the cost of preparing and conducting marketing and media advertising campaigns on a variety of media platforms, including: direct mail advertising; developing and implementing store level webpages, social networking/media, paid search, search optimization, and other electronic marketing strategies; marketing surveys and other public relations activities; employing marketing personnel (including salaries for personnel directly engaged in consumer-oriented marketing functions), advertising and/or public relations agencies to assist therein; purchasing and distributing promotional items, conducting and administering visual merchandising, point of sale, and other merchandising programs; engaging individuals as spokespersons and celebrity endorsers; purchasing creative content for local point-of-sales materials; reviewing locally-produced ads; preparing, purchasing and distributing coupons, brochures, and trademarked apparel; market research; conducting sponsorships, sweepstakes and competitions; engaging mystery shoppers for Stores and their competitors; paying association dues , establishing third-party facilities for customizing local advertising; the cost of establishing and maintaining franchisee advisory committees; purchasing and installing signage; and providing promotional and other marketing materials and services to the Stores operated under the System).

- 13.2.3 You agree to contribute the portion of the Marketing Contribution allocated to the Marketing Fund in the manner and at the times that are specified above in Section 4.3. All sums you pay to the Marketing Fund will be maintained in an account separate from our other monies and will not be used to defray any of our expenses, except for such reasonable costs and overhead, if any, as we may incur in activities reasonably related to the direction and implementation of the Marketing Fund and marketing programs for franchisees and the System. The Marketing Fund and its earnings will not otherwise inure to our benefit. We or our designee will maintain separate bookkeeping accounts for the Marketing Fund.
- 13.2.4 The Marketing Fund is not and will not be our asset. We will prepare and make available to you an annual statement of the operations of the Marketing Fund as shown on our books.
- 13.2.5 Although once established the Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Marketing Fund. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for marketing purposes.
- 13.3 *Regional Fund.* We have the right to designate any geographical area for purposes of establishing a Regional Fund. If a Regional Fund for the geographic area in which the Franchised Business is located has been established at the time you commence operations under this Agreement, then you must immediately become a member of such Regional Fund. If a Regional Fund for the geographic area in which the Franchised Business is located is established during the term of this Agreement, you must become a member of such Regional Fund within thirty (30) days after the date on which the Regional Fund commences operation. In no event will you be required to join more than one Regional Fund. The following provisions will apply to each such Regional Fund:
- 13.3.1 Each Regional Fund will be organized and governed in a form and manner, and will commence operations on a date, all of which we must have approved in advance, in writing.
- 13.3.2 Each Regional Fund will be organized for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized promotional materials for use by the members in regional marketing.
- 13.3.3 No marketing, advertising or promotional plans or materials may be used by a Regional Fund or furnished to its members without our prior approval, pursuant to the procedures and terms as set forth in Section 13.8 below.
- 13.3.4 Once you become a member of a Regional Fund, you must contribute to a Regional Fund pursuant to the requirements established by that Regional Fund, at the time required under Section 4.3 above. We have the right to require that you submit your Regional Fund contributions directly to us for distribution to the Regional Fund.
- 13.3.5 Voting will be on the basis of one vote per full-service Store, and any full-service Stores that we (or our affiliates) operate in the region will have the same voting rights as those owned by franchisees. Each franchised full-service Store in the Regional Fund shall also have one vote (no matter how many people own the franchisee).
- 13.3.6 Although once established, each Regional Fund is intended to be of perpetual duration, we maintain the right to terminate any Regional Fund. A Regional Fund will

not be terminated, however, until all monies in that Regional Fund have been expended for marketing purposes.

- 13.4 *Local Marketing and Promotion.* We encourage, but do not require, that you spend additional amounts (equal to 3% to 5% of your Gross Sales) on local marketing and promotion for your own Store.
- 13.5 *Grand Opening Marketing Program.* In addition to the Marketing Contribution, you agree to spend at least the amount designated on the Data Sheet attached as Exhibit A for grand opening marketing and promotional programs in conjunction with the Franchised Business's initial grand opening, pursuant to a grand opening marketing plan that you develop and that we approve in writing (the "**Grand Opening Marketing Program**"). The Grand Opening Marketing Program must begin sixty (60) days before the scheduled commencement date for the Franchised Business and be completed no later than sixty (60) days after the Franchised Business commences operation, and is subject to the provisions of Section 13.8 below. You may include food giveaways in the Grand Opening Marketing Program (but only the wholesale cost plus direct labor associated with those food giveaways).
- 13.6 *Materials Available for Purchase.* We may periodically make available to you promotional materials, coupons, merchandising materials, fundraising materials, point-of-purchase materials, special promotions, direct mail materials, social media content, and similar marketing and promotional materials for use in local marketing.
- 13.7 *Standards.* All of your local marketing and promotion must: **(a)** be in the media, and of the type and format that we may approve; **(b)** be conducted in a dignified manner; and **(c)** conform to the standards and requirements that we may specify. You agree not to use any advertising, marketing materials, and/or promotional plans unless and until you have received our prior written approval, as specified in Section 13.8 below.
- 13.8 *Our Review and Right to Approve All Proposed Marketing.* For all proposed local marketing and promotion, advertising, and promotional plans, you (or the Regional Fund, where applicable) must submit to us samples of such plans and materials (by means described in Section 24 below), for our review and prior written approval. If you (or the Regional Fund) have not received our written approval within twenty (20) days after we have received those proposed samples or materials, then we will be deemed to have disapproved of them. You agree that any and all copyright in and to advertising, marketing materials, and promotional plans developed by or on behalf of you will be our sole property, and you agree to sign such documents (and, if necessary, require your employees and independent contractors to sign such documents) that we deem reasonably necessary to give effect to this provision.
- 13.9 *Rebates.* You agree that periodic rebates, giveaways and other promotions and programs will, if and when we adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in reasonable rebates, giveaways, marketing programs, and other promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities.
- 13.10 *Considerations as to Charitable and Partisan Political Causes.* You agree that certain associations between you and/or the Franchised Business and/or the Proprietary Marks and/or the System, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Proprietary Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions, positions, and/or make

statements that are (or that may be perceived by the public to be) taken in the name of, in connection or association with you, the Proprietary Marks, the Franchised Business, us, and/or the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

- 13.11 *Additional Marketing Expenditure Encouraged.* You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may (and we encourage you to) spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business.

14 TECHNOLOGY

- 14.1 **ComputerTech Systems and Required Software.** With respect to computer systems and required software:

14.1.1 We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Stores, and in accordance with our standards, including: **(a)** back office and point of sale systems, data, audio, video (including managed video security surveillance, which we have the right to monitor to the extent permitted by law), telephone, voice messaging, retrieval, and transmission systems for use at Stores, between or among Stores, and between and among the Franchised Business, and you, and us; **(b)** point-of-sale (POS) (defined in Section 14.6 below); **(c)** physical, electronic, and other security systems and measures; **(d)** printers and other peripheral devices; **(e)** archival back-up systems; **(f)** internet access mode (e.g., form of telecommunications connection) and speed; **(g)** technology used to enhance and evaluate the customer experience; **(h)** digital and virtual menu boards and related technology, hardware, software, and firmware; **(i)** front-of-the-house WiFi and other connectivity service for customers; **(j)** cloud-based back-end management systems and storage sites; **(k)** in-shop music systems under Section 8.4.7 above; and **(l)** consumer-marketing oriented technology (including loyalty and rewards hardware and software, facial and other customer-recognition technology, and approved social media/networking sites) (collectively, all of the above are referred to as the “**ComputerTech System**”).

14.1.2 We will have the right, but not the obligation, to develop or have developed for us, or to designate: **(a)** computer software programs and accounting system software that you must use in connection with the **ComputerTech System** (including applications, technology platforms, and other such solutions) (“**Required Software**”), which you must install and maintain; **(b)** updates, supplements, modifications, or enhancements to the Required Software, which you must install and maintain; **(c)** the media upon which you must record data; and **(d)** the database file structure of your **ComputerTech System**. If we require you to use any or all of the above items, then you agree that you will do so. The term “Required Software” also includes the Gift Card program and devices that are required under Section 12.5 above.

14.1.3 You agree to install, use, maintain, update, and replace (as needed) the **ComputerTech System** and Required Software at your expense. You agree to pay us or third party vendors, as the case may be, initial and ongoing fees in order to install, maintain, and continue to use the Required Software, hardware, and other elements of the **ComputerTech System**.

- 14.1.4 You agree to implement and periodically make upgrades and other changes at your expense to the [ComputerTech](#) System and Required Software as we may reasonably request in writing (collectively, “**Computer Upgrades**”) (which may be in conjunction with a Minor Refurbishment or as otherwise needed).
- 14.1.5 You agree to comply with all specifications that we issue with respect to the [ComputerTech](#) System and the Required Software, and with respect to Computer Upgrades, at your expense. You agree to afford us unimpeded access to your [ComputerTech](#) System and Required Software, including all information and data maintained thereon, in the manner, form, and at the times that we request.
- 14.1.6 You also agree that we will have the right to approve or disapprove your use of any other technology solutions (including beacons and other tracking methodologies).
- 14.1.7 Each Period, you agree to pay us a technology fee in our then-current amount (presently, there is no technology fee, but we have the right as circumstances warrant to start requiring the payment of a technology fee (and to change the fee periodically) by giving you written notice one or more Periods before that change takes effect). You may also be charged fees by tech vendors that provide products and/or services to you, and you agree to pay those charges in the ordinary course of business.

14.2 *Data.*

- 14.2.1 You agree that all data relating to the Franchised Business that you collect, create, provide, or otherwise develop on your [ComputerTech](#) System (excluding consumers’ credit card and/or other payment information) (whether or not uploaded to our system from your system and/or downloaded from your system to our system) is and will be owned exclusively by us, and that we will have the right to access, download, and use that data in any manner that we deem appropriate without compensation to you.
- 14.2.2 You agree that all other data that you create or collect in connection with the System, and in connection with your operation of the Franchised Business (including customer and transaction data), is and will be owned exclusively by us during the term of, and after termination or expiration of, this Agreement (excluding consumers’ credit and debit card information).
- 14.2.3 In order to operate your Franchised Business under this Agreement, we hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement and for your use in connection with operating the Franchised Business. You agree that except for the right to use the data under this clause, you will not develop or have any ownership rights in or to the data.
- 14.2.4 You agree to transfer to us all data (in the digital machine-readable format that we specify, and/or printed copies, and/or originals) promptly upon our request when made, whether periodically during the term of this Agreement, upon termination and/or expiration of this Agreement, or at the time of any transfer of an interest in you and/or of the Franchised Business (excluding consumers’ credit and debit card information).

- 14.3 *Data Requirements and Usage.* We may periodically specify in the Brand Manual or otherwise in writing the information that you agree to collect and maintain on the [ComputerTech](#) System installed at the Franchised Business, and you agree to provide to us such reports as we may reasonably request from the data so collected and maintained. In addition:

- 14.3.1 You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, vendor, and transactional information ("**Privacy Laws**").
- 14.3.2 You agree to comply with our standards and policies that we may issue (without any obligation to do so) pertaining to the privacy of consumer, employee, vendor, and transactional information. If there is a conflict between our standards and policies and Privacy Laws, you agree to: **(a)** comply with the requirements of Privacy Laws; **(b)** immediately give us written notice of such conflict; and **(c)** promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to privacy within the bounds of Privacy Laws.
- 14.3.3 You agree to not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to such policy.
- 14.3.4 You agree to implement at all times appropriate physical and electronic security as is necessary to secure your **ComputerTech** System, including complex passwords that you change periodically, and to comply with any standards and policies that we may issue (without obligation to do so) in this regard.
- 14.4 *Private Portal.* You agree to comply with our requirements (as set forth in the Brand Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your **ComputerTech** System and our Private Portal and/or such other computer systems as we may reasonably require. The term "**Private Portal**" means a private network based upon Internet protocols that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet. We may establish a Private Portal (but are not required to do so or to maintain a Private Portal). The Private Portal may include, among other things, the Brand Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You agree to purchase and maintain such computer software and hardware (including telecommunications capacity) as may be required to connect to and utilize the Private Portal. You agree to execute and deliver to us such documents as we may deem reasonably necessary to permit you to access the Private Portal.
- 14.5 *No Separate Digital Sites.* Unless we have otherwise approved in writing, you agree to neither establish nor permit any other party to establish a Digital Site relating in any manner whatsoever to the Franchised Business or referring to the Proprietary Marks. We will have the right, but not the obligation, to provide one or more references or webpage(s), as we may periodically designate, within our Digital Site. The term "**Digital Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, webpages, microsites, social media and networking sites (including Facebook, Twitter, LinkedIn, You Tube, Snapchat, Pinterest, Instagram, TikTok, etc.), blogs, vlogs, podcasts, applications to be used on mobile devices (e.g., iOS or Android apps), and other applications, etc. (whether they are now in existence or developed at some point in the future). However, if we give you our prior written consent to have some form of separate Digital Site (which we are not obligated to approve), then each of the following provisions will apply:
- 14.5.1 You agree that you will not establish or use any Digital Site without our prior written approval.

- 14.5.2 Any Digital Site that you own or that is maintained by or for your benefit will be deemed “marketing” under this Agreement, and will be subject to (among other things) our right of review and prior approval under Section 13.8 above.
- 14.5.3 Before establishing any Digital Site, you agree to submit to us, for our prior written approval, a sample of the proposed Digital Site domain name, format, visible content (including proposed screen shots, links, and other content), and non-visible content (including meta tags, cookies, and other electronic tags) in the form and manner we may reasonably require.
- 14.5.4 You may not use or modify such Digital Site without our prior written approval as to such proposed use or modification.
- 14.5.5 In addition to any other applicable requirements, you agree to comply with the standards and specifications for Digital Sites that we may periodically prescribe in the Brand Manual or otherwise in writing (including requirements pertaining to designating us as the sole administrator or co-administrator of the Digital Site).
- 14.5.6 If we require, you agree to establish such hyperlinks to our Digital Site and others as we may request in writing.
- 14.5.7 If we require you to do so, you agree to make weekly or other periodic updates to the Digital Site to reflect information regarding specials and other promotions at your Franchised Business.
- 14.5.8 We may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf, and we will have the right (but not the obligation) to exercise all of the rights and privileges that an administrator may exercise.
- 14.6 *POS Systems.* You agree to record all sales on integrated computer-based point of sale systems we approve or on such other types of cash registers and other devices (such as iPads, touch screens, printers, bar code readers, card readers, digital menu boards, cash drawers, battery back-up, etc.) that we may designate in the Brand Manual or otherwise in writing (“**POS Systems**”), which will be deemed part of your **ComputerTech** System. You agree to utilize POS Systems that are fully compatible with any program, software program, and/or system which we, in our discretion, may employ (including mobile or remote device, application and payment systems), and you agree to record all Gross Sales and all sales information on such equipment. We may designate one or more third party suppliers or servicers to provide installation, maintenance, and/or support for the POS System, and you agree to enter into and maintain such agreements (including making such payments) as we or the third party suppliers and/or servicers require in connection with the installation, maintenance, and/or support for the POS System. The POS System is part of the **ComputerTech** System. You agree to at all times maintain a continuous high-speed Ethernet-cabled (not wireless) connection to the Internet to send and receive POS data to us.

14.7 *Outsourcing.*

- 14.7.1 You agree not to hire third party or outside vendors to perform any services or obligations in connection with the **ComputerTech** System, Required Software, and/or any other of your obligations, without our prior written approval. Our consideration of any proposed outsourcing vendors may be conditioned upon, among other things, such third party or outside vendor’s entry into a confidentiality agreement with us and

you in a form that we may reasonably provide and the third party or outside vendor's agreement to pay for all initial and ongoing costs related to interfaces with our computer systems. The provisions of this section are in addition to and not instead of any other provision of this Agreement. You agree not to install (and/or remove) any software or firmware from the [ComputerTech](#) System without our prior written consent.

[14.7.2](#) You also agree not to implement, use, or otherwise engage with AI Sources without our prior written consent.

[14.7.3](#) The term "**AI Source**" means any resource, online or otherwise, that is for the purpose of gathering, implementing, or otherwise using information from you using artificial intelligence technology, ~~(including ChatGPT, Copilot, copy.ai, Gemini, Open AI), large language models,~~ and other sources.

14.7

14.8 *Telephone Service.* You agree to use the telephone service for the Store that we may require, which may be one or more centralized vendors that we designate for that purpose. You agree that we may designate, and own, the telephone numbers for your Franchised Business, and you agree to sign the forms necessary to implement this clause.

14.9 *Changes.* You agree that changes to technology are dynamic and likely to occur during the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to abide by those reasonable new standards as if this Section 14 were periodically revised by us for that purpose, and you also agree to pay vendors' charges for those new items and services.

14.10 *Electronic Messaging.* You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail, text message, and/or other electronic method without obtaining our prior written consent as to: **(a)** the content of such electronic advertisements or solicitations; and **(b)** your plan for transmitting such advertisements. In addition to any other provision of this Agreement, you will be solely responsible for compliance with any laws pertaining to sending electronic communication including the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"), the Federal Telephone Consumer Protection Act, and the Canada Anti-Spam Law (known as "CASL"). (As used in this Agreement, the term "**electronic communication**" includes all methods for sending communication electronically, whether or not currently invented or used, including e-mails, text messages, app- and/or internet-based communication, and faxes.)

14.11 *Electronic Communication – Including E-Mail, Texts, and other Messaging.* You agree that exchanging information with us by electronic communication methods is an important way to enable quick, effective, and efficient communication, and that we are entitled to rely upon your use of electronic communications as part of the economic bargain underlying this Agreement. To facilitate the use of electronic communication to exchange information, you authorize the transmission of those electronic communications by us and our employees, vendors, and affiliates (on matters pertaining to the business contemplated under this Agreement) (together, "**Official Senders**") to you during the term of this Agreement.

14.11.1 In order to implement the terms of this Section 14.11, you agree that: **(a)** Official Senders are authorized to send electronic communications to those of your employees as you may occasionally designate for the purpose of communicating with us and others; **(b)** you will cause your officers, directors, members, managers, and employees (as a condition of their employment or position with you) to give their consent (in an

electronic communication or in a pen-and-paper writing, as we may reasonably require) to Official Senders' transmission of electronic communication to those persons, and that such persons may not opt-out, or otherwise ask to no longer receive electronic communication, from Official Senders during the time that such person works for or is affiliated with you; and (c) you will not opt-out, or otherwise ask to no longer receive electronic communications, from Official Senders during the term of this Agreement.

14.11.2 The consent given in this Section 14.11 will not apply to the provision of notices by either party under this Agreement using e-mail unless the parties otherwise agree in a pen-and-paper writing signed by both parties.

14.11.3 We may permit or require you to use a specific e-mail address (or address using another communications method) (for example, one that will contain a Top Level Domain Name that we designate, such as "john.smith@BRUSTERS.com or "jane.jones@BRUSTERSfranchisee.com") (the "**Permitted E-mail Address**") in connection with the operation of the Franchised Business, under the standards that we set for use of that Permitted E-mail Address. You will be required to sign the form E-Mail authorization letter that we may specify for this purpose. If we assign you a Permitted E-mail Address, then you agree that you (and your employees) will use only that e-mail account for all business associated with your Franchised Business.

15 INSURANCE

15.1 *Required Insurance Coverage.* Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required under this Agreement for events having occurred during the Term of this Agreement), at your expense, at least the following insurance policy or policies in connection with the Franchised Business or other facilities on premises, or by reason of the construction, operation, or occupancy of the Franchised Business or other facilities on premises. Such policy or policies must be written by an insurance company or companies we have approved, having at all times a rating of at least "A-" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which the Franchised Business is located, and must include, at a minimum (however, you agree that we may reasonably specify additional coverages and higher policy limits in the Brand Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards, and/or other relevant changes in circumstances), the following (all subject to the additional requirements of this Section 15):

15.1.1 Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, cyber liability, dram shop liability, completed operations, products liability and fire damage coverage, in the amount of One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) general aggregate.

15.1.2 "All Risks" coverage for the full cost of replacement of the Store premises and all other property in which we may have an interest with no coinsurance clause for the premises.

15.1.3 Crime insurance for employee dishonesty with limits in the amount of Ten Thousand Dollars (\$10,000).

- 15.1.4 Worker's compensation insurance in amounts provided by applicable law or, if permissible under applicable law, a legally appropriate alternative providing substantially similar compensation for injured workers satisfactory to us.
- 15.1.5 For multi-unit franchisees* with five to ten locations, an excess indemnity or umbrella policy, which policy or policies shall contain such coverage with limits of insurance in the amount of One Million Dollars (\$1,000,000) each occurrence and One Million Dollars (\$1,000,000) in the aggregate. For franchisees* with more than eleven "Bruster's" locations, an excess indemnity or umbrella policy, with limits in the amount of Two Million Dollars (\$2,000,000) each occurrence and Two Million Dollars (\$2,000,000) in the aggregate.
- 15.1.6 Any other insurance coverage that is required by federal, state, or municipal law (subject to Section 15.2 below), such as employers liability insurance in the amount of at least One Million Dollars (\$1,000,000) each accident, and each employee.
- 15.1.7 All coverages must be written with no coinsurance penalty.
- 15.1.8 In addition, please note that we require you to obtain and maintain: **(a)** employment practices liability insurance in the amount of Five Hundred Thousand Dollars (\$500,000) per claim for franchisees* that operate one to nine "Bruster's" locations, One Million Dollars (\$1,000,000) per claim for franchisees* that operate then to nineteen "Bruster's" locations, and Two Million Dollars (\$2,000,000) per claim for franchisees with twenty or more "Bruster's" locations; and **(b)** Cyber Risk network and media liability insurance in the amount of One Million Dollars (\$1,000,000) in the aggregate; and **(c)** automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than One Million Dollars (\$1,000,000) combined single limit.

(* References to multi-location franchisees mean you and your affiliates, and all of your "Bruster's" franchises, taken together.)

15.2 *Additional Terms Applicable to All Policies.* In addition to the other provisions of this Section 15 (above and those below), you agree that:

- 15.2.1 All policies listed in Section 15.1 above (unless otherwise noted below) must contain such endorsements as we will periodically specify in the Brand Manual and are for standard operations. Events specific to your franchise (as to which you are required to seek and obtain our prior written consent, such as a skating event) may require additional coverage, and it is your sole responsibility to determine what additional coverage may be needed and secure that additional coverage .
- 15.2.2 All policies must waive subrogation as between us (and our insurance carriers) and you (and your insurance carriers).
- 15.2.3 All public liability and property damage policies must: **(a)** list as additional insureds, us and any other entities in which we have an interest (as well as all other entities affiliated with us), and each of those parties' respective members, managers, shareholders, directors, officers, partners, joint venturers, employees, servants, and agents, and their successors and assigns; and **(b)** contain a provision that we, although named as an additional insured, will nevertheless be entitled to recover under said policies on any loss occasioned to us or our servants, agents, or employees by reason of the

negligence of you or your servants, agents, or employees, including as additional insureds.

- 15.2.4 You agree to provide us with thirty (30) days' advance written notice in the event of cancellation, material change, and/or non-renewal of any policy, in the manner provided in Section 24 below.
- 15.3 *Construction Coverages.* In connection with all significant construction, reconstruction, or remodeling of the Franchised Business during the term of this Agreement, you agree to require the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Brand Manual, all written by insurance or bonding companies that we have approved, having a rating as set forth in Section 15.1 above.
- 15.4 *Other Insurance Does Not Impact your Obligation.* Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified will not be limited in any way by reason of any insurance that we may maintain, nor will your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 21.4 below. Additionally, the requirements of this Section 15 will not be reduced, diminished, eroded, or otherwise affected by insurance that you carry (and/or claims made under that insurance) for other businesses, including other Stores that you (and/or your affiliates) operate under the System.
- 15.5 *Certificates of Insurance (CIO).* At least thirty (30) days before your Franchised Business is open for business, and from then on, at least thirty (30) days before the expiration of any such policy (and also on the first anniversary of the Effective Date, and on each subsequent anniversary of the Effective Date), you agree to deliver to us, or our designated insurance tracking vendor, CIO evidencing the proper coverage with limits not less than those required under this Agreement. All certificates must expressly provide that we will receive at least thirty (30) days' prior written notice if there is a material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Additional certificates evidencing the insurance required by Section 15.1 above must name us, and each of our affiliates, directors, agents, and employees, as additional insured parties, and must expressly provide that any interest of same therein will not be affected by any breach by you of any policy provisions for which such certificates evidence coverage.
- 15.6 *Required Coverages are Minimums.* You agree that the specifications and coverage requirements in this Section 15 are minimums only, and that we recommend that you review these with your own insurance advisors to determine whether additional coverage is warranted in the operation of your Franchised Business.
- 15.7 *Obtaining Coverage.* If you fail to maintain or acquire insurance, we will have the right (but not the obligation) to obtain insurance coverage on your behalf, in which case we will invoice you for the insurance premiums plus our reasonable expenses, and you agree to pay those invoices within five (5) days after we send them to you.

16 TRANSFER OF INTEREST

- 16.1 *By Us.* We will have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity, and any assignee of us, which assignee will become solely responsible for all of our obligations under this Agreement from the date of assignment.
- 16.2 *Your Principals.* Each party that holds any interest whatsoever in you (whether directly, indirectly, and/or beneficially) (each, a “**Principal**”), and the interest that each Principal holds in you (directly, indirectly, and/or beneficially) is identified in Exhibit C to this Agreement. You represent and warrant to us, and agree, that your owners are accurately set forth on Exhibit C to this Agreement, and you also agree not to permit the identity of those owners, and/or their respective interests in you, to change without complying with this Agreement.
- 16.3 *Principals.* We will have a continuing right to designate any person or entity that owns a direct or indirect interest in you as a Principal, and Exhibit C will be amended automatically upon written notice to you.
- 16.4 *By You.* You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted this franchise in reliance on your (or your Principals’) business skill, financial capacity, and personal character. Accordingly:
- 16.4.1 You agree not to make a transfer (and not to permit any other party to make a transfer) without our prior written consent.
- 16.4.1.1 As used in this Agreement, the term “**transfer**” is agreed to mean any sale, assignment, conveyance, pledge, encumbrance, merger, creation of a security interest in, and/or giving away of any direct or indirect interest in: **(a)** this Agreement; **(b)** you; **(c)** any or all of your rights and/or obligations under this Agreement; and/or **(d)** all or substantially all of the assets of the Franchised Business.
- 16.4.1.2 Any purported assignment or transfer that does not have our prior written consent as required by this Section 16 will be null and void and will also constitute a material breach of this Agreement, for which we may immediately terminate this Agreement without opportunity to cure, pursuant to Section 17.2.5 below.
- 16.4.2 You agree (unless you are a partnership) that: **(a)** without our prior written approval, you will not issue any voting securities or interests, or securities or interests convertible into voting securities; and **(b)** the recipient of any such security or other interest will become a Principal under this Agreement if we designate them as such. If you are a general partnership, limited partnership, or limited liability partnership, then the partners of that partnership shall not, without our prior written consent, admit additional limited or general partners, remove a general partner, and/or otherwise materially alter the powers of any general partner. Each general partner in any such partnership will automatically be deemed to be a Principal.
- 16.4.3 Principals must not, without our prior written consent, transfer, pledge, and/or otherwise encumber their interest in you. Any such transaction shall also be deemed a “transfer” under this Agreement.

16.4.4 You also agree that in the case of any proposed transfer, you will provide to us a copy of all materials and information that you provide to the proposed buyer, and you authorize us to truthfully answer questions posed to us by the proposed transferee, including providing that party with information relating to your Store (such as sales reports) (although we will have the right not to provide any or all such information).

16.5 *Transfer Conditions.* We will not unreasonably withhold any consent required by Section 16.4 above; provided, that if you propose to transfer your obligations under this Agreement or any material asset, or if any party proposes to transfer any direct or indirect interest in you, then we will have the right to require that you satisfy any or all of the following conditions before we grant our approval to the proposed transfer:

16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective officers, directors, members, managers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules.

16.5.2 The transferee of a Principal will be designated as a Principal and each transferee who is designated a Principal must enter into a written agreement, in a form satisfactory to us, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in you; and, if your obligations were guaranteed by the transferor, the Principal must guarantee the performance of all such obligations in writing in a form satisfactory to us.

16.5.3 The proposed new Principals (after the transfer) must meet our educational, managerial, and business standards; each must possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchised Business, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to purchase and operate the Franchised Business.

16.5.4 We will have the right to require that you execute, for a term ending on the expiration date of this Agreement, the form of franchise agreement that we are then offering to new System franchisees, and such other ancillary agreements that we may require for the business franchised under this Agreement, and those agreements will supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including higher Royalties and marketing fees.

16.5.5 If we request, then you must conduct Major Remodeling and purchase new equipment to conform to the then-current standards and specifications of new Stores then-being established in the System, and you agree to complete the upgrading and other requirements specified above in Section 8.8.2 within the time period that we specify.

16.5.6 You agree to pay in full all of your monetary obligations to us and our affiliates, and to all vendors (whether arising under this Agreement or otherwise), ~~and you~~.

~~16.5.6~~ 16.5.7 You must not be ~~otherwise~~ in default of any of your obligations under this Agreement (including your reporting obligations). In any transfer, all Gift Card liabilities and breakage income of the Franchised Business must be transferred to the transferee as part of the transfer.

~~16.5.7~~16.5.8 The transferor must remain liable for all of the obligations to us in connection with the Franchised Business that arose before the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and must execute any and all instruments that we reasonably request to evidence such liability.

~~16.5.8~~16.5.9 A Principal of the transferee whom we designate to be a new Operating Owner, and those of the transferee's Operating Owner, Manager, and Additional Trained Personnel as we may require, must successfully complete (to our satisfaction) all training programs that we require upon such terms and conditions as we may reasonably require (and while we will not charge a fee for attendance at such training programs, the transferee will be responsible for the salary and all expenses of the person(s) that attend training).

~~16.5.9~~16.5.10 You agree to pay us a transfer fee to compensate us for our legal, accounting, training, and other expenses incurred in connection with the transfer. The transfer fee will be in the amount of Twenty Thousand Dollars (\$20,000). If any party has engaged a broker with respect to the transfer, you must also pay (or ensure the buyer's payment of) any applicable commission to the broker in connection with the transfer.

~~16.5.10~~16.5.11 The transferor must acknowledge and agree that the transferor will remain bound by the covenants contained in Sections 19.3, 19.4, and 19.5 below.

~~16.5.11~~16.5.12 The transferee must obtain (and maintain) the insurance required under Section 15 above and deliver to us the CIO in accordance with Section 15.5 above.

16.6 *Right of First Refusal.* If you or any of your Principals wish to accept any *bona fide* offer from a third party to purchase you, any of your material assets, or any direct or indirect interest in you, then all of the following will apply

16.6.1 You (or the Principal who proposes to sell his/her interest) must promptly notify us in writing of the offer and provide us the information and documentation relating to the offer that we may require. We will have the right and option, exercisable within thirty (30) days after we have received all such information that we have requested, to send written notice to the seller that we intend to purchase the seller's interest on the same economic terms and conditions offered by the third party. After exercising our right, we will also have the right to conduct additional reasonable due diligence and to require the seller to enter into a purchase agreement in a form mutually acceptable to us and to the seller. If we elect to purchase the seller's interest, then the closing on such purchase will occur within thirty (30) days from the date of notice to the seller of the election to purchase by us.

16.6.2 Any material change in the terms of the offer before closing will constitute a new offer subject to our same rights of first refusal (as set forth in this Section 16.6) as in the case of the third party's initial offer. If we do not exercise the option afforded by this Section 16.6 that will not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 16, with respect to a proposed transfer.

16.6.3 If the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent

appraiser to make a binding determination. If the parties are unable to agree upon one independent appraiser, then we will promptly designate an independent appraiser and you will promptly designate another independent appraiser and those two appraisers will, in turn, promptly designate a third appraiser; and all three appraisers will promptly confer and reach a single determination (or, if unable to reach a single determination, a valuation determined by a majority vote of those appraisers), which determination will be binding upon both you and us. Both parties will equally share the cost of any such appraisal.

16.6.4 If we exercise our rights under this Section 16.6, then we will have the right to set off all amounts due from you (including one-half (½) of the cost of an appraisal, if any, conducted under Section 16.6.3 above) against any payment to you.

16.7 *Death or Incapacity.* If you or any Principal dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must promptly notify us of the circumstances, and apply to us in writing within one hundred and twenty (120) days after the event (death, declaration of incapacity, and/or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, we will not impose a transfer fee for such a transfer if you reimburse us for our reasonable out-of-pocket expenses incurred in reviewing, approving, and documenting your proposed transaction, including our attorneys' fees.

16.7.1 In addition, if the deceased or incapacitated person is the Operating Owner, we will have the right (but not the obligation) to take over operation of the Franchised Business until the transfer is completed and to charge a reasonable management fee for our services.

16.7.2 For purposes of this section, "**incapacity**" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement: **(a)** for a period of thirty (30) or more consecutive days; or **(b)** for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of Section 16.3, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement.

16.7.3 If an interest is not disposed of under this section within six (6) months after the date of death or appointment of a personal representative or trustee, we may terminate this Agreement under Section 17.2 below.

16.8 *Consent to Transfer.* Our consent to a transfer that is the subject of this Section 16 will not constitute a waiver of any claims that we may have against the transferring party, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

16.9 *No Transfers to a Non-Franchisee Party to Operate a Similar Store.* You agree that neither you nor any Principal of yours will transfer or attempt to transfer any or all of your Franchised Business to a third party who will operate a similar business at the Accepted Location but not under the System and the Proprietary Marks, and not under a franchise agreement with us.

16.10 *Bankruptcy Issues.* If you or any person holding any interest (direct or indirect) in you become a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of you, your

obligations, and/or rights under this Agreement, any material assets of yours, and/or any indirect or direct interest in you will be subject to all of the terms of this Section 16, including the terms of Sections 16.4, 16.5, and 16.6 above.

- 16.11 *Securities Offers.* All materials for an offering of stock, ownership, and/or partnership interests in you or any of your affiliates that are required by federal or state law must be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering must be submitted to us for such review before their use.
- 16.11.1 You agree that: **(a)** no offering by you or any of your affiliates may imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities or your affiliates; **(b)** our review of any offering will be limited solely to the relationship between you and us (and, if applicable, any of your affiliates and us); and **(c)** we will have the right, but not obligation, to require that the offering materials contain a written statement that we require concerning the limitations stated above.
- 16.11.2 You (and the offeror if you are not the offering party), your Principals, and all other participants in the offering must fully indemnify us and all of the Franchisor Parties (as defined in Section 21.5.2 below) in connection with the offering.
- 16.11.3 For each proposed offering, you agree to pay us a non-refundable fee of Five Thousand Dollars (\$5,000) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering.
- 16.11.4 You agree to give us written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 16.11 commences. Any such offering will be subject to all of the other provisions of this Section 16, including the terms set forth in Sections 16.4, 16.5, 16.6; and further, without limiting the foregoing, it is agreed that any such offering will be subject to our approval as to the structure and voting control of the offeror (and you if you are not the offeror) after the financing is completed.
- 16.11.5 You also agree that after your initial offering, described above, for the remainder of the term of the Agreement, you will submit to us for our review and prior written approval all additional securities documents (including periodic reports, such as quarterly, annual, and special reports) that you prepare and file (or use) in connection with any such offering. You agree to reimburse us for our reasonable costs and expenses (including legal and accounting fees) that we incur in connection with our review of those materials.

17 DEFAULT AND TERMINATION

- 17.1 *Automatic with no notice and no opportunity to cure.* If any one or more of the following events take place, then you will be deemed to be in default under this Agreement, and all rights granted in this Agreement will automatically terminate without notice to you: **(a)** if you will become insolvent or make a general assignment for the benefit of creditors; **(b)** if a bill in equity or other proceeding for the appointment of a receiver for you or another custodian for your business or assets is filed and consented to by you; **(c)** if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; **(d)** if proceedings for a composition with creditors under any

state or federal law is instituted by or against you; **(e)** if a material final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a supersedeas bond is filed); **(f)** if you are dissolved; or if execution is levied against your business or property; **(g)** if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against you and not dismissed within thirty (30) days; and/or **(h)** if the real or personal property of your Franchised Business will be sold after levy thereupon by any sheriff, marshal, or constable.

17.2 *With Notice and no opportunity to cure.* If any one or more of the following events occur, then you will be in default under this Agreement, and we will have the right to terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon the delivery of our written notice to you (in the manner provided in Section 24 below):

17.2.1 If you do not obtain an Accepted Location for the Franchised Business within the time limits specified under the Site Selection Addendum, or if you do not construct and open the Franchised Business within the time limits specified in Sections 5.1 and 8.2 above (and within the requirements specified in Sections 5 and 8.2 above);

17.2.2 If at any time: **(a)** you cease to operate or otherwise abandon the Franchised Business for two (2) or more consecutive business days and/or two (2) or more business days within any week (during which you are otherwise required to be open, and without our prior written consent otherwise, unless necessary due to an event of force majeure as defined in Section 22 below); **(b)** you lose the right to possession of the premises; **(c)** forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located (however, if through no fault of yours, the premises are damaged or destroyed by an event such that you cannot complete repairs or reconstruction within ninety (90) days thereafter, then you will have thirty (30) days after such event in which to apply for our approval to relocate and/or reconstruct the premises, which approval we will not unreasonably withhold, subject to Section 1.2.3 above);

17.2.3 If you or any of your Principals are charged with and/or convicted of a felony, a crime involving moral turpitude, and/or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein;

17.2.4 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business and/or if you fail to comply with the requirements of Section 8.15 above;

17.2.5 If you or any of your Principals purport to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 16 above;

17.2.6 If you fail to comply with the requirements of Section 19 below;

17.2.7 If, contrary to the terms of Sections 10 or 11 above, you disclose or divulge the contents of the Brand Manual or other confidential information that we provide to you;

17.2.8 If you maintain false books or records, or submit any false reports (including information provided as part of your application for this franchise) to us;

- 17.2.9 If you commit three (3) or more defaults under this Agreement in any fifty-two (52) week period, whether or not each such default has been cured after notice;
- 17.2.10 If, after receipt of notice from us of a violation of the provisions of Sections 7.1 and/or 8.4 above, you continue to purchase any Input Items from an unapproved supplier, or if you sell anything from the Store that is not an approved Retail Product or a Service;
- 17.2.11 If you fail to pay any taxes owed by the Franchised Business to any applicable governmental authority within ten (10) days following receipt of written notice from such authority(ies) of a failure to pay taxes;
- 17.2.12 If you engage in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice; and/or
- 17.2.13 If you make any unauthorized or improper use of the Proprietary Marks, or if you or any of your Principals use the Proprietary Marks in a manner that we do not permit (whether under this Agreement and/or otherwise) or that is inconsistent with our direction, or if you or any of your Principals directly or indirectly contest the validity of our ownership of the Proprietary Marks, our right to use and to license others to use the Proprietary Marks, or seek to (or actually do) register any of our Proprietary Marks with any agency (public or private) for any purpose without our prior written consent to do so.
- 17.3 *With Notice and Opportunity to Cure.*
- 17.3.1 Except as otherwise provided above in Sections 17.1 and 17.2 above, if you are in default of your obligations under this Agreement, then we may terminate this Agreement by giving you written notice of termination (in the manner provided under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by: **(a)** immediately initiating a remedy to cure such default; **(b)** curing the default to our satisfaction; and **(c)** promptly providing proof of the cure to us, all within the thirty (30) day period. If you do not cure any such default within the specified time (or such longer period as applicable law may require), then this Agreement will terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).
- 17.3.2 If you are in default under the terms of any other franchise agreement or other contract between you (and/or your affiliates) and us (and/or our affiliates), that will also constitute a default under Section 17.3.1 above.
- 17.4 *Bankruptcy.* If, for any reason, this Agreement is not terminated pursuant to this Section 17, and this Agreement is assumed, or assignment of same to any person or entity who has made a *bona fide* offer to accept an assignment of this Agreement is contemplated, pursuant to the U.S. Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: **(a)** the name and address of the proposed assignee; and **(b)** all of the terms and conditions of the proposed assignment and assumption; must be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment or assumption of the Agreement; and, in any event, within ten (10) days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption. We will then have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept an assignment of the Agreement to us upon the same terms and conditions, and for the same

consideration, if any, as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions that may be payable by you out of the consideration to be paid by such assignee for the assignment or assumption of this Agreement.

- 17.5 *Our Rights Instead of Termination.* If we are entitled to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, we will also have the right to take any lesser action instead of terminating this Agreement, including terminating, modifying, or eliminating completely, the Protected Area described in Section 1.3 above.
- 17.6 *Reservation of Rights under Section 17.5.* If any rights, options, arrangements, or areas are terminated or modified in accordance with Section 17.5 above, such action will be without prejudice to our right to terminate this Agreement in accordance with Sections 17.2 or 17.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.
- 17.7 *Damages.* You agree that you will pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of any default by you under this Agreement and any other agreement between the parties (and their respective affiliates) (in addition to other remedies that we may have).

18 OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you will forthwith terminate, and all of the following will take effect (except to the extent otherwise permitted under a separate valid franchise agreement between you and/or one of your affiliates and us):

- 18.1 *Cease Operation.* You agree to: **(a)** immediately and permanently stop operating the Franchised Business; and **(b)** never directly or indirectly represent to the public that you are a present or former franchisee of ours.
- 18.2 *Stop Using Marks and Intellectual Property.* You agree to immediately and permanently cease to use, in any manner whatsoever, all aspects of the System, including any confidential methods, procedures and techniques associated with the System, the marks "BRUSTER'S" and "Bruster's Real Ice Cream" and any and all other current and former Proprietary Marks, distinctive forms, slogans, signs, symbols, and devices associated with the System, and any and all other intellectual property associated with the System. Without limiting the foregoing, you agree to stop making any further use of any and all signs, marketing materials, displays, stationery, forms, and any other articles that display the Proprietary Marks.
- 18.3 *Cancel Assumed Names.* You agree to take such action as may be necessary to cancel any assumed name or equivalent registration which contains the marks "BRUSTER'S" and "Bruster's Real Ice Cream" and any and all other Proprietary Marks, and/or any other service mark or trademark of ours, and you will give us evidence that we deem satisfactory to provide that you have complied with this obligation within five (5) days after termination or expiration of this Agreement.
- 18.4 *Premises.* We will have the right (but not the obligation) to require you to assign to us any interest that you (and/or your affiliates) may have in the lease or sublease for the ground upon which the Store is operated and/or for the building in which the Store is operated.

- 18.4.1 If we do not elect or if we are unable to exercise any option we may have to acquire the lease or sublease for the premises of the Franchised Business, or otherwise acquire the right to occupy the premises, you will make such modifications or alterations to the premises operated under this Agreement (including the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Stores, and must make such specific additional changes thereto as we may reasonably request for that purpose. In addition, you will cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other print and online identifiers, whether or not authorized by us, that you have while operating the Franchised Business, and must promptly execute such documents or take such steps necessary to remove reference to the Franchised Business from all trade or business directories, including online directories, or at our request transfer same to us.
- 18.4.2 If you fail or refuse to comply with all of the requirements of this Section 18.4, then we (or our designee) will have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your cost, which expense you agree to pay upon demand.

18.5 Our Option to Buy Your Assets.

~~18.5~~ 18.5.1 We will have the right (but not the obligation), which we may exercise at any time within thirty (30) days after expiration, termination, or default under this Agreement and/or default under your lease/sublease for the premises, to buy from you (and/or your affiliates) any or all of your furnishings, equipment, signs, fixtures, supplies, or inventory related to the operation of the Franchised Business, at the lesser of your cost or fair market value. ~~The parties, Franchisor and Franchisee~~ agree that if Franchisor exercise its right under this Section 18.4.1: (a) “fair market value” will be determined based upon a five (5) year straight-line depreciation of original costs. ~~For and for~~ equipment and fixtures that are five (5) or more years old, ~~the parties~~ Franchisor and Franchisee agree that fair market value is deemed to be ten percent (10%) of the equipment’s original cost. ~~If we elect to exercise any option to purchase provided in this Section; (b)~~ we will have the right to set off all amounts due from you; and (c) you agree to abide by the two-year covenant against competition as provided in Sections 19.3 through 19.6 above.

18.5.2 You agree to stop making any use of all signs (including exterior directory signs), anywhere, as well telephone numbers, domain names, websites, e mail addresses, Digital Sites, and any other print and electronic identifiers, whether or not we have authorized them, that you have used while operating the Franchised Business. You also agree to promptly execute all such documents that we may provide to you, and to take such steps necessary to remove reference to the Franchised Business from all trade or business telephone directories, and digital directories, and also transfer to us all telephone numbers associated with your Franchised Business.

18.5.3 You agree to remove and put into storage all interior and exterior “Bruster’s Real Ice Cream” signs (unless we request otherwise), which you agree to sell to us (at our option) for the amount of Ten Dollars (\$10) each. You agree that we have the right to record a mechanics lien against the signs and you agree to cooperate with us in signing such documents as may be necessary to implement this clause.

- 18.6 *No Use of the Marks in Other Businesses.* You agree, if you continue to operate or subsequently begin to operate any other business, that you will not use any reproduction, counterfeit copy, and/or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Proprietary Marks. You further agree not to use, in any manner whatsoever, any designation of origin, description, trademark, service mark, or representation that suggests or implies a past or present association or connection with us, the System, the equipment, and/or the Proprietary Marks.
- 18.7 *Pay All Sums Due.* You agree to promptly pay all sums owing to us and our affiliates (regardless of whether those obligations arise under this Agreement or otherwise). You also agree to promptly pay us or our designee all Gift Card amounts collected by the Franchised Business during the five (5) year period prior to termination or expiration, but which were not redeemed prior to termination or expiration. In the event of termination for any of your defaults, those sums will include all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses), that we incur as a result of the default.
- 18.8 *Pay Damages.* You agree to pay us all damages, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur as a result of your default under this Agreement and/or subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 18, which will be in addition to amounts due to us under Section 18.11 below.
- 18.9 *Return Confidential Information.* You agree to immediately return to us the Brand Manual and all other manuals, records, and instructions containing confidential information (including any copies of some or all of those items, even if such copies were made in violation of this Agreement), all of which are acknowledged to be our property.
- 18.10 *Right to Enter and Continue Operations.* In order to preserve the goodwill of the System following termination, we (or our designee) will have the right to enter the Franchised Business (without liability to you, your Principals, or otherwise) for the purpose of continuing the Franchised Business's operation and maintaining the goodwill of the business.
- 18.11 *Our Rights.* You agree not to do anything that would potentially interfere with or impede the exercise of our rights under this Section 18.
- 18.12 *Offsets.* We have the right to offset amounts that you owe to us against any payment that we may be required to make under this Agreement.

19 COVENANTS

- 19.1 *Full Time Efforts.* You agree that during the term of this Agreement, except as we have otherwise approved in writing, you (or the Operating Owner) will devote full time, energy, and best efforts to the management and operation of the Franchised Business.
- 19.2 *Understandings.*
- 19.2.1 You agree that: **(a)** pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and Confidential Information from us and our affiliates regarding the development, operation, management, purchasing, sales and marketing methods and techniques of the System; **(b)** the System and the opportunities, associations and experience we have established and that you will have access to

under this Agreement are of substantial and material value; **(c)** in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; **(d)** we would be unable to adequately protect the System and its trade secrets and Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among franchisees in our System if franchisees were permitted to hold interests in Competitive Businesses (as defined below); and **(e)** restrictions on your right to hold interests in, or perform services for, Competitive Businesses will not unreasonably or unnecessarily hinder your activities.

- 19.2.2 As used in this Section 19, the term “**Competitive Business**” is agreed to mean any foodservice business: **(a)** that is the same as or similar to how a then-current “Bruster’s” Store operates; and/or **(b)** as to which the sale of ice cream and/or frozen desserts or beverages (in any combination or individually) comprise ten percent (10%) or more of its gross revenues.
- 19.3 *Covenant Not to Compete or Engage in Injurious Conduct.* Accordingly, you covenant and agree that, during the term of this Agreement and for a continuous period of two (2) years after the expiration or termination of this Agreement, and/or a transfer as contemplated in Section 16 above, you will not directly, indirectly, for yourself, or through, on behalf of, or in conjunction with any party, in any manner whatsoever, do any of the following:
- 19.3.1 Divert or attempt to divert any actual or potential business or customer of any Store to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.
- 19.3.2 Own, maintain, develop, operate, engage in, assist, franchise or license, make loans to, lease real or personal property to, and/or have any whatsoever interest in, or render services or give advice to, any Competitive Business.
- 19.4 *Where Restrictions Apply.* During the term of this Agreement, there is no geographical limitation on the restrictions set forth in Section 19.3 above. During the two-year period following the expiration or earlier termination of this Agreement, or a transfer as contemplated under Section 16 above, these restrictions will apply only within: **(a)** at (and within ten (10) miles of) the Accepted Location; and also **(b)** within ten (10) miles of any Store in the U.S. that is: **(i)** then-existing; **(ii)** closed in the last twelve (12) months; and/or **(iii)** then-planned. (These restrictions will not apply to businesses that you operate that we (or our affiliates) have franchised to you (or your affiliates) pursuant to a valid franchise agreement with us or one of our affiliates.)
- 19.5 *Post-Term.* You further covenant and agree that, for a continuous period of two (2) years after **(a)** the expiration of this Agreement, **(b)** the termination of this Agreement, and/or **(c)** a transfer as contemplated in Section 16 above:
- 19.5.1 You will not directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, firm, partnership, corporation, or other entity, sell, assign, lease, and/or transfer the Accepted Location to any person, firm, partnership, corporation, or other entity that you know, or have reason to know, intends to operate a Competitive Business at the Accepted Location; and
- 19.5.2 You also agree that, by the terms of any conveyance, selling, assigning, leasing or transferring your interest in the Accepted Location, you shall include these restrictive covenants as necessary to ensure that a Competitive Business that would violate this

Section is not operated at the Accepted Location for this two-year period, and you will take all steps necessary to ensure that these restrictive covenants become a matter of public record.

- 19.6 *Periods of Non-Compliance.* Any period of non-compliance with the requirements of this Section 19, whether such non-compliance takes place after termination, expiration, and/or a transfer, will not be credited toward satisfying the two-year obligation specified above.
- 19.7 *Publicly-Held Entities.* Section 19.3.3 above will not apply to your ownership of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation. As used in this Agreement, the term “**publicly-held corporation**” will be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.
- 19.8 *Construction.* The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. We have the right to reduce the scope of any part of this Section 19 and, if we do so, you agree to comply with the obligations as we have reduced them.
- 19.9 *Claims Not a Defense.* You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants in this Section 19. You agree to pay all costs and expenses (including reasonable attorneys’ fees, court costs, discovery costs, and all other related expenses) that we incur in connection with the enforcement of this Section 19.
- 19.10 *Covenant as to Anti-Terrorism Laws.* You and the owners of your business (“**Owners**”) agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and the Owners certify, represent, and warrant that none of their respective property or interests are “blocked” under any of the Anti-Terrorism Laws and that neither you nor any of the Owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war.
- 19.11 *Defaults.* You agree that if you violate this Section 19, that would result in irreparable injury to us for which no adequate remedy at law may be available, and accordingly, you consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 19.

20 TAXES, PERMITS, AND INDEBTEDNESS

- 20.1 *Payment of Taxes.* You agree to promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of the business franchised under this Agreement. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement, unless the tax is credited against income tax that we otherwise pay to a state or federal authority.
- 20.2 *Payment of Trade Creditors.* You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or the Franchised Business.

- 20.3 *Your Right to Contest Liabilities.* If there is a bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event will you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements thereon.
- 20.4 *Compliance with Law.* You agree to comply with all Operating Codes and to timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of any Operating Codes are in conflict with the terms of this Agreement, the Brand Manual, or our other instructions, you agree to: **(a)** comply with said laws; **(b)** immediately provide us with written notice describing the nature of the conflict; and **(c)** cooperate with us and our counsel in developing a way to comply with the terms of this Agreement, as well as applicable law, to the extent that it is possible to do so.
- 20.5 *Notice of Violations and Actions.* You agree to notify us in writing within two (2) days after you receive notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within two (2) days occurrence of any accident or injury which may adversely affect the operation of the Franchised Business or your financial condition, or give rise to liability or a claim against either party to this Agreement.

21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

- 21.1 *Independent Contractor Relationship.* The parties agree that:
- 21.1.1 this Agreement does not create a fiduciary relationship between them;
- 21.1.2 you are the only party that will be in day-to-day control of your franchised business, even though we will share the brand and Proprietary Marks as specified in this Agreement, and neither this Agreement nor any of the systems, guidance, computer programs, processes, or requirements under which you operate alter that basic fact;
- 21.1.3 nothing in this Agreement and nothing in our course of conduct is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever; and
- 21.1.4 neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.
- 21.2 *Notice of Status.* At all times during the term of this Agreement and any extensions hereof, you will hold yourself out (both to the public and also to your staff) as an independent contractor operating the business pursuant to a franchise from us. You agree to take such action as may be necessary to do so, including exhibiting a notice of that fact in conspicuous places at the Accepted Location, the content and placement of which we reserve the right to specify in the Brand Manual or otherwise.
- 21.3 *No Contracts in our Name.* It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and that we will in no event assume liability

for, or be deemed liable under this Agreement as a result of, any such action; nor will we be liable by reason of any act or omission in your conduct of the Franchised Business or for any claim or judgment arising therefrom against either party to this Agreement.

21.4 *Indemnification.*

21.4.1 You agree to indemnify, defend, and hold harmless each of the Franchisor Parties against any and all Expenses arising directly or indirectly from any Claim, as well as from any claimed breach by you of this Agreement. Your indemnity obligations shall: **(a)** survive the expiration or termination of this Agreement, and shall not be affected by any insurance coverage that you and/or any Franchisor Party may maintain; and **(b)** exclude any Claim and/or Expense that a court with competent jurisdiction determines was caused solely by a Franchisor Party's gross negligence and/or willful misconduct.

21.4.2 *Procedure.* We will give you notice of any Claim and/or Expense for which the Franchisor Parties intend to seek indemnification; however, if we do not give that notice, it will not relieve you of any obligation (except to the extent of any actual prejudice to you). You will have the opportunity to assume the defense of the Claim, at your expense and through legal counsel reasonably acceptable to us, provided that in our judgment, you proceed in good faith, expeditiously, and diligently, and that the defense you undertake does not jeopardize any defenses of the Franchisor Parties. We shall have the right: **(a)** to participate in any defense that you undertake with counsel of our own choosing, at our expense; and **(b)** to undertake, direct, and control the defense and settlement of the Claim (at your expense) if in our sole judgment you fail to properly and competently assume defense of the Claim within a reasonable time and/or if, in our sole judgment, there would be a conflict of interest between your interest and that of any Franchisor Party.

21.4.3 *Definitions.* As used in this Section 21.4, the parties agree that the following terms will have the following meanings:

21.4.3.1 **"Claim"** means any allegation, cause of action, and or complaint asserted by a third party that is the result of, or in connection with, your exercise of your rights and/or carrying out of your obligations under this Agreement (including any claim associated with your operation of the Store, sale of Retail Products or Services, events occurring at the Store, data theft or other data-related event, or otherwise, whether asserted by a customer, vendor, employee, or otherwise), a violation of the Operating Codes, and/or any default by you under this Agreement [and agreements with third parties](#) (including all claims, demands, causes of action, suits, damages, settlement costs, liabilities, fines, penalties, assessments, judgments, losses, and Expenses). All other indemnification obligations that you have under this Agreement, including those in Sections 9.2.9.2(b) and 16.11.2, are included within this definition of a Claim.

21.4.3.2 **"Expenses"** includes interest charges; fees for accountants, attorneys and their staff, arbitrators, and expert witnesses; costs of investigation and proof of facts; court costs; travel and living expenses; and other costs and expenses associated with litigation, investigative hearings, or alternative dispute resolution, whether or not a proceeding is formally commenced. [The parties agree that damages that we incur as the result of a Claim, as well as](#)

actual and prospective diminution in value relating to our intellectual property (such as trademarks), is agreed to be an expense.

21.4.3.3 “**Franchisor Parties**” means us and our shareholders, parents, subsidiaries, and affiliates, and their respective officers, directors, members, managers, agents, and employees.

21.4.4 We agree to indemnify you with respect to your use of the Proprietary Marks as specified in Section 9.2.9.2(a).

22 FORCE MAJEURE

22.1 *Impact.* Neither party will be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including: **(a)** acts of nature; **(b)** acts of war, terrorism, or insurrection; **(c)** strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, other environmental emergencies, public health emergencies, epidemics, pandemic, and/or other casualties; and/or **(d)** our inability (and that of our affiliates and/or suppliers) to manufacture, purchase, and/or cause delivery of any services or products used in the operation of the Franchised Business.

22.2 *Transmittal of Funds.* The inability of either party to obtain and/or remit funds will be considered within control of such party for the purpose of Section 22.1 above. If any such delay occurs, any applicable time period will be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that you will remain obligated to promptly pay all fees owing and due to us under this Agreement, without any such delay or extension.

23 APPROVALS AND WAIVERS

23.1 *Request for Approval.* Whenever this Agreement requires our prior approval or consent, you agree to make a timely written request to us therefor, and such approval or consent must be obtained in writing.

23.2 *No Warranties or Guarantees.* You agree that we make no warranties or guarantees upon which you may rely, and that we assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

23.3 *No Waivers.* No delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you or any other franchisee under any of the terms, provisions, covenants, or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, will constitute our waiver of our right to enforce any such right, option, duty, or power as against you, or as to subsequent breach or default by you. If we accept late payments from you or any payments due, that will not be deemed to be our waiver of any earlier or later breach by you of any terms, provisions, covenants, or conditions of this Agreement. No course of dealings or course of conduct will be effective to amend the terms of this Agreement.

24 NOTICES

24.1 Any and all notices required or permitted under this Agreement must be in writing and must be personally delivered, sent by certified U.S. mail, or by other means that provides the sender

with evidence of delivery, rejected delivery, and/or attempted delivery. Any notice by a means that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

- 24.2 Notices shall be sent to the address designated on the signature page of this Agreement (unless a party changes its address for those notices by giving prior written notice to the other party in the manner specified above). If the parties have designated a specific e-mail address, then notices sent to that e-mail address (which may be changed as noted above) will be considered as having been sent at the time they are delivered into that e-mail address.
- 24.3 The Brand Manual, any changes that we make to the Brand Manual, and/or any other written instructions that we provide relating to operational matters, are not considered to be “notices” for the purpose of the delivery requirements in this Section 24.

25 ENTIRE AGREEMENT AND AMENDMENT

- 25.1 *Entire Agreement.* This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between the parties to this Agreement concerning the subject matter hereof, and supersede all prior agreements. The parties confirm that: **(a)** they were not induced by any representations other than the words of this Agreement (and the FDD) before deciding whether to sign this Agreement; and **(b)** they relied only on the words printed in this Agreement in deciding whether to enter into this Agreement. However, nothing in this Agreement is meant to (nor shall it be read to) disclaim any representation that we made in our Franchise Disclosure Document (“**FDD**”) (including its exhibits and amendments).
- 25.2 *Amendment.* Except for those changes that we are permitted to make unilaterally under this Agreement, no amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26 SEVERABILITY AND CONSTRUCTION

- 26.1 *Introductory Paragraphs.* With respect to the introductory paragraphs of this Agreement, under the heading “Introduction,” the parties agree that: **(a)** those paragraphs are accurate; and **(b)** those paragraphs are incorporated into the text of this Agreement as if they were printed here in full.
- 26.2 *Severability.* Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term, and/or provision in this Agreement is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter will continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions will be deemed not to be a part of this Agreement.
- 26.3 *No Third Party Rights.* Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than you, we, and such of our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 16.4 above, any rights or remedies under or by reason of this Agreement.

- 26.4 *Captions Don't Amend Terms.* All captions in this Agreement are intended solely for the convenience of the parties, and no caption will be deemed to affect the meaning or construction of any provision hereof.
- 26.5 *Including.* The parties agree that when used in this Agreement, the terms “include”, “includes”, and “including” shall be understood to mean “*including but not limited to*”.
- 26.6 *Survival.* All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, will so survive the expiration and/or termination of this Agreement.
- 26.7 *Expenses.* Each party agrees to bear all of the costs of exercising its rights and carrying out its responsibilities under this Agreement, except as otherwise provided.
- 26.8 *Counterparts.* This Agreement may be signed in counterparts, and signature pages may be exchanged by electronic means, each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, will be considered as one complete Agreement.

27 APPLICABLE LAW AND DISPUTE RESOLUTION

- 27.1 *Choice of Law.* This Agreement takes effect when we accept and sign this document. This Agreement will be interpreted and construed exclusively under the laws of the Commonwealth of Pennsylvania, which laws will prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Pennsylvania choice-of-law rules); provided, however, that if the covenants in Section 19 of this Agreement would not be enforced as written under Pennsylvania law, then the parties agree that those covenants will instead be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Section 27.1 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the Commonwealth of Pennsylvania (or any other state) that would not otherwise apply if the words in this Section 27.1 were not included in this Agreement.
- 27.2 *Choice of Venue.* Subject to Section 27.3 below, the parties agree that any action that you bring against us, in any court, whether federal or state, must be brought only within the courts that have jurisdiction over Beaver County, Pennsylvania. Any action that we bring against you in any court, whether federal or state, may be brought within the state and judicial district in which we maintain our principal place of business.
- 27.2.1 The parties agree that this Section 27.2 will not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue will be as set forth above.
- 27.2.2 The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.
- 27.2.3 Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action.
- 27.3 *Mediation.* Before any party may bring an action in court against the other, the parties agree that they must first meet to mediate the dispute (except as otherwise provided in Section 27.5 below). Any such mediation will be non-binding and will be conducted in accordance with the then-current rules for mediation of commercial disputes of JAMS, Inc. (formerly, “Judicial

Arbitration and Mediation Services, Inc.”) at its location in or nearest to Philadelphia, Pennsylvania.

- 27.4 *Parties Rights Are Cumulative.* No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.
- 27.5 *Injunctions.* Nothing contained in this Agreement will bar our right to obtain injunctive relief in a court of competent jurisdiction against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.
- 27.6 **WAIVER OF JURY TRIALS. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**
- 27.7 **MUST BRING CLAIMS WITHIN ONE YEAR. EACH PARTY TO THIS AGREEMENT AGREES THAT ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, AND/OR YOUR OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER (EXCLUDING CLAIMS SEEKING INDEMNIFICATION UNDER THIS AGREEMENT), SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR, IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES, SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED.**
- 27.8 **WAIVER OF PUNITIVE DAMAGES. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES IT HAS SUSTAINED (INCLUDING LOST FUTURE ROYALTIES).**
- 27.9 *Payment of Legal Fees.* You agree to pay us all damages, costs and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) that we incur in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including Sections 9 and 17 above); and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship.

28 ACKNOWLEDGMENTS

- 28.1 *No Waivers.* Nothing in this Agreement is meant as, or may be construed, or otherwise interpreted: (a) as a waiver of any state law that may apply to you; nor (b) as a disclaimer of any statement or representation that we have made in our FDD.
- 28.2 *Your Investigation.* We have recommended that you conduct an independent investigation of the business franchised under this Agreement.
- 28.3 *No Warranties or Guarantees.* We do not make (and do not permit anyone speaking on our behalf) to make any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business contemplated by this Agreement.

- 28.4 *Your Advisors.* We recommended that you seek advice from advisors of your own choosing (including a lawyer and an accountant) about the potential benefits and risks of entering into this Agreement.
- 28.5 *No Conflicting Obligations.* Each party represents and warrants to the other party that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict that party from: **(a)** negotiating and entering into this Agreement; **(b)** exercising its rights under this Agreement; and/or **(c)** fulfilling its obligations and responsibilities under this Agreement.
- 28.6 *Your Responsibility for the Choice of the Accepted Location.* You agree that you have sole and complete responsibility for the choice of the Accepted Location; that we have not (and will not be deemed to have, even by our requirement that you use a location service and/or our approval of the site that is the Accepted Location) given any representation, promise, or guarantee of your success at the Accepted Location; and that you will be solely responsible for your own success at the Accepted Location.
- 28.7 *Your Responsibility for Operation of the Franchised Business.* Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of your franchised Store, you retain the right and sole responsibility for the day-to-day management and operation of the Franchised Business and the implementation and maintenance of system standards at the Franchised Business.
- 28.8 *Different Franchise Offerings to Others.* We may modify the terms under which we offer franchises to other parties (which may differ from the terms, conditions, and obligations in this Agreement).
- 28.9 *Our Advice.* You agree that our advice is only that; that our advice is not a guarantee of success; and that you must reach and implement your own decisions about how to operate your Franchised Business on a day-to-day basis under the System.
- 28.10 *Your Independence.* You agree that:
- 28.10.1 you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);
 - 28.10.2 we are not your employer nor are we the employer of any of your staff, and even if we express an opinion or provide advice, we will play no role in your decisions regarding their employment (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);
 - 28.10.3 the guidance that we provide, and requirements under which you will operate, are intended to promote and protect the value of the brand and the Proprietary Marks;
 - 28.10.4 when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including our System and the requirements under this Agreement); and
 - 28.10.5 you have made (and will remain always responsible for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including adopting our standards as your standards), and hiring employees and

employment matters (including matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal), engaging professional advisors, and all other facets of your operation.

28.11 *Success Depends on You.* You agree that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided by you and your staff, as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

28.12 *Two or More Signatories.* If two or more persons are signing this Agreement as the "Franchisee" (each, a "**Signatory**"), the parties agree that:

28.12.1 Each Signatory will have the power to individually bind "Franchisee" with respect to us and third parties;

28.12.2 We have the right to treat each Signatory as having the full authority to bind all other Signatories in any and all matters;

28.12.3 We have the right to treat each Signatory as if s/he represents and can act on behalf of all the other Signatory(ies) in all matters;

28.12.4 Even though there may be more than one Signatory, all of the Signatories' rights will be one and none of the Signatories will have the right to exercise any right independent of (and/or apart from) one another;

28.12.5 We have the right to communicate with or provide notice to any Signatory, and such communication or notice will be deemed as having been given to all Signatories; and

28.12.6 If there is a conflict among the Signatories (including us receiving conflicting information from or requests between the Signatories), we have the right to select from among any conflicting or inconsistent requests by, or information from, any of the Signatories, and our selection in such case will be final and dispositive with respect to any such conflict.

28.13 *General Release.* If this Agreement is not the first contract between you (and your affiliates) and us (and our affiliates), then you agree to the following:

*You (on behalf of yourself and your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, members, managers, shareholders, agents and employees, in their corporate and individual capacities) and all guarantors of your obligations under this Agreement (collectively, "**Releasors**") freely and without any influence forever release (and covenant not to sue) us, our parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively "**Releasees**"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "**claims**"), which any Releasor now owns or holds or may at any time have owned or held, including claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to this Agreement and all other agreements between any Releasor and any Releasee, the sale of any franchise to any Releasor, the development and operation of the Stores and the development and operation of all other businesses operated by any Releasor that are*

franchised by any Releasee. You understand as well that you may later learn of new or different facts, but still, it is your intention to fully, finally, and forever release all of the claims that are released above. This includes your waiver of state laws that may otherwise limit a release (for example, Calif. Civil Code Section 1542, which states that “[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”). You agree that fair consideration has been given by us for this General Release and you fully understand that this is a negotiated, complete and final release of all claims. This General Release does not release any claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise affect any claims arising after the date of this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound by this Franchise Agreement, the parties have duly executed, sealed, and delivered this Agreement to one another as of the Effective Date (below).

Bruster’s Limited Partnership
Franchisor

Franchisee

By: _____

By: _____

Name: Bruce Reed

Name:

Title: President

Title:

Effective Date: _____

By: _____

Name:

Title:

Address for Notices:

Address for Notices:

730 Mulberry Street
Bridgewater, PA 15009

Home Address of Primary/Contact Franchisee

Telephone: 952.237.2865

Telephone:

Attn: Kim Ellis
Vice President of Franchise
Development & Legal

Attn:

E-mail: KEllis@brusters.net

E-mail:

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT A
DATA SHEET

¶	Section Cross-Reference	Item (subject to the provision of the Franchise Agreement that is indicated in this table)
1	1.2	The Accepted Location under this Agreement will be: <p style="text-align: center;">_____</p> <p style="text-align: center;">TBD</p> <p style="text-align: center;">_____</p>
2	1.3	The Protected Territory under this Agreement will be: <p style="text-align: center;">_____</p> <p style="text-align: center;">TBD</p> <p style="text-align: center;">_____</p>
3	4.1	The Initial Franchise Fee will be Forty Thousand Dollars (\$40,000).
4	13.5	Your minimum expenditure on the Grand Opening Marketing Program will be \$7,000 to \$10,000.

Initials

Franchisee

Franchisor

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT B
GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

In order to induce Bruster's Limited Partnership ("**Franchisor**") to sign the BRUSTER'S Franchise Agreement between Franchisor and _____ ("**Franchisee**"), dated _____ (the "**Agreement**"), each of the undersigned parties, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations (monetary and otherwise) under the Agreement as well as any other contract between Franchisee and Franchisor (and/or Franchisor's affiliates) will be punctually paid and performed.

Each person signing this Personal Guarantee acknowledges and agrees, jointly and severally, that:

- Upon Franchisor's demand, s/he will immediately make each payment required of Franchisee under the Agreement and/or any other contract (including another franchise agreement) with Franchisor and/or its affiliates.
- S/he waives any right to require Franchisor to: **(a)** proceed against Franchisee for any payment required under the Agreement (and/or any other contract with Franchisor and/or its affiliates); **(b)** proceed against or exhaust any security from Franchisee; **(c)** pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; and/or **(d)** give notice of demand for payment by Franchisee.
- Without affecting the obligations of the undersigned persons under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. Each of the undersigned persons waive notice of amendment of the Agreement (and any other contract with Franchisor and Franchisor's affiliates) and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement (and any other contract with Franchisor and Franchisor's affiliates).
- S/he will defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement (and any other contract with Franchisor and Franchisor's affiliates) and/or any amendment to the Agreement.
- S/he agrees to be personally bound by all of Franchisee's covenants, obligations, and promises in the Agreement, which include, but are not limited to, the covenants in the following Sections of the Agreement: **Section 9.3** (generally regarding trademarks), **Section 11** (generally regarding confidentiality), **Section 16** (generally regarding Transfers), **Section 18** (generally regarding obligations upon termination or expiration of this Agreement), and **Section 19** (generally regarding covenants against competition) of the Agreement.
- S/he understands that: **(a)** this Guarantee does not grant her/him any rights under the Agreement (including but not limited to the right to use any of Franchisor's marks such as the "BRUSTER'S" marks) or the system licensed to Franchisee under the Agreement; **(b)** s/he have read, in full, and understands, all of the provisions of the Agreement that are referred to above in this paragraph, and that s/he intends to fully comply with those provisions of the

Agreement as if they were printed here in full; and (c) s/he have had the opportunity to consult with a lawyer of her/his own choosing in deciding whether to sign this Guarantee.

This Guarantee will be interpreted and construed in accordance with **Section 27** of the Agreement (including but not limited to the waiver of punitive damages, waiver of jury trial, agreement to bring claims within one year, and agreement not to engage in class or common actions). Among other things, that means that this Guarantee will be interpreted and construed exclusively under the laws of the Commonwealth of Pennsylvania, and that in the event of any conflict of law, Pennsylvania law will prevail (without applying Pennsylvania conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned persons has signed this Guarantee as of the date of the Agreement.

(signed in his/her personal capacity)

Printed Name:

Date: _____

Home Address:

(signed in his/her personal capacity)

Printed Name:

Date: _____

Home Address:

(signed in his/her personal capacity)

Printed Name:

Date: _____

Home Address:

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT C
LIST OF PRINCIPALS

Name and Title of Principal	Contact Information (home address, e-mail address, phone numbers)	Percentage Interest Held in Franchisee

Initials

Franchisee

Franchisor

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT D

**AUTHORIZATION AGREEMENT FOR ACH PAYMENTS
(DIRECT DEBITS FOR ROYALTY, MARKETING CONTRIBUTION, AND OTHER FEES)**

_____ (Name of Person or Legal Entity)

_____ (Tax ID Number (FEIN))

The undersigned depositor ("**Depositor**" or "**Franchisee**") hereby authorizes Bruster's Limited Partnership ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**" or "**Bank**") to debit or credit such account(s) pursuant to our instructions.

Depository/Bank Name

Branch Name

City

State

Zip Code

Bank Transit/ABA Number

Account Number

This authorization is to remain in full and force and effect until sixty (60) days after we have received written notification from Franchisee of its termination.

Printed Name
of Depositor: _____

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT E
ADA CERTIFICATION

Bruster's Limited Partnership ("**Franchisor**" or "**us**") and _____ ("**Franchisee**" or "**you**") are parties to a franchise agreement dated _____ (the "**Franchise Agreement**") for the operation of a Franchised Business in MARKET (the "**Franchised Business**").

- In accordance with Section 5.6.2 of the Franchise Agreement, you certify to us that, to the best of your knowledge, the Franchised Business and its adjacent areas comply with all applicable federal, state, and local accessibility laws, statutes, codes, rules, regulations, and standards, including but not limited to the Americans with Disabilities Act.
- You acknowledge that you are an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing, or operation of the Franchised Business.
- You acknowledge that we have relied on the information contained in this certification.
- You agree to indemnify us and our officers, directors, members, managers, shareholders, and employees in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with your compliance with the Americans with Disabilities Act, as well as the costs (including reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) related to the same.

Acknowledged and Agreed:

Franchisee:

By: _____

Printed Name: _____

Title: _____

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT F

SITE SELECTION ADDENDUM

Bruster's Limited Partnership ("**Franchisor**" or "**us**" or "**we**") and _____ ("**Franchisee**" or "**you**") have this day _____ entered into a BRUSTER'S Franchise Agreement ("**Franchise Agreement**") and wish to supplement its terms as set out below in this Site Selection Addendum (the "**Addendum**"). The parties agree as follows:

AGREEMENT

1. **Time to Locate Site:** Within one hundred and eighty (180) days after the date of this Addendum, you agree to acquire or enter into a binding lease/sublease (collectively, a "**lease**"), at your own expense, commercial real estate that is properly zoned for the use of the business that you will conduct under the Franchise Agreement (the "**Franchised Business**") at a site that we will have approved in writing as provided below. You must provide us with a copy of the signed purchase agreement or lease/sublease (and you need to close/settle on the property if purchasing).

a. Such location must be within the following area:

A three (3) – mile radius from the intersection of _____ and _____ located in CITY, STATE INITIAL ZIP. NO MAP ADDED

(the "**Site Selection Area**"). However, if you do not believe the Site Selection Area is suitable for the location of the Franchised Business, you may request in writing to change the Site Selection Area to another area and we will grant such request so long as such new area (i) is available for you to be able to develop and operate the Franchised Business, (ii) meets our standards and specifications for the location of the Franchised Business, and (iii) is not granted to another existing or prospective "BRUSTER'S" franchisee or business.

b. The only reason that the Site Selection Area is described is for the purpose of selecting a site for the Franchised Business.

c. We will not establish, nor franchise another party to establish, a "BRUSTER'S" business operating under the System within the Site Selection Area until the end of the Search Period. For purposes of this Addendum, the term "**Search Period**" means one hundred and eighty (180) days from the date of this Addendum, or the period from the date of this Addendum until we have approved of a location for your Franchised Business, whichever event first occurs. Upon expiration of the Search Period, the protections of this paragraph 1.c will expire and you will have no further rights in and to the Site Selection Area other than as otherwise provided in the Franchise Agreement.

d. If you do not acquire or lease a site (that we have approved in writing) for the Franchised Business in accordance with this Addendum by not later than two hundred and seventy (270) days after the date of this Addendum, that will constitute a default under Section 17.2 of the Franchise Agreement and also under this Addendum, and we will have the right to terminate the Franchise Agreement and this Addendum pursuant to the terms of Section 17.2 of the Franchise Agreement.

2. **Site Evaluation Services:**

a. We will provide you with our site selection guidelines, including our minimum standards for a location for the Franchised Business, and such site selection counseling and assistance as we may deem advisable. We will perform one (1) on-site evaluation as we may deem advisable in response to your requests for site approval without a separate charge. If we perform any additional on-site evaluations, you must reimburse, as applicable, us for all reasonable expenses that we incur in connection with such on-site evaluation, including without limitation, the cost of travel, lodging and meals. We will not provide on site evaluation for any proposed site before we have received from you a completed site approval form for the site (prepared as set forth in Section 3 below).

b. You must engage and work with a commercial real estate broker on a non-exclusive basis in connection with the evaluation of sites for the Franchised Business. We may suggest or recommend a commercial real estate broker to you, but you have the right to select the commercial real estate broker you wish to engage. However, we have the right to require you to use a different commercial real estate broker if the broker you select does not meet our standards or perform according to our specifications. You are responsible for all costs, fees and expenses you incur in connection with engaging and working with a commercial real estate broker.

3. **Site Selection Package Submission and Approval:** You must submit to us, in the form that we specify: **(a)** a completed site approval form (in the form that we require); **(b)** such other information or materials that we may reasonably require; and **(c)** an option contract, letter of intent, or other evidence satisfactory to us that confirms your favorable prospects for obtaining the site. You acknowledge that time is of the essence. We will have thirty (30) days after receipt of all such information and materials from you to approve or disapprove the proposed site as the location for the Franchised Business. We have the right to approve or disapprove any such site to serve as the Accepted Location for the Franchised Business. If we do not approve a proposed site by giving you written notice within the 30-day period, then we will be deemed to have disapproved of the site.

4. **Lease Responsibilities:** After we have approved a site and before the expiration of the Search Period, you must execute a lease, which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Our approval of any lease is conditioned upon inclusion in the lease of the lease rider attached to the Franchise Agreement as Exhibit G. However, even if we examine the lease, we are not responsible for review of the lease for any terms other than those contained in the lease rider.

5. **Accepted Location:** After we have approved the location for the Franchised Business and you have leased or acquired that location, the location will constitute the **Accepted Location** described in Section 1.2 of the Franchise Agreement. The Accepted Location will be specified on Exhibit A to the Franchise Agreement, and will become a part the Franchise Agreement.

a. You hereby agree that our approval of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Our approval of the site indicates only that we believe the site complies with our minimum acceptable criteria solely for our own purposes as of the time of the evaluation. The parties each acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to our approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria that we used could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond our control.

b. We will not be responsible for the failure of a site (even if we have approved that site) to meet your expectations as to revenue or operational criteria.

c. You agree that your acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

6. **Construction:** This Addendum will be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum will be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein will have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

Bruster's Limited Partnership
Franchisor

Franchisee

By: _____
Name: Bruce Reed
Title: President

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT G
LEASE RIDER

THIS ADDENDUM (the "**Addendum**") has been executed as of this ___ day of _____, 202___, by _____ and _____ between _____ ("**Franchisee**") and _____ ("**Landlord**"), as an addendum to the lease, as modified, amended, supplemented, renewed and/or extended from time to time as contemplated herein ("**Lease**") dated as of _____, 202___ for the premises located at _____, in the State of _____ ("**Premises**").

Franchisee has also entered (or will also enter) into a Franchise Agreement ("**Franchise Agreement**") with Bruster's Limited Partnership ("**Franchisor**") for the development and operation of a "BRUSTER'S" business at the Premises, and as a condition to obtaining Franchisor's approval of the Lease, the Lease for the Premises must contain the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord agrees to deliver to Franchisor a copy of any notice of default by Franchisee or termination of the Lease at the same time such notice is delivered to Franchisee. Franchisor agrees to deliver to Landlord a copy of any notice of termination under the Franchise Agreement. Franchisee hereby consents to that exchange of information by Landlord and Franchisor.
2. Franchisee hereby assigns to Franchisor, with Landlord's irrevocable and unconditional consent, all of Franchisee's rights, title and interests to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment will be effective unless and until: (a) the Franchise Agreement is terminated or expires without renewal; and (b) Franchisor has notified the Franchisee and Landlord in writing that Franchisor assumes Franchisee's obligations under the Lease.
3. Franchisor will have the right, but not the obligation, to cure any breach of the Lease (within fifteen (15) business days after the expiration of the period in which Franchisee had to cure any such default by Franchisee, should Franchisee fail to do so) upon giving written notice of its election to Franchisee and Landlord, and, if so stated in the notice, to also succeed to Franchisee's rights, title and interests thereunder. The Lease may not be modified, amended, supplemented, renewed, extended or assigned by Franchisee without Franchisor's prior written consent.
4. Franchisee and Landlord agree that Franchisor will have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Section 2 or Section 3, above.
5. If Franchisor assumes the Lease, as provided above, Franchisor may: (a) without Landlord's prior consent, itself operate a "BRUSTER'S" business under the Lease at the Premises, or (b) with Landlord's prior consent, which will not be unreasonably withheld, sublet and/or assign the Lease to another franchisee of Franchisor to operate a "BRUSTER'S" business at the Premises provided that the proposed franchisee has met all of the applicable criteria and requirements of the Landlord and the Franchisor, and has executed a franchise agreement

with Franchisor. Upon an assignment to a franchisee of Franchisor as permitted under this paragraph 5, Franchisor will be released from any further liability under the terms and conditions of the Lease.

6. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents will have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its employees or agents. Landlord and Franchisee hereby further acknowledge that if the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the Premises as a "BRUSTER'S" business (unless Franchisor takes an assignment of the lease, as provided above). Landlord agrees to permit Franchisor, its employees or agent, to enter the Premises and remove signs (both interior and exterior), décor and materials displaying any marks, designs or logos owned by Franchisor, provided that Franchisor will bear the expense of repairing any damage to the Premises as a result thereof.
7. If Landlord is an affiliate or an owner of Franchisee, Landlord and Franchisee agree that if Landlord proposes to sell the Premises, before the sale of the Premises, upon the request of Franchisor the Lease will be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the "BRUSTER'S" business is located.
8. Landlord agrees that during and after the term of the Lease, it will not disclose or use Franchisor's Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "**Confidential Information**" as used herein will mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including without limitation, all information identifying or describing the floor plan and layout, furnishings, equipment, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, techniques, trade dress, "look and feel," design, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises. Landlord acknowledges that all such Confidential Information belongs exclusively to Franchisor.
9. Landlord agrees that: (a) Franchisor has granted to only one party, the Franchisee, the right to use Franchisor's proprietary trade name, trademarks, service marks logos, insignias, slogans, emblems, symbols, designs and indicia of origin (collectively the "**Marks**") at the Premises under the terms of the Franchise Agreement; and (b) Franchisor has not granted any rights or privileges to use the Marks to Landlord.
10. Landlord and Franchisee agree that the Premises will be used solely for the operation of a "BRUSTER'S" business.
11. Landlord and Franchisee agree that any default by Franchisee under the Lease will also constitute a default under the Franchise Agreement, and any default by Franchisee under the Franchise Agreement will also constitute a default by Franchisee under the Lease.
12. Landlord and Franchisee agree that the terms in this Addendum will supersede any contrary terms in the Lease and that they will not later amend the lease in a manner that supersedes the terms in this Addendum.

13. Franchisor, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.

14. Landlord and Franchisee agree that copies of any and all notices required or permitted under this Addendum, or under the Lease, will also be sent to Franchisor at _____ (attention _____), or to such other address as Franchisor may specify by giving written notice to Landlord.

WITNESS the execution hereof under seal.

Landlord:

Franchisor: Bruster's LP

Franchisee:

Printed Name: _____

Printed Name: _____

Printed Name: _____

Phone: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

Email: _____

Date: _____

Date: _____

Date: _____

BRUSTER'S LIMITED PARTNERSHIP
FRANCHISE AGREEMENT
EXHIBIT I
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Bruster's Limited Partnership
730 Mulberry Street
Bridgewater, PA 15009

_____, 202_____

Re: Area Development Agreement

Dear _____:

We are pleased to be entering into this Area Development Agreement (the "**Development Agreement**") with you today. As used in this Development Agreement, the terms "**you**", "**your**", and "**Area Developer**" mean _____, and the terms "**we**", "**us**", and "**Franchisor**" mean Bruster's Limited Partnership.

1. **Development.** This Development Agreement relates to the terms under which you will develop "Bruster's" retail businesses that ~~feature, among other things~~, feature, among other things, ice cream, frozen yogurt and frozen desserts and other beverage and food products (each a "**Store**") within the "**Development Area**" that is specified on the attached Data Sheet (Exhibit A). Each Store will be established under the terms of a separate Franchise Agreement (the "**Franchise Agreement**") for that Store, which will specify, among other things, the approved location of that Store.

2. **Development Schedule.** You agree to establish each of the Stores in the Development Area according to the development schedule that is specified on the attached Data Sheet (Exhibit A). That schedule is referred to as the "**Development Schedule**."

3. **Term.** The term of this Development Agreement starts only when both parties have signed below, and will end on the last date specified in the Development Schedule (the "**Term**"), unless this Development Agreement is sooner terminated.

4. **Fees and Credits.**

4.1 **Fees.**

a. In consideration of the development rights granted in this Development Agreement, you agree to pay us, upon signing this Development Agreement, a development fee as specified on the attached Data Sheet (Exhibit A) (the "**Development Fee**").

b. If you develop more than the number of Stores required under this Development Agreement in the Development Area, then for each such additional Store, you agree to pay an initial franchise fee in the amount of _____ Dollars (\$_____).

c. The Development Fee will be fully earned when we receive it from you and it shall be non-refundable in consideration of the services and items that we provide to you under this Development Agreement, for our lost opportunities, and other factors.

4.2 Credits. We will credit the Development Fee that you have paid toward the initial franchise fees due under the Franchise Agreement for each Store that you are required to develop under this Development Agreement (with the understanding that the total of those credits will not exceed the Development Fee that you actually paid to us) so long as you are in compliance with your obligations under this Development Agreement and all of the Franchise Agreements between you (and your affiliates) and us (and our affiliates), ~~then~~.

4.3 All payments that are due under this Development Agreement shall be made without deduction or offset, including for any taxes or other amounts.

4.4 All payments shall be made in the U.S. and in U.S. Dollars, by ACH to a bank account that we designate in writing for that purpose.

5. Protected Development Area. We will not establish, nor license anyone other than you to establish, a Store in the Development Area during the Term of this Development Agreement (except as otherwise provided under Section 6 below and in Section 1.4 of the Franchise Agreement that is incorporated into this Development Agreement) so long as you (and your affiliates) are in compliance with this Development Agreement and all of the Franchise Agreements between you (and your affiliates) and us (and our affiliates).

6. Reservation of Rights.

6.1 Except as otherwise specifically provided above in Section 5, we retain all other rights, and therefore we have the exclusive right (among others), and on any terms and conditions we deem advisable, and without granting you any rights therein, to do any or all of the following (and, in each case, despite their proximity to the Development Area, and despite their actual or threatened impact on sales at any Store):

a. advertise and promote the “Bruster’s” trademarks (together with other marks that we specify in writing for use by franchisees and others, the “**Proprietary Marks**”) anywhere;

b. fulfill, and license others to fulfill, customer orders by providing and permitting catering and delivery services in the Development Area;

c. establish (and license or franchise others to establish) Stores anywhere outside the Development Area;

d. establish (and license or franchise others to establish) businesses that neither operate under the “Bruster’s” system of operations, as further defined in the Franchise Agreement (the “**System**”), nor use the Proprietary Marks (even if those businesses offer products that are the same as or similar to those offered from Stores), no matter where those businesses are located (so long as those businesses are not “Stores” operated inside the Development Area);

e. acquire (or be acquired) and then operate any business of any kind, anywhere inside and outside the Development Area (so long as those businesses are not “Stores” operated within the Development Area);

f. establish, and license others to establish, Stores at any Non-Traditional Facility and/or Captive Market Location (as defined below) inside or outside the Development Area; and

g. sell and distribute, or license others to sell and distribute, directly or indirectly, any products in ready-to-prepare or bulk packaged form (as compared to single-serving ready-to-consume form) and other items bearing the Proprietary Marks (such as merchandise), from any location or to any purchaser (including, but not limited, the sale of items at wholesale and to purchasers in the Development Area through supermarkets, shops, mail order, and on the Internet, under our Proprietary Marks or as private-labeled items), so long as these sales are not made from a Store operated inside the Development Area.

6.2 We cannot and will not be responsible for policing or enforcing our franchisees' conduct or that of third parties (such as third-party delivery vendors).

6.3 The term "**Captive Market Location**" is agreed to include, among other things, non-foodservice businesses of any sort within which a Store or a "Bruster's" branded facility is established and operated (including for example, hotels and resorts), as well as branded locations that serve only our Retail Products.

6.4 The term "**Non-Traditional Facility**" includes, among other things, college campuses, schools, hotels, casinos, airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; seasonal facilities; shopping malls; theaters; and sporting event arenas and centers

7. **Other Brands.** You understand that we may operate (or be affiliated with companies that operate) businesses under brand names (whether as company-owned concepts, as a franchisor, or as a franchisee) in addition to the brand operated under the Proprietary Marks, and also that we may acquire other brands (or be acquired by a company that operates other brands) (collectively, "**Other Brands**"). You understand and agree that this Development Agreement does not grant you any rights with respect to any such Other Brands.

8. **No License to use the Marks.** This Development Agreement does not grant you any license to use, in any manner whatsoever, our Proprietary Marks or System. To the extent that we are licensing those rights to you, that license will be set out under the Franchise Agreements.

9. **Signing of the Franchise Agreements.**

9.1 You must sign a separate Franchise Agreement for each Store. The form of the Franchise Agreement for each Store developed under this Development Agreement shall be in the form of our then-current Franchise Agreement. You must sign the Franchise Agreement for each Store and submit to us for countersignature not more than thirty (30) days after you sign the lease or purchase property for that Store.

9.2 Each Store shall be located at a site that we have approved, within the Development Area, as provided in Section 10 below.

10. **Store Development and Site Approval.** For each site that you propose for a Store, you must comply with the site development requirements under the Franchise Agreement, including (if applicable) the Site Selection Addendum to the Franchise Agreement.

11. **Provisions of the Franchise Agreement Incorporated By Reference.** The parties agree that the provisions of the following sections of the Franchise Agreement are incorporated by reference into this Development Agreement as if they were printed in this Development Agreement (here, and in full text), and that the provisions noted above also apply to this Development Agreement (except that reference to the "Franchisee" in those provisions shall refer to you, as the "Area Developer," under this Development Agreement):

11.1 **Section 11 – Confidentiality; Confidential Information;**

- 11.2 Section 15 – Insurance;
- 11.3 Section 16 – Transfer of Interest (and also see Section 12 below);
- 11.4 Section 17 – Default and Termination (and also see Section 13 below);
- 11.5 Section 18 – Obligations upon Termination or Expiration;
- 11.6 Section 19 – Covenants (and also see Section 14 below);
- 11.7 Section 20 – Taxes, Permits, and Indebtedness;
- 11.8 Section 21 – Independent Contractor and Indemnification (and also see Section 16 below);
- 11.9 Section 22 – Force Majeure;
- 11.10 Section 23 – Approvals and Waivers;
- 11.11 Section 24 – Notices;
- 11.12 Section 26 – Severability and Construction;
- 11.13 Section 28 – Acknowledgments; and
- 11.14 Section 27 – *Applicable Law and Dispute Resolution (You specifically acknowledge and agree that the provisions in Section 27 of the Franchise Agreement apply to this Development Agreement as well. Among other things, the provisions of Section 27 provide (in the detail spelled out in the Franchise Agreement) that you agree that Pennsylvania law shall exclusively govern the terms of this Development Agreement (but not applying Pennsylvania conflict of laws rules), that the parties agree to waive any right trial by jury, that the parties agree to waive the right to seek or collect punitive damages, that the parties must first mediate any dispute before bringing an action in court; that the venue for any action that you file against us will be exclusively in the courts with jurisdiction over Beaver County, Pennsylvania, that you waive participation in a common or class action against us, and that all legal actions you bring must be brought within one (1) year from the occurrence of the facts giving rise to such claim or action – all as described in Section 27 of the Franchise Agreement, excluding claims for indemnification). Nothing in this Section 11.14 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the Commonwealth of Pennsylvania (or any other state) that would not otherwise apply without this Section 11.14.)*

12. Transfers. In addition to the provisions of Section 11.3 above, you understand and agree that we have entered into this Development Agreement in reliance on your promise and commitment to establish and operate an agreed-upon number of Stores, and that as a result, you agree that it would not be unreasonable for us to withhold our consent to a transfer of some, but not all, of the Franchise Agreements separate from one another, and in any case, separate from the rights set forth under this Development Agreement (if this Development Agreement has not at the time of a proposed transfer either expired or terminated).

13. Covenants. In addition to the provisions of Section 11.6 above, you agree that after the expiration or termination of this Development Agreement, the restrictions that are provided in Section

19.3 and 19.4 of the Franchise Agreement (which are incorporated by reference through Section 11 above):

- 13.1 will apply during the two-year period following the expiration or earlier termination of this Development Agreement, or a transfer as contemplated under Sections 11.3 and 12 above; and
- 13.2 that those restrictions will apply only within: (a) the Development Area under this Development Agreement; (b) a buffer of five (5) miles from the outside perimeter of the Development Area under this Development Agreement; (c) ten (10) miles of the Accepted Location of any Store that you developed under this Development Agreement; and also (d) ten (10) miles of any other Store in the U.S. that is: (i) then existing; (ii) closed in the last twelve (12) months; and/or (iii) then-planned.

14. Defaults.

- 14.1 In addition to the provisions of Section 11.4 above, you understand and agree that you will be in default under this Development Agreement if you:
 - a. do not meet your obligations under the Development Schedule and/or if any other agreement between you (and/or your affiliates) and us is terminated; and/or
 - b. fail to provide us with any information or documents we have the right to request under this Development Agreement or any other agreement between you (and/or your affiliates) and us (and/or our affiliates). If you are in default under this Development Agreement, then we will have the right to: (i) terminate this Development Agreement by giving you written notice of termination, which will take effect immediately (unless otherwise required under applicable law); or (ii) take any lesser action instead of terminating this Development Agreement, including but not limited to suspending or eliminating your rights to the Development Area.
- 14.2 A default under this Development Agreement shall not constitute a default under any Franchise Agreement between the parties.

15. Entire Agreement and Amendment. This Development Agreement (together with the provisions that are incorporated by reference pursuant to Sections 5 and 11 above, as well as the Data Sheet that is attached to this Development Agreement) constitutes the entire, full, and complete agreement between the parties concerning the subject matter of this Development Agreement, and supersedes all prior agreements, representations, and other communications. The parties confirm that: (a) they were not induced by any representations other than the words of this Development Agreement (and the Data Sheet, as well as the provisions of the Franchise Agreement that are incorporated by reference) before deciding whether to sign this Development Agreement; and (b) they relied only on the words printed in this Development Agreement (and the Data Sheet, and the provisions of the Franchise Agreement that are incorporated by reference) in deciding whether to enter into this Development Agreement (however, nothing in this Development Agreement is meant to disclaim any statement included in our franchise disclosure document). Except for those changes permitted to be made unilaterally by Franchisor under this Development Agreement, no amendment, change, or variance from this Development Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

16. Indemnity. In addition to the provisions of Section 11.8 above, you agree to indemnify, defend, and hold harmless us, our owners and affiliates, and our (and our affiliates') officers, directors, members, managers, employees, and agents against any and all claims arising directly or indirectly

from, as a result of, or in connection with your conduct and/or operation of the business contemplated under this Development Agreement, as well as the costs of defending against them (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses).

17. **Captions.** The headings and captions in this Development Agreement are merely for the sake of convenience and are not meant (and shall not be deemed) to change or have any affect upon the meaning of the Agreement.

18. **Confirmation that You Read and Understand the Franchise Agreement.** You acknowledge that you have read and understand the Franchise Agreement attached to this Development Agreement as Exhibit D (including but not limited to the provisions of the Franchise Agreement that are referenced (and/or incorporated by reference) into this Development Agreement via Section 11 above (**including but not limited to the waiver of jury trial, the waiver of punitive damages, the mediation and venue clauses, and the provision waiving participation in a common or class action**)).

IN WITNESS WHEREOF, and intending to be legally bound by this Development Agreement, the parties have duly executed, sealed, and delivered this Development Agreement to one another as of the Effective Date (below).

Bruster's Limited Partnership
Franchisor

Area Developer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

Address for Notices:

730 Mulberry Street
Bridgewater, PA 15009
Telephone: 952.237.2865

Attn: Kim Ellis
Vice President of Franchise
Development & Legal

E-mail: KEllis@brusters.net

Address for Notices:

Attn: _____

Telephone: _____

E-mail: _____

Exhibits:

- A** – Data Sheet
- B** – Guarantee, Indemnification, and Acknowledgment
- C** – List of Principals in Area Developer
- D** – Form of Franchise Agreement

Exhibit A - Data Sheet

The Development Area under this Development Agreement shall be:

The present political boundaries of _____ (subject to Sections 5 and 6 of this Development Agreement).

Initialed

Franchisor

Area Developer

The Development Fee under this Development Agreement shall be:

How Development Fee Calculated	Total Development Fee
_____ Thousand Dollars (\$_____) for the first Store and _____ Thousand Dollars (\$_____) for each additional Store that is required to be developed under the Development Schedule	_____ Thousand Dollars (\$_____)

Initialed

Franchisor

Area Developer

The Development Schedule under this Development Agreement shall be:

By this anniversary of the date of this Development Agreement	Cumulative Total Number of Stores That You Agree To Have Open and in Operation in the Development Area
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]
[number (#)] months	[number (#)]

Initialed

Franchisor

Area Developer

Bruster's Limited Partnership
Area Development Agreement
Exhibit B
Guarantee, Indemnification, and Acknowledgment

In order to induce Bruster's Limited Partnership ("**Franchisor**") to sign the Bruster's Area Development Agreement between Franchisor and _____ ("**Area Developer**"), dated _____, 202____ (the "**Development Agreement**"), each of the undersigned parties, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Area Developer's obligations (monetary and otherwise) under the Development Agreement as well as any other contract between Area Developer and Franchisor (and/or Franchisor's affiliates) will be punctually paid and performed.

Each person signing this Personal Guarantee acknowledges and agrees, jointly and severally, that:

- Upon Franchisor's demand, s/he will immediately make each payment required of Area Developer under the Development Agreement and/or any other contract with Franchisor and/or its affiliates.
- S/he waives any right to require Franchisor to: **(a)** proceed against Area Developer for any payment required under the Development Agreement (and/or any other contract with Franchisor and/or its affiliates); **(b)** proceed against or exhaust any security from Area Developer; **(c)** pursue or exhaust any remedy, including any legal or equitable relief, against Area Developer; and/or **(d)** give notice of demand for payment by Area Developer.
- Without affecting the obligations of the undersigned persons under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Area Developer, or settle, adjust, or compromise any claims against Area Developer. Each of the undersigned persons waive notice of amendment of the Development Agreement (and any other contract with Franchisor and Franchisor's affiliates) and notice of demand for payment by Area Developer, and agree to be bound by any and all such amendments and changes to the Development Agreement (and any other contract with Franchisor and Franchisor's affiliates).
- S/he will defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) resulting from, consisting of, or arising out of or in connection with any failure by Area Developer to perform any obligation of Area Developer under the Development Agreement (and any other contract with Franchisor and Franchisor's affiliates) and/or any amendment to the Development Agreement.
- S/he will be personally bound by all of Area Developer's covenants, obligations, and promises in the Development Agreement.
- S/he agrees to be personally bound by all of Area Developer's covenants, obligations, and promises in the Development Agreement, which include, but are not limited to, those found in the following Sections of the Development Agreement: **Section 8** (generally regarding trademarks), **Section 11.1** (generally regarding confidentiality), **Sections 11.3 and 12** (generally regarding Transfers), **Section 11.5** (generally regarding obligations upon termination or expiration of this Development Agreement), and **Section 11.6** (generally regarding covenants against competition) of the Development Agreement.
- S/he understands that: **(a)** this Guarantee does not grant them any rights under the Development Agreement (including but not limited to the right to use any of Franchisor's marks such as the "Bruster's" marks); **(b)** that they have read, in full, and understand, all of the provisions of the Development Agreement that are referred to above in this paragraph

(including the provisions of the franchise agreement that are incorporated into this Development Agreement), and that they intend to fully comply with those provisions of the Development Agreement as if they were printed here; and (c) that they have had the opportunity to consult with a lawyer of their own choosing in deciding whether to sign this Guarantee.

This Guarantee will be interpreted and construed in accordance with **Section 11.14** of the Development Agreement (including but not limited to the waiver of punitive damages, waiver of jury trial, agreement to bring claims within one year, and agreement not to engage in class or common actions) that are incorporated by reference there from Section 27 of the attached franchise agreement. Among other things, that means that this Guarantee will be interpreted and construed exclusively under the laws of the Commonwealth of Pennsylvania, and that in the event of any conflict of law, Pennsylvania law will prevail (without applying Pennsylvania conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned persons has signed this Guarantee as of the date of the Agreement.

(signed in his/her personal capacity)

Printed Name: _____

Date: _____

Home Address: _____

(signed in his/her personal capacity)

Printed Name: _____

Date: _____

Home Address: _____

(signed in his/her personal capacity)

Printed Name: _____

Date: _____

Home Address: _____

Bruster's Limited Partnership
 Area Development Agreement
 Exhibit C
List of Principals

Name of Principal	Contact Information (home address, e-mail address, phone numbers)	Percentage Interest Held in Area Developer

Initials

Franchisee

Franchisor

Exhibit D
Form of Franchise Agreement

EXHIBIT B**List of State Administrators**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p>CALIFORNIA Commissioner Dep’t of Financial Protection & Innovation 320 West Fourth St., Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677</p>	<p>NEW YORK New York State Dep’t of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8236</p>
<p>HAWAII Commissioner of Securities Dep’t of Commerce & Consumer Affairs Bus. Reg. Div., Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96813 / (808) 586-2722</p>	<p>NORTH DAKOTA North Dakota Insurance & Securities Dep’tDepartment State Capitol — Dep’t 414 600 East Boulevard Av., Fifth FloorDept. 401 Bismarck, ND 58505-0510 (701) 328-47122910</p>
<p>ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second St. Springfield, IL 62706 (217) 782-4465</p>	<p>RHODE ISLAND Dep’t of Business Regulation Securities Div., Building 69, First Floor John O. Pastore Center - 1511 Pontiac Av. Cranston, RI 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Div. of Insurance Securities Regulation 124 South Euclid Av., Suite 104 Pierre, SD 57501 (605) 773-3563</p>
<p>MARYLAND Office of the Attorney General Securities Div. 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360</p>	<p>VIRGINIA State Corporation Commission Div. of Securities and Retail Franchising 1300 East Main St., 9th Floor Richmond, VA 23219 (804) 371-9051</p>
<p>MICHIGAN Florida Attorney General’s Office Corporate Oversight Div., Franchise Section 525 West Ottawa St., 1st Floor Lansing, MI 48913 (517) 335-7567</p>	<p>WASHINGTON Dep’t of Financial Institutions Securities Div. – 3rd Floor PO Box 41200 Olympia WA 98504-1200 (360) 902-8760</p>
<p>MINNESOTA Minnesota Dep’t of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600</p>	<p>WISCONSIN Div. of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-2139</p>

EXHIBIT C**List of Agents for Service of Process**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

<p>CALIFORNIA Commissioner Dep’t of Financial Protection & Innovation 320 West Fourth St., Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677</p>	<p>NEW YORK Secretary of State One Commerce Plaza 99 Washington Av., 6th Floor Albany, NY 12231-0001 (518) 473-2492</p>
<p>HAWAII Commissioner of Securities of the State of Hawaii Dep’t of Commerce & Consumer Affairs Bus. Reg. Div., Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96813 / (808) 586-2722</p>	<p>NORTH DAKOTA Insurance Commissioner North Dakota Insurance & Securities CommissionerDepartment State Capitol 600 East Boulevard Av., Fifth FloorDept. 401 Bismarck, ND 58505-0510 (701) 328-47422910</p>
<p>ILLINOIS Illinois Attorney General 500 South Second St. Springfield, IL 62706 (217) 782-4465</p>	<p>RHODE ISLAND Director of Dep’t of Business Regulation Dep’t of Business Regulation Securities Div., Building 69, First Floor John O. Pastore Center - 1511 Pontiac Av. Cranston, RI 02920 (401) 462-9527</p>
<p>INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681</p>	<p>SOUTH DAKOTA Div. of Insurance Director of the Securities Regulation 124 South Euclid Av., Suite 104 Pierre, SD 57501 (605) 773-3563</p>
<p>MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360</p>	<p>VIRGINIA Clerk of the State Corporation Commission 1300 East Main St., 1st Floor Richmond, VA 23219 (804) 371-9733</p>
<p>MICHIGAN Florida Attorney General’s Office Corporate Oversight Div., Franchise Section 525 West Ottawa St., 1st Floor Lansing, MI 48913 (517) 335-7567</p>	<p>WASHINGTON Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760</p>
<p>MINNESOTA Commissioner of Commerce Minnesota Dep’t of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101 (651) 539-1600</p>	<p>WISCONSIN Div. of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705 (608) 266-2139</p>

The following is our current general release language that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We have the right to periodically modify the release.

Franchisee, its officers and directors, its owners, and their respective agents, heirs, administrators, successors, and assigns (the "Franchisee Group"), hereby forever release and discharge, and forever hold harmless Bruster's Limited Partnership, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "Franchisor Group"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee Group and/or its owners had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Franchised Business.

Each party represents and warrants to the others, and agrees, that it may later learn of new or different facts, but that still, it is that party's intention to fully, finally, and forever release all of the Demands that are released above. This includes the parties' waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.") The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement or the Franchised Business. The Franchisee Group and its owners represent and warrant that they have not asserted (nor made an assignment or any other transfer of any interest in) the claims, causes of action, suits, debts, agreements, or promises described above.

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F. Operations.....	18 pages
G. Ordering System	8 pages
H. Inspections	6 pages
I. Registers & Tech Requirements	5 pages
J. Marketing	21 pages
K. Training.....	15 pages
L. Risk Management	23 pages
M. Ice Cream Making	15 pages
N. Preventive Maintenance.....	35 pages
O. Cart Operating Procedures	9 pages
P. Electronic Gift Card Program	3 pages
Total	246 pages

**Bruster's Limited Partnership
Consolidated Financial Statements**

For the Fiscal Years Ended

December 31, ~~2024~~2025 and December 31, ~~2024~~2023

and

December 31, ~~2024~~2023 and December 31, ~~2022~~2023

FINANCIAL REPORT

BRUSTER'S, L.P. AND SUBSIDIARY

YEARS ENDED DECEMBER 31, 2025 AND 2024

**BRUSTER'S, L.P. AND SUBSIDIARY
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Partner
Bruster's, L.P. and Subsidiary
Bridgewater, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Bruster's, L.P. and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2025 and 2024, and the related consolidated statements of income, partner's capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Bruster's, L.P. and Subsidiary as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bruster's, L.P. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Uncertainty Regarding the Future Outcome of Litigation

As discussed in Note 9 to the financial statements, the Company is a defendant in a lawsuit regarding personal injury. Subsequent to the year end a verdict awarding damages of approximately \$14.2 million against the Company, its related management company, and a franchisee, was rendered. The Company has filed an appeal and is in the initial stages of this process. The ultimate outcome of the appeal cannot presently be determined, but it is management's opinion that the initial award will not be upheld. The Company has internal and external financial assets to use if the appeal is unsuccessful and believes that a negative outcome would not impact the Company's ability to continue as a going concern. Accordingly, no provision for any liability that may result from the appeal has been made to the financial statements. Nevertheless, due to uncertainties of the appeal, it is at least reasonably possible that management's view of the outcome will change in the near term. Our opinion is not modified with respect to these matters.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bruster's, L.P. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bruster's, L.P. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bruster's, L.P. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



H2R CPA
Pittsburgh, Pennsylvania
April 23, 2026

**BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash	\$ 10,783	\$ 11,007
Restricted cash - Marketing Fund	4,511	-
Restricted cash - Gift Card	13,761	18,833
Restricted escrow cash - Franchises Fees	35,000	50,000
Royalty receivables	89,451	67,438
Restricted receivables	196,174	169,788
Titusville receivables	132,302	103,005
Gift card receivables	6,613	8,096
Gift card inventory, at cost	60,027	59,142
Related party advance	4,499,046	4,356,595
Related party prepaid	-	107,128
Notes and accrued interest receivable related party	<u>671,672</u>	<u>7,627,659</u>
TOTAL CURRENT ASSETS	<u>5,719,340</u>	<u>12,578,691</u>
TOTAL ASSETS	<u>\$ 5,719,340</u>	<u>\$ 12,578,691</u>

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES		
Bank overdraft	\$ 34,619	\$ 12,948
Deferred revenue (Under ASC-606)	2,900,000	3,040,000
Marketing fund and Gift Card escrow	30,850	33,000
Gift card payables	47,748	45,071
Restricted payable marketing	196,174	169,788
Related party payable	<u>181,483</u>	<u>8,000</u>
TOTAL CURRENT LIABILITIES	3,390,874	3,308,807
PARTNERS' CAPITAL	<u>2,328,466</u>	<u>9,269,884</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL	<u>\$ 5,719,340</u>	<u>\$ 12,578,691</u>

The accompanying notes are an integral
part of the financial statements

BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
REVENUES		
Royalty	\$ 9,404,209	\$ 8,750,572
Royalty - Discount	(5,000)	(44,946)
Franchise, net	815,000	727,500
Interest income	<u>303,464</u>	<u>363,296</u>
 TOTAL REVENUES	 <u>10,517,673</u>	 <u>9,796,422</u>
 COST AND EXPENSES		
Management fees	6,999,611	6,404,083
Salaries	730,000	711,790
Payroll tax expense	22,759	19,544
Bank service charge	5,184	4,072
Bad debts	5,860	3,406
Professional fees	<u>71,495</u>	<u>79,524</u>
 TOTAL COSTS AND EXPENSES	 <u>7,834,909</u>	 <u>7,222,419</u>
 NET INCOME	 <u>\$ 2,682,764</u>	 <u>\$ 2,574,003</u>

BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Partners' capital - beginning	\$ 9,269,884	\$ 6,968,211
Distributions	(9,624,182)	(272,330)
Net income	<u>2,682,764</u>	<u>2,574,003</u>
Partners' capital - ending	<u>\$ 2,328,466</u>	<u>\$ 9,269,884</u>

BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	\$ <u>2,682,764</u>	\$ <u>2,574,003</u>
ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
(INCREASE) DECREASE IN OPERATING ASSETS AND LIABILITIES:		
Royalties receivables	(22,013)	3,765
Restricted receivables	(26,386)	(23,101)
Titusville receivables	(29,297)	4,796
Gift card receivables	1,483	(8,096)
Gift card inventory	(885)	(59,142)
Related party advance	(142,451)	(2,159,595)
Deferred revenue	(140,000)	450,000
Marketing fund escrow	(2,150)	(26,329)
Gift card fund escrow	-	(1,238)
Gift card payable	2,677	45,071
Related party prepaid/payable	280,611	(382,408)
Restricted payable marketing	<u>26,386</u>	<u>23,102</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(52,025)</u>	<u>(2,133,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in note receivable and accrued interest related party	<u>6,955,987</u>	<u>(268,669)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>6,955,987</u>	<u>(268,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in bank overdraft	21,671	(18,056)
Distributions	<u>(9,624,182)</u>	<u>(272,330)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(9,602,511)</u>	<u>(290,386)</u>
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(15,785)	(118,227)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>79,840</u>	<u>198,067</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH- END OF YEAR	<u>\$ 64,055</u>	<u>\$ 79,840</u>

The accompanying notes are an integral part of the financial statements

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 1 – Organization

Bruster's LP (the Partnership) is a Pennsylvania limited partnership formed on March 17, 1993. The Partnership is in the business of granting rights for the operation of ice cream shoppes under the trade name of BRUSTER'S, offering ice cream and yogurt to the general public. Franchises are located primarily in the eastern United States.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting which is in accordance with standards established by the American Institute of Certified Public Accountants.

Principles of Consolidation

The consolidated financial statements include the accounts of Bruster's, L.P. and its wholly owned subsidiary, Bruster's Gift Management Company, Inc. All significant intercompany balances and transactions have been eliminated.

Revenue Recognition

The accompanying financial statements were prepared in compliance with ASC-606, as required for annual reporting periods after December 15, 2020.

The Partnership grants a franchise agreement to open and operate an ice cream shoppe in an exclusive area. A non-refundable initial franchise fee of \$40,000 is normally required, payable at the signing of the franchise agreement, and recognized when the store opens or by termination if the store is not opened and the franchisee forfeits right to the territory. The Partnership has elected the practical expedient option available for private companies regarding pre-opening services in the franchise fee to be treated as a single performance obligation and recognized when the store has opened and completed the defined pre-opening services.

The Partnership is obligated, in accordance with the terms of the franchise agreement, to provide the following supervision assistance and services: site approval, shoppe design criteria, training and pre-opening assistance, operational manual and certain continuing assistance, and use of intellectual trademarks and property. A weekly royalty of 5% is payable to the Partnership based upon the franchised ice cream shoppe's net sales. The franchisor also retains the right to request up to 3% of monthly net sales as a marketing fee, which is restricted for these activities.

Throughout 2025 and 2024, the Partnership acted as an agent by placing advertisements and conducting other marketing activities on behalf of the shoppes. Cash received by the Partnership was segregated for the sole purpose of paying for marketing expenses and is classified as restricted cash in the accompanying balance sheet. The offsetting liability is classified as a marketing escrow. Receivables related to this activity are noted as restricted receivables and correspond to the offsetting restricted payable as these funds are restricted for the marketing activities on behalf of the franchisees' shops. The Partnership collected \$4,546,685 and \$4,140,623 in 2025 and 2024, respectively. As of December 31, 2025, and 2024, cash and an equal liability for services to provide marketing amounted to \$4,511 and \$0, respectively.

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 2 – Summary of Significant Accounting Policies (continued)

The Partnership has coordinated the management, production, and distribution of gift cards to the stores for retail sales, through its subsidiary. The funds collected from the stores are held as restricted cash on the accompanying balance sheet. A portion of these funds are used to pay for the production and distribution of the gift cards to the stores.

Franchise Revenue Recognition

The Partnership recognizes franchise fees as revenue when the franchised ice cream shoppe commences operations. These franchise fees are classified as deferred revenue until that time. Franchise fees for transferred shoppes are recognized upon transfer or termination.

Revenue Recognition Policy for Royalties

Royalty revenue is recognized by the Partnership upon fulfillment of its contractual obligations and upon determination of a fixed royalty amount and, in the case of ongoing royalties, upon sale by the franchisees of royalty-bearing products, as estimated by the Partnership. The Partnership collects a weekly royalty of 5% from all the franchised shoppes, in arrears. The Partnership also collects royalties from a supplier, who supplies ice cream mix to the franchisees, of which Bruce Reed is an owner. This royalty is based on the gallons of ice cream mix sold to the franchises and is paid in the subsequent month while recognized as income in the month of purchase.

	<u>2025</u>	<u>2024</u>
Franchise royalty	\$ 7,558,157	\$ 6,991,336
Mix royalty	<u>1,846,052</u>	<u>1,759,236</u>
Total	<u>\$ 9,404,209</u>	<u>\$ 8,750,572</u>

Restricted Cash

The Partnership cash balance as reported in the accompanying balance sheets as of December 31, 2025 and 2024 includes segregated cash of \$53,272 and \$68,833, respectively, which has been received from the franchisees for the specific purposes of franchise fees, advertising and gift cards. The aforementioned cash is segregated into separate checking and savings accounts. The franchise fees are for those franchisees where the state requires the maintenance of a restricted escrow account to be held in the franchisor's name until the store is open and the franchisor has completed their duties. Upon completion and the opening of the store the cash is moved to an unrestricted account and revenue is recognized from the deferred franchise fee revenue.

Accounts Receivable

As of January 1, 2025, trade receivables are reported on the balance sheet at the amount due, adjusted for any allowance for expected credit losses. The Company provides an allowance for expected credit losses to reduce trade receivables to their estimated net realizable value equal to the amount expected to be collected.

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 2 – Summary of Significant Accounting Policies (continued)

The allowance for expected credit losses is estimated based on historical collection experience, current regional economic and market conditions, aging of accounts receivable, current creditworthiness of customers, and forward-looking information. There was no allowance for credit losses at December 31, 2025, and 2024.

	<u>2025</u>	<u>2024</u>
Royalty receivable	\$ 82,483	\$ 65,597
Other	<u>6,968</u>	<u>1,841</u>
Total	<u>\$ 89,451</u>	<u>\$ 67,438</u>

Restricted Receivables and Payables

The Partnership has a receivable and an offsetting payable for receivables restricted for the marketing fund. The marketing fund receives 3% royalty from the franchisees for advertising. This amount is shown as a receivable and as a payable on the books of the Partnership because the receivables collected are restricted to the marketing fund for advertising to be done on behalf of the franchisees. At December 31, 2025 and 2024, marketing fund restricted receivables were \$196,174 and \$169,788, respectively.

Physical gift cards are purchased by the franchisees and comprise restricted cash, gift card receivable, inventory, and payables. Online cards are purchased by customers through the platform. All managed by Gift Card Management, Inc. and noted as gift card accounts.

Income Taxes

The partners of the partnership are taxed on their proportionate share of the Partnership's taxable income. Therefore, no provision or liability for federal or state income taxes has been included on these financial statements. Gift Card Management, Inc. is taxed on its income, as of December 31, 2024, and 2025, the entity did not have any tax liability or assets. The tax returns for each entity are available for examination for three years from the filing date.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the partnership considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 3 – Management Activity

Effective January 1, 1994, the Partnership entered into an agreement with an affiliated company, a Pennsylvania Business Trust, for management services to be provided on behalf of the Partnership. Management services to be performed include supervision assistance and services, partnership accounting, and related payroll activities.

In 2023, the Partnership amended the agreement with the affiliate. The terms of the amended agreement are to provide the same management services. The fee is on a cost plus 10% basis. For the years ended December 31, 2025 and 2024, the Partnership paid management fees in the amount of \$6,999,611 and \$6,404,083, respectively.

Note 4 – Note and Accrued Interest Receivable and Payable to Affiliate

In 2005, the Partnership entered into an agreement with an affiliated company, a Pennsylvania Business Trust, for a note receivable. The note is receivable over a term of 20 years and charges interest to the affiliate at 6%. During 2022, the note receivable was restructured, through payment and assignment. The note receivable from the Pennsylvania Business Trust was assigned to the related party Bruce Reed on December 22, 2022. The loan balance of the original note at December 31, 2021, was \$9,797,473. Activity on the note prior to the conversion was a net paydown of \$2,276,983, prior to the conversion. This was converted to note 1 in the amount of \$2,000,000 with accrued interest of \$2,249 and note 2 in the amount of \$5,100,000 with accrued interest of \$4,137. The interest rates for notes 1 and 2 are 4.56% and 3.29%, respectively. During 2025, through note assignment agreements, these promissory notes were assigned to BAA Partners L.P., therefore, \$7,100,000 was recorded as a distribution to BAA Partners L.P. As of December 31, 2025 and 2024, accrued interest from the related party amounted to \$671,672 and \$527,659, respectively. Interest income on these notes amounted to \$303,464 and \$363,296 for 2025 and 2024, respectively.

The Partnership also has advances to a related party that amounted to \$4,499,046 and \$4,356,595 for the years ended December 31, 2025 and 2024, respectively. During 2025, advances increased by \$2,283,000 and the accrued interest of \$159,451, and reduced by \$2,300,000 that was distributed to Bruster's Ice Cream, Inc. These advances are interest free for one year. If not paid within one year the advance will accrue interest in the following year. Accrued interest for the years ended December 31, 2025 and 2024 amounted to \$159,451 and \$94,471, respectively.

Additionally, the Partnership has amounts payable to an affiliate for management services of \$173,483 and a payable to another of \$8,000, totaling \$181,483 for the year ended December 31, 2025. For the year ended December 31, 2024 the Partnership had amounts prepaid to an affiliate for management services of \$107,128 and a payable of \$8,000.

Note 5 – Related Parties

Bruster's, L.P. transacted business with Bruce Reed Business Trust (Notes 3 and 4) and BAA Partners L.P. Both related entities are controlled by Bruce Reed, founder of Bruster's, L.P.. Bruce Reed is also a part-owner in the supplier of ice cream mix, for which a royalty is received. Bruce Reed also personally has a note receivable and advances payable to the partnership as described in Note 4.

Bruster's Ice Cream, Inc., who is the 5% general partner in the L.P., will receive a special income allocation for the use of the intellectual property it holds. During 2023, the L.P. had a third party determine that 50.50% of the royalty fee charged to the franchisees was attributable to the intellectual property they hold and license to the L.P. Based on this determination 50.50% of the gross royalties less the applicable management fees and costs associated with the royalty is specially allocated to Bruster's Ice Cream, Inc. For the year 2025 and 2024 this amounted to approximately \$976,000 and \$947,000, respectively. The remaining profit in the L.P. after this special allocation will be allocated proportionately based on ownership.

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 6 – Franchising Activity

The following is a table showing the status of the Partnership’s franchising activity at year end:

	<u>2025</u>	<u>2024</u>
Number of shoppes with signed Franchise/ Development Agreement – not opened	126	134
Number of ice cream shoppes open:		
Franchised	219	207
Non-Franchised	<u>1</u>	<u>1</u>
Total	220	208
Number of shoppes closed	4	5
Total Open	<u>220</u>	<u>208</u>

Deferred revenue associated with shops that have not opened at December 31, 2025 and 2024 amounted to \$2,900,000 and \$3,040,000, respectively, and is accounted for under ASC-606.

The Non-franchised and Franchised shoppes owned and operated by related parties (Bruce Reed, founder, and Bruce Reed Business Trust (BRBT) are as follows:

	<u>Owned</u>	<u>Operated</u>
Non-franchised		
Bridgewater	Bruce Reed	BRBT

Note 7 – Contingencies

From time to time the L.P. may become a party to litigation. It is management’s intention to defend itself vigorously in these actions should they arise.

During the year, the cash balance may exceed the federally insured limits.

Note 8 – Reclassifications

Certain reclassifications have been made to the financial statements of the prior year to correspond to the current year’s format. These reclassifications have no effect on previously reported net income or total partners’ capital.

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Note 9 – Subsequent Events

The Franchisor, a franchisee and the related management service entity are parties to a lawsuit, which subsequent to the year end a jury awarded the plaintiff approximately \$14,150,000 in damages. The plaintiff has since filed a motion for the defendants to also pay the plaintiff's attorneys fees, which are estimated to be more than \$2 million, and is a joint and severally liability to the parties. The motion has not been accepted and defendants may fight the request. The parties are currently appealing the verdict and have determined that an amount or potential liability is indeterminable at this time. The entities jointly have approximately \$7,000,000 of insurance to cover the award if upheld. Burster's L.P. and their related management entity have determined that the outcome of this appeal if not in their favor will substantially impact their entities however, not to the point of eliciting a going concern, for Bruster's L.P. and the related management company. The entities intend to vigorously defend themselves and appeal the initial verdict. Management has determined the Company has internal and external financial assets to use if the appeal is unsuccessful and believes that a negative outcome would not impact the Company's ability to continue as a going concern.

The Partnership has evaluated all subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued.

FINANCIAL REPORT

BRUSTER'S, L.P. AND SUBSIDIARY

YEARS ENDED DECEMBER 31, 2024 AND 2023

**BRUSTER'S, L.P. AND SUBSIDIARY
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

April 9, 2025

To the Board of Directors and Partner
Bruster's, L.P. and Subsidiary
Bridgewater, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of Bruster's, L.P. a Pennsylvania Limited Partnership, and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2024 and 2023, and the related consolidated statements of income, partner's capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bruster's, L.P. and Subsidiary as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Bruster's, L.P. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bruster's, L.P. and Subsidiary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bruster's, L.P. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bruster's, L.P. and Subsidiary's ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



H2R CPA
Pittsburgh, Pennsylvania

**BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023**

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash	\$ 11,007	\$ -
Restricted cash - Marketing Fund	-	59,329
Restricted cash - Gift Card Fund	18,833	1,238
Restricted escrow cash - Franchises Fees	50,000	137,500
Royalty receivables	67,438	71,203
Restricted receivables	169,788	146,687
Titusville receivables	103,005	107,801
Related party advance	4,356,595	2,197,000
Related party prepaid	107,128	-
Notes and accrued interest receivable related party	<u>7,627,659</u>	<u>7,358,990</u>
TOTAL CURRENT ASSETS	<u>12,511,453</u>	<u>10,079,748</u>
TOTAL ASSETS	<u>\$ 12,511,453</u>	<u>\$ 10,079,748</u>

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES		
Bank overdraft	\$ 12,948	\$ 31,004
Deferred revenue (Under ASC-606)	3,040,000	2,590,000
Marketing fund escrow	-	59,329
Gift card escrow	18,833	1,238
Restricted payable marketing	169,788	146,686
Related party payable	<u>-</u>	<u>283,280</u>
TOTAL CURRENT LIABILITIES	3,241,569	3,111,537
PARTNERS' CAPITAL	<u>9,269,884</u>	<u>6,968,211</u>
TOTAL LIABILITIES AND PARTNERS' CAPITAL	<u>\$ 12,511,453</u>	<u>\$ 10,079,748</u>

The accompanying notes are an integral
part of the financial statements

BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES		
Royalty	\$ 8,750,572	\$ 8,183,893
Royalty - Discount	(44,946)	(5,059)
Franchise, net	727,500	757,000
Interest income	<u>363,296</u>	<u>252,604</u>
TOTAL REVENUES	<u>9,796,422</u>	<u>9,188,438</u>
COST AND EXPENSES		
Management fees	6,404,083	7,089,580
Salaries	711,790	58,580
Payroll tax expense	19,544	5,330
Bank service charge	4,072	4,491
Bad debts	3,406	1,166
Professional fees	<u>79,524</u>	<u>145,433</u>
TOTAL COSTS AND EXPENSES	<u>7,222,419</u>	<u>7,304,580</u>
NET INCOME	<u>\$ 2,574,003</u>	<u>\$ 1,883,858</u>

The accompanying notes are an integral
part of the financial statements

**BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Partners' capital - beginning	\$ 6,968,211	\$ 5,569,084
Distributions	(272,330)	(484,731)
Net income	<u>2,574,003</u>	<u>1,883,858</u>
Partners' capital - ending	<u>\$ 9,269,884</u>	<u>\$ 6,968,211</u>

BRUSTER'S, L.P. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	\$ 2,574,003	\$ 1,883,858
ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
(INCREASE) DECREASE IN OPERATING ASSETS AND LIABILITIES:		
Royalties receivables	3,765	3,415
Restricted receivables	(23,101)	(24)
Titusville receivables	4,796	(1,836)
Related party advance	(2,159,595)	(2,197,000)
Deferred revenue	450,000	323,000
Marketing fund escrow	(59,329)	58,456
Gift card fund escrow	17,595	(4,168)
Related party payable	(390,408)	283,280
Restricted payable marketing	<u>23,102</u>	<u>23</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(2,133,175)</u>	<u>(1,534,854)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in note receivable and accrued interest related party	<u>(268,669)</u>	<u>167,886</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(268,669)</u>	<u>167,886</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in bank overdraft	(18,056)	22,129
Distributions	<u>(272,330)</u>	<u>(484,731)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(290,386)</u>	<u>(462,602)</u>
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(118,227)	54,288
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>198,067</u>	<u>143,779</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 79,840</u>	<u>\$ 198,067</u>

The accompanying notes are an integral
part of the financial statements

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Note 1 – Organization

Bruster's LP (the Partnership) is a Pennsylvania limited partnership formed on March 17, 1993. The Partnership is in the business of granting rights for the operation of ice cream shoppes under the trade name of BRUSTER'S, offering ice cream and yogurt to the general public. Franchises are located primarily in the eastern United States.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting which is in accordance with standards established by the American Institute of Certified Public Accountants.

Principles of Consolidation

The consolidated financial statements include the accounts of Bruster's, L.P. and its wholly owned subsidiary, Bruster's Gift Management Company, Inc. (Inactive). All significant intercompany balances and transactions have been eliminated.

Revenue Recognition

The accompanying financial statements were prepared in compliance with ASC-606, as required for annual reporting periods after December 15, 2020.

The Partnership grants a franchise agreement to open and operate an ice cream shoppe in an exclusive area. A non-refundable initial franchise fee of \$40,000 is normally required, payable at the signing of the franchise agreement, and recognized when the store opens or by termination if the store is not opened and the franchisee forfeits right to the territory.

The Partnership is obligated, in accordance with the terms of the franchise agreement, to provide the following supervision assistance and services: site approval, shoppe design criteria, training and pre-opening assistance, operational manual and certain continuing assistance, and use of intellectual trademarks and property. A weekly royalty of 5% is payable to the Partnership based upon the franchised ice cream shoppe's net sales. The franchisor also retains the right to request up to 3% of monthly net sales as a marketing fee, which is restricted for these activities.

Throughout 2024 and 2023, the Partnership acted as an agent by placing advertisements and conducting other marketing activities on behalf of the shoppes. Cash received by the Partnership was segregated for the sole purpose of paying for marketing expenses and is classified as restricted cash in the accompanying balance sheet. The offsetting liability is classified as a marketing escrow. Receivables related to this activity are noted as restricted receivables and correspond to the offsetting restricted payable as these funds are restricted for the marketing activities on behalf of the franchisees' shops. The Partnership collected \$4,140,623 and \$3,876,833 in 2024 and 2023 and as of December 31, 2024, and 2023, and cash and an equal liability for services to provide of \$0 and \$59,329, respectively.

The Partnership has coordinated the production and distribution of gift cards to the stores for retail sales. The funds collected from the stores are held as restricted cash on the accompanying balance sheet. The offsetting liability is classified as a gift card escrow. A portion of these funds are used to pay for the production and distribution of the gift cards to the stores.

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Franchise Revenue Recognition

The Partnership recognizes franchise fees as revenue when the franchised ice cream shoppe commences operations. These franchise fees are classified as deferred revenue until that time. Franchise fees for transferred shoppes are recognized upon transfer or termination.

Revenue Recognition Policy for Royalties

Royalty revenue is recognized by the Partnership upon fulfillment of its contractual obligations and upon determination of a fixed royalty amount and, in the case of ongoing royalties, upon sale by the franchisees of royalty-bearing products, as estimated by the Partnership. The Partnership collects a weekly royalty of 5% from all the franchised shoppes, in arrears. The Partnership also collects royalties from a supplier, who supplies ice cream mix to the franchisees, of which Bruce Reed is an owner. This royalty is based on the gallons of ice cream mix sold to the franchises and is paid in the subsequent month while recognized as income in the month of purchase.

	<u>2024</u>	<u>2023</u>
Franchise royalty	\$ 6,991,336	\$ 6,489,842
Mix royalty	<u>1,759,236</u>	<u>1,694,051</u>
Total	<u>\$ 8,750,572</u>	<u>\$ 8,183,893</u>

Restricted Cash

The Partnership cash balance as reported in the accompanying balance sheets as of December 31, 2024 and 2023 includes segregated cash of \$68,833 and \$198,067, respectively, which has been received from the franchisees for the specific purposes of franchise fees, advertising and gift cards. The aforementioned cash is segregated into separate checking and savings accounts. The franchise fees are for those franchisees where the state requires the maintenance of a restricted escrow account to be held in the franchisor's name until the store is open and the franchisor has completed their duties. Upon completion and the opening of the store the cash is moved to an unrestricted account and revenue is recognized from the deferred franchise fee revenue.

Accounts Receivable

As of January 1, 2024, trade receivables are reported on the balance sheet at the amount due, adjusted for any allowance for expected credit losses. The Company provides an allowance for expected credit losses to reduce trade receivables to their estimated net realizable value equal to the amount expected to be collected.

The allowance for expected credit losses is estimated based on historical collection experience, current regional economic and market conditions, aging of accounts receivable, current creditworthiness of customers, and forward-looking information. There was no allowance for credit losses at December 31, 2024, and 2023.

	<u>2024</u>	<u>2023</u>
Royalty receivable	\$ 65,597	\$ 63,858
Other	<u>1,841</u>	<u>7,345</u>
Total	<u>\$ 67,438</u>	<u>\$ 71,203</u>

BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Restricted Receivables and Payables

The Partnership has a receivable and an offsetting payable for receivables restricted for the marketing and gift card funds. The marketing fund receives 3% royalty from the franchisees for advertising. This amount is shown as a receivable and as a payable on the books of the Partnership because the receivables collected are restricted to the marketing fund for advertising to be done on behalf of the franchisees. Gift cards are also purchased by the franchisees and a receivable is set up for the amounts purchased. This amount is also shown as a receivable and as a payable on the books of the Partnership because the receivables collected are due to the gift card fund. At December 31, 2024 and 2023, restricted receivables were \$169,788 and \$146,687, respectively.

The partners of the partnership are taxed on their proportionate share of the Partnership's taxable income. Therefore, no provision or liability for federal or state income taxes has been included on these financial statements. The tax returns are available for examination for three years from the filing date.

Income Taxes

The partners of the partnership are taxed on their proportionate share of the Partnership's taxable income. Therefore, no provision or liability for federal or state income taxes has been included on these financial statements. The tax returns are available for examination for three years from the filing date.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the partnership considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Implemented Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-13, "*Financial Instruments – Credit Losses (Topic 326)*". The standard requires a financial asset, or a group of financial assets, measured at amortized cost basis to be presented at the net amount to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The Company adopted this standard on January 1, 2023. The adoption of the standard had no impact on the balance sheet, statement of operations, or statement of cash flows.

**BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 3 – Management Activity

Effective January 1, 1994, the Partnership entered into an agreement with an affiliated company, a Pennsylvania Business Trust, for management services to be provided on behalf of the Partnership. Management services to be performed include supervision assistance and services, partnership accounting and related payroll activities.

In 2023, the Partnership amended the agreement with the affiliate. The terms of the amended agreement are to provide the same management services. The fee is on a cost plus 10% basis. For the years ended December 31, 2024 and 2023, the Partnership paid management fees in the amount of \$6,404,083 and \$7,089,580, respectively.

Note 4 – Note and Accrued Interest Receivable and Payable to Affiliate

In 2005, the Partnership entered into an agreement with an affiliated company, a Pennsylvania Business Trust, for a note receivable. The note is receivable over a term of 20 years and charges interest to the affiliate at 6%. During 2022, the note receivable was restructured, through payment and assignment. The note receivable from the Pennsylvania Business Trust was assigned to the related party Bruce Reed on December 22, 2022. The loan balance of the original note at December 31, 2021, was \$9,797,473. Activity on the note prior to the conversion was a net payoff of \$2,276,983, prior to the conversion. This was converted to note 1 in the amount of \$2,000,000 with accrued interest of \$2,249 and note 2 in the amount of \$5,100,000 with accrued interest of \$4,137. The interest rates for notes 1 and 2 are 4.56% and 3.29%, respectively. The original note had accrued interest of \$258,990 as of December 31, 2023. The new transferred notes are all due on demand. As of December 31, 2024, the notes receivable and accrued interest from the related party was \$7,627,659. Interest on these notes amounted to \$363,296 and \$252,604 for 2024 and 2023, respectively.

The Partnership also has advances to a related party that amounted to \$4,356,595 and \$2,197,000 for the years ended December 31, 2024 and 2023, respectively. These advances are interest free for one year. If not paid within one year the advance will accrue interest in the following year. Accrued interest for the year ended December 31, 2024 amounted to \$94,471.

Additionally, the Partnership has amounts prepaid to an affiliate for management services of \$107,128 for the year ended December 31, 2024. For the year ended December 31, 2023 the Partnership had amounts payable to an affiliate for management services of \$283,280.

Note 5 – Related Parties

Bruster's, L.P. transacted business with Bruce Reed Business Trust (Notes 3 and 4) and BAA Partners L.P. Both related entities are controlled by Bruce Reed, founder of Bruster's, L.P.. Bruce Reed is also a part-owner in the supplier of ice cream mix, which a royalty is received. Bruce Reed also personally has a note receivable and advances payable to the partnership as described in Note 4.

Bruster's Ice Cream, Inc., who is the 5% general partner in the L.P., will receive a special income allocation for the use of the intellectual property it holds. During 2023, the L.P. had a third party determine that 50.50% of the royalty fee charged to the franchisees was attributable to the intellectual property they hold and license to the L.P. Based on this determination 50.50% of the gross royalties less the applicable management fees and costs associated with the royalty is specially allocated to Bruster's Ice Cream, Inc. For the year 2024 and 2023 this amounted to approximately \$947,000 and \$438,000, respectively. The remaining profit in the L.P. after this special allocation will be allocated proportionately based on ownership.

**BRUSTER'S, L.P. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Note 6 – Franchising Activity

The following is a table showing the status of the Partnership's franchising activity at year end:

	<u>2024</u>	<u>2023</u>
Number of shoppes with signed Franchise/ Development Agreement – not opened	134	114
Number of ice cream shoppes open:		
Franchised	207	194
Non-Franchised	<u>1</u>	<u>1</u>
Total	208	195
Number of shoppes closed	5	5
Total Open	<u>208</u>	<u>195</u>

Deferred revenue associated with shops that have not opened at December 31, 2024 and 2023 amounted to \$3,040,000 and \$2,590,000, respectively, and is accounted for under ASC-606.

The Non-franchised and Franchised shoppes owned and operated by related parties (Bruce Reed, founder, and Bruce Reed Business Trust (BRBT) are as follows:

	<u>Owned</u>	<u>Operated</u>
Non-franchised		
Bridgewater	Bruce Reed	BRBT

Note 7 – Contingencies

From time to time the L.P. may become a party to litigation. It is management's intention to defend itself vigorously in these actions should they arise.

During the year, the cash balance may exceed the federally insured limits.

Note 8 – Subsequent Events

The Partnership has evaluated all subsequent events through the date of the independent auditors' report, the date the financial statements were available to be issued.

**State-Specific Disclosures
and
State-Specific Amendments to Franchise Agreement**

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the Franchise Disclosure Document for Bruster's Limited Partnership for use in the State of Illinois shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement/development agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your right upon termination and non-renewal of a franchise agreement/development agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. This addendum shall apply only if the Illinois Franchise Disclosure Act would apply on its own without reference to this addendum.

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Bruster’s Limited Partnership Franchise Agreement (the "Agreement") for use in the State of Illinois agree as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

3. This amendment shall apply only if the Illinois Franchise Disclosure Act would apply on its own without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Bruster’s Limited Partnership
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Bruster’s Limited Partnership Development Agreement (the "Agreement") [for use in the State of Illinois](#) agree as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement that designates jurisdiction or venue outside of the State of Illinois is void. However, a development agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a development agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

3. This amendment shall apply only if the Illinois Franchise Disclosure Act would apply on its own without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Development Agreement on the same date as the Development Agreement was executed.

Bruster’s Limited Partnership
Franchisor:

_____ Developer:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Disclosure Document for Bruster's Limited Partnership for use in Maryland shall be amended as follows:

1. BLP does not offer a development agreement in the State of Maryland. All references in the FDD to the development agreement should be disregarded.
2. Item 5, "Initial Fees," shall be amended by the addition of the following language:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. As a result, the franchisor has posted a surety bond in the amount of \$41,650 with the Maryland Securities Division.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023 (the "Interpretive Opinion"), issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to include the following statement in their franchise agreements: "No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

Accordingly, (a) Sections 28.2, 28.3, 28.4, and 28.9 of the Franchise Agreement are deleted in their entirety and shall have no force or effect, and (b) any other statement, questionnaire, or acknowledgment in the Franchise Agreement that is not permitted under the Interpretive Opinion is deleted in its entirety and shall have no force or effect.

5. This addendum will apply only if the Maryland Franchise Registration and Disclosure Law would apply on its own without reference to this addendum.

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Bruster's Limited Partnership Franchise Agreement (the "Agreement") [for use in Maryland](#) agree as follows:

1. Section 2.2.8 of the Agreement, under the heading "Term And Renewal," is deleted in its entirety and will have no force or effect, and the following is substituted in its place:

2.2.8 You (and your direct and indirect owners) must execute and deliver to us a general release, in a form we prescribe, of any and all claims against us and our subsidiaries and affiliates, and their respective officers, directors, agents, and employees, but this release will not apply with respect to any liability arising under the Maryland Franchise Registration and Disclosure Law;

2. Section 4.1 of the Agreement, under the heading "Initial Franchise Fee," is amended by the addition of the following language:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. As a result, the franchisor has posted a surety bond in the amount of \$41,650 with the Maryland Securities Division.

3. Section 16.5.2 of the Agreement, under the heading "Transfer Of Interest," is deleted in its entirety and shall have no force or effect, and the following is substituted in its place:

16.5.2. You, the transferor, and any other persons we designate, will have executed and delivered to us a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us or our affiliates, and federal, state, and local laws and rules, but this release will not apply with respect to any liability arising under the Maryland Franchise Registration and Disclosure Law;

4. Section 24 of the Agreement, under the heading "Entire Agreement and Amendment," is amended by the addition of the following language:

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

5. Sections 26.2, 26.3, and 26.7 of the Agreement, under the heading "Applicable Law and Dispute Resolution," are amended by the addition of the following language:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

6. Section 28 of the Agreement, under the heading "Acknowledgments," is supplemented with the following:

These acknowledgments are not intended to nor will they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023 (the "Interpretive Opinion"), issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to include the following statement in their franchise agreements: "No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

Accordingly: (a) Sections 28.2, 28.3, 28.4, and 28.9 of this Agreement are deleted in their entirety and shall have no force or effect, and (b) any other statement, questionnaire, or acknowledgment in this Agreement that is not permitted under the Interpretive Opinion is deleted in its entirety and shall have no force or effect.

7. Section 28.13 of the Agreement, under the heading "Acknowledgements," will be supplemented with the following:

This General Release does not release any claims that you may have under the Maryland Franchise Registration and Disclosure Law.

8. This amendment will apply only if the Maryland Franchise Registration and Disclosure Law would apply on its own without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Bruster's Limited Partnership

Franchisor

Franchisee

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Exhibit G-6 _____ **Maryland Amendment to Development Agreement**

BLP does not offer its development agreement in the State of Maryland.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.
- (B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.
- (C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.
- (D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.
- (E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.
- (F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE.* THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE. (* - DESPITE THIS PROVISION OF THE STATE LAW, WE INTEND TO SEEK ENFORCEMENT OF THE ARBITRATION CLAUSE, AS PROVIDED IN THE FRANCHISE AGREEMENT, TO THE FULLEST EXTENT PERMITTED UNDER THE FEDERAL ARBITRATION ACT.)

- (G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:
- (i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.
 - (ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.
 - (iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.
 - (iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.
- (H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).
- (I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

* * * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: DEPT. OF ENERGY, LABOR, & ECONOMIC GROWTH, CORPORATIONS DIVISION, P.O. BOX 30054, LANSING, MICHIGAN 48909; 7150 HARRIS DRIVE, LANSING, MICHIGAN 48909.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE SECTION
525 W. OTTAWA ST., FIRST FLOOR
LANSING, MICHIGAN 48913
(517) 373-7117

THIS ADDENDUM WILL APPLY ONLY IF THE MICHIGAN FRANCHISE INVESTMENT LAW WOULD APPLY ON ITS OWN, WITHOUT REFERRING TO THIS ADDENDUM.

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Disclosure Document for Bruster's Partnership Limited for use in the State of Minnesota is amended to include the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

This addendum will apply only if the Minnesota Franchises Law would apply independently without referring to this addendum.

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. § 80C., and of the Rules and Regulations promulgated thereunder by the Commissioner of Commerce, the parties to the attached Bruster's Limited Partnership Franchise Agreement (the "Agreement") agree as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

b. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

c. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

d. Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

e. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

f. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

g. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

3. This amendment will apply only if the Minnesota Franchise Act would apply independently without referring to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Bruster's Limited Partnership
Franchisor

Franchisee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. § 80C., and of the Rules and Regulations promulgated thereunder by the Commissioner of Commerce, the parties to the attached Bruster's Limited Partnership Area Development Agreement (the "Agreement") agree as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

b. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

c. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

d. Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

e. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

f. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

g. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

2. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

3. This amendment will apply only if the Minnesota Franchise Act would apply independently without referring to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Minnesota Amendment to the Area Development Agreement on the same date as the Area Development Agreement was executed.

Bruster's Limited Partnership
Franchisor

Developer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an

action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the franchise disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. This addendum will apply only if the New York Franchise Law (N.Y. General Business Law, Article 33) would apply on its own without reference to this addendum.

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.8 of the Agreement, under the heading "Term and Renewal," is deleted in its entirety, and will have no force or effect; and the following paragraph is substituted in lieu thereof:
 - 2.2.8 Renewal. You (and your direct and indirect owners) must execute and deliver to us a general release, in a form we prescribe, of any and all claims against us and our subsidiaries and affiliates, and their respective officers, directors, shareholders, members, managers, agents, and employees, provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680 695 and the regulations issued thereunder, will remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Section 16.5.2 of the Agreement, under the heading "Transfer Conditions," is deleted in its entirety, and will have no force or effect; and the following paragraph is substituted in lieu thereof:
 - 16.5.2 You, the transferor, and any other persons we designate, will have executed and delivered to us a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, members, managers, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us or our affiliates, and federal, state, and local laws and rules; provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, will remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied;

3. Section 26.5 of the Agreement, under the heading "Injunctions," is deleted in its entirety, and will have no force or effect; and the following paragraph is substituted in lieu thereof:
 - 26.5 Injunctions. Nothing in this Agreement bars our right to seek injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

4. Section 26 of the Agreement, under the heading "Applicable Law and Dispute Resolution," is amended by the addition of the following language:

Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by article 33 of the General Business Law, Sections 680-695 of the state of New York.

5. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.
6. This amendment will apply only if the New York Franchise Law (NY Gen. Bus. Law, Article 33, Sections 680 through 695) would apply on its own without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Bruster's Limited Partnership

Franchisor

Franchisee

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Development Agreement (the "Agreement") agree as follows:

1. Section 9.2 of the Agreement, under the heading "Transfer Conditions," is amended by the addition of the following language:

For any release under this section, all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680 695 and the regulations issued thereunder, will remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Section 9.11 of the Agreement under the heading "Applicable Law and Dispute Resolution," is amended by the addition of the following language:

Injunctions. Nothing in this Agreement bars our right to seek injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause us loss or damage under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by article 33 of the General Business Law, Sections 680-695 of the state of New York.

3. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.
4. This amendment will apply only if New York General Business Law, Article 33, Sections 680 through 695, would apply on its own without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Amendment to the Development Agreement on the same date as the Development Agreement was executed.

Bruster's Limited Partnership

Franchisor

_____,
Developer:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

In recognition of the ~~restrictions contained in~~ [requirements of Va. Code Section 13.1-564](#) (the Virginia Retail Franchising Act, ~~(the "Act")~~), the Franchise Disclosure Document of Bruster's Limited Partnership is amended as follows:

1. Item 5, "Initial Fees," and Item 7, "Estimated Initial Investment," are each amended by the addition of the following:

The Initial Franchise Fee will be due when you open your franchised business as contemplated under this Agreement.

2. Item 17, Additional Disclosure. The following statement is added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

- ~~4. This addendum will apply only if the Virginia Retail Franchising Act would apply independently without referring to this addendum.~~

In recognition of the ~~restrictions contained in the~~ requirements of Va. Code Section 13.1-564 (the Virginia Retail Franchising Act, (the "Act")), the parties to the attached Bruster's Limited Partnership Franchise Agreement (the "Agreement") for use in the Commonwealth of Virginia agree as follows:

1. In Section 4.1 of the Agreement, under the subheading "Initial Franchise Fee," the second sentence will be deleted and replaced with the following:

The Initial Franchise Fee will be due when you open your franchised business as contemplated under this Agreement.

2. Section 17 of the Agreement, under the heading "Default and Termination," will be amended by the addition of the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term.

4. The following clauses apply with respect to franchises that are entered into on or after July 1, 2026:

- a. Section 27.1 of the Agreement is deleted and replaced with the following:

27.1 Choice of Law. This Agreement takes effect when we accept and sign this document. This Agreement will be interpreted and construed exclusively under the laws of the Commonwealth of Virginia, which laws will prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Virginia choice-of-law rules); provided, however, that if the Franchised Business is located outside of the Commonwealth of Virginia and the covenants in Section 19 of this Agreement would not be enforced as written under Virginia law, then the parties agree that those covenants will instead be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Section 27.1 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the Commonwealth of Virginia (or any other state) that would not otherwise apply if the words in this Section 27.1 were not included in this Agreement.

- b. Sections 19.3 through 19.5 of the Agreement are deleted except to the extent the clauses are consistent with Va. Code Section 13.1-563(B) (which provides in part that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, that sale may include a term restricting the franchisee's right to engage in the

business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale).

4.5. This amendment will apply only if the ~~Virginia Retail Franchising~~ Act would apply independently without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Virginia amendment to the ~~Franchise~~ Agreement on the same date as the ~~Franchise~~ Agreement was executed.

Bruster's Limited Partnership
Franchisor

Franchisee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

In recognition of the ~~restrictions contained in the~~ requirements of Va. Code Section 13.1-564 (the Virginia Retail Franchising Act, ~~(the "Act")~~), the parties to the attached Bruster's Limited Partnership Development Agreement (the "~~Agreement~~") for use in the Commonwealth of Virginia agree as follows:

1. Section 11.4 of the Agreement, under the heading, "Default and Termination," incorporates by reference Section 17 of the Franchise Agreement. Section 17 of the Franchise Agreement is amended by the addition of the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Development Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. The following clauses apply with respect to franchises that are entered into on or after July 1, 2026:

- a. Section 27.1 of the Franchise Agreement (which is incorporated by reference into the Development Agreement) is deleted and replaced with the following:

27.1 Choice of Law. This Agreement takes effect when we accept and sign this document. This Agreement will be interpreted and construed exclusively under the laws of the Commonwealth of Virginia, which laws will prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Virginia choice-of-law rules); provided, however, that if the Franchised Business is located outside of the Commonwealth of Virginia and the covenants in Section 19 of this Agreement would not be enforced as written under Virginia law, then the parties agree that those covenants will instead be interpreted and construed under the laws of the state in which the Franchised Business is located. Nothing in this Section 27.1 is intended by the parties to invoke the application of any franchise, business opportunity, antitrust, implied covenant, unfair competition, fiduciary, and/or other doctrine of law of the Commonwealth of Virginia (or any other state) that would not otherwise apply if the words in this Section 27.1 were not included in this Agreement. .

- b. Sections 19.3 through 19.5 of the Franchise Agreement are deleted except to the extent the clauses are consistent with Va. Code Section 13.1-563(B) (which provides in part that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, that sale may include a term restricting the franchisee's right to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale).

- ~~2.3.~~ This amendment will apply only if the ~~Virginia Retail Franchising~~ Act would apply on its own without referring to this amendment.

IN WITNESS WHEREOF, the parties have signed and delivered this Virginia amendment to the Development Agreement on the same date as the Development Agreement was executed.

Bruster's Limited Partnership
Franchisor:

Developer:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Exhibit G-17 Washington Disclosure Addendum to the Franchise Disclosure Document, The Franchise Agreement, and All Related Agreements

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise

agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
16. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Washington Addendum to the Franchise Agreement, Development Agreement, and Disclosure Document, and related agreements on the same date as the Agreement was executed.

Bruster’s Limited Partnership
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT H**List of Current and Former Franchisees**Franchisees as of our fiscal year end on December 31, ~~2024~~2025:

Company	Franchisee	Address	City	St	Zip	Phone
University Ice Cream LLC	Lance Latham	2172 E. University Drive	Auburn	AL	36830	3348219988
1013 LLC	Justin Tarr+	5212 Caldwell Mill Road	Birmingham	AL	35242	2054088809
Kaiya LLC	Rakesh Patel+	6835 Vaughn Road	Montgomery	AL	36117	3342727369
JHANVI, LLC	Rakesh Patel+	1710 E. Main Street	Prattville	AL	36066	3343618282
Moon Frozen Treats Inc.	Karmen Moon	455 Main Street	Trussville	AL	35173	2055083264
1013 LLC	Justin Tarr+	1008 Vestavia Parkway	Vestavia Hills	AL	35216	2059782347
The Tarkoff Group LLC	Dan Tarkoff+	50 East Warner Road	Chandler	AZ	85225	4805908191
The Tarkoff Group LLC	Dan Tarkoff+	17115 N 51st Ave	Glendale	AZ	85308	6023341290
The Tarkoff Group LLC	Dan Tarkoff+	9345 West Glendale Ave	Glendale	AZ	85305	6232486131
The Tarkoff Group	Dan Tarkoff+	4731 E Union Drive, Ste 118	Phoenix	AZ	85050	4805505502
Flavs LLC	Sudhakar Bellam	1316 S Sossaman Road	Mesa	AZ	85209	4803597164
True Taste Maker LLC	Ethan Wahl-Taylor	150 Rancho Del Mar	Aptos	CA	95003	8315317160
Parvaneh Panah	Parvaneh Panah+	12246 Artesia Blvd	Artesia	CA	90701	5628653055
Scoops N Shakes LLC	Sakthivel Jambugeswaran	3934 Grand Ave	Chino	CA	91710	9099704423
Parvaneh Panah	Parvaneh Panah+	9963 Walker St	Cypress	CA	90630	7145275200
Costal Creamery LLC	Sean Nelson	34137 PCH, Unit B	Dana Point	CA	92629	9497300030
Amarsh LLC	Shailvi Patel	40524 Albrae	Fremont	CA	94538	5105730134
Aranya LLC	Keyur Modi	550 N State College Blvd	Fullerton	CA	92831	7145196605
BBB Ice Cream LLC	Petra Miller+	7451 Warner Ave	Huntington Beach	CA	92647	7143751777
Humming Designs LLC	Rafay Khalil	965 Foothill Blvd	LaCanada-Flintridge	CA	91011	8188237647
JTTJ LLC	Traci Harris	8497 Fletcher Pkwy	La Mesa	CA	91942	6192480368
Majestic Eats, Inc.	Hiren Patel	510 N Tustin St	Orange	CA	92867	7143633337
Triple Decker Enterprises Inc.	Daniel Decker	10570 Foothill Blvd	Rancho Cucamonga	CA	90740	8188237647
BBB Ice Cream LLC	Petra Miller	148 Main Street	Seal Beach	CA	90740	5623866005

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RTC Group LLC	Tyler Clinton	2390 Crenshaw Blvd	Torrance	CA	90501	4245583958
So Cal Scoopers INC	Judi Welch	2240 West Arrow Route	Upland	CA	91786	9098453375
All Saints Ice Cream Inc.	Emad Boutros	15526 Whittier Blvd, 476 A	Whittier	CA	90603	5626939005
Ice Queen LLC	Nada Gabra	20461 Yorba Linda Blvd.	Yorba Linda	CA	92886	7143120014
Daniels Delights, Inc.	Colleen Daniels	465 West Main Street	Middletown	DE	19709	3023766177
Longwood Distribution Group, LLC	Mike Lattari	2394 Pulaski Highway	Newark	DE	19702	3028340334
Kirkland Creameries, Inc.	Derrick Kirkland	3616 Kirkwood Hwy	Wilmington	DE	19808	3025438670
forste 1 enterprises inc.	Janet Risner	901 North SR 434	Altamonte Springs	FL	32714	4078628100
TRM Desserts LLC	Tim Milano	11300 S Military Trail.	Boynton Beach	FL	33436	5612063355
Sweet Tusks Holdings LLC	Bill & Marcia Palaich	2450 E HWY 50 BLDG H	Clermont	FL	34711	3527085851
Vincent & Sons LLC	Wayne Vincent+	4655 Gulf Starr Drive	Destin	FL	32541	8502692920
Chris' Ice Cream Dream, Inc.	Kathy Devenny-Vollick+	12224 Atlantic Blvd.	Jacksonville	FL	32225	9042211441
Mike's Ice Cream, LLC	Mike Fiser	9590 Applecross Road	Jacksonville	FL	32222	9047710722
TJ's Ice Cream Dream, Inc	Kathy Devenny-Vollick+	11701-60 San Jose Blvd.	Jacksonville	FL	32223	9048861995
Stricly Business FL LLC	Janet Strickland	1754 Chaps Place	Kissimmee	FL	34744	4072014442
Shree Yamunaj Inc.	Bhupendra Patel+	955 East CR540A	Lakeland	FL	33813	8636195030
Business PRPR LLC	Reka Nidadavolu	5584 International Drive	Orlando	FL	32819	4072865096
Insight Business Ventures, LLC	Jerry Schiavo	940 City Plaza	Oviedo	FL	32765	4076043236
Malabar Creameries LLC	Mary Lacey	329 Malabar Road NE	Palm Bay	FL	32907	3217331220
Duffy's Delight	Denise Duffy	50 Plaza Drive	Palm Coast	FL	32137	3864477650
Emerald Seas Ice Cream LLC	Tamalah Taylor	7101 Coastal Palms Blvd.	Panama City Beach	FL	32408	8502492544
DD Treats LLC	Denise Duffy+	3501 -G Ponce de Leon Blvd	St. Augustine	FL	32084	9046793652
Two-Falcons West, LLC.	Marilyn Soble	1709 West Tharpe St	Tallahassee	FL	32303	8503839782
Shree Yamunaji Inv Inc	Raj Kamdar	20303 Bruce B. Downs Blvd.	Tampa	FL	33647	8139077458
DK Asset Inc	Jignaben Patel	855 Cheney Highway	Titusville	FL	32780	3213850400

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Hari Om Creamery Inc	Dhruvesh Patel	1025 E Bloomingdale Ave	Valrico	FL	33596	8136553199
S2EE Corp.	Wendy Wytiaz	5855 Winter Garden Vineland Road	Windermere	FL	34786	4073479578
Ice Cream of Albany, Inc.	David Vogel	2822 Old Dawson Road	Albany	GA	31707	2296394500
Verus LLC	Vitali Vassilyev+	8420 Holcomb Bridge Road	Alpharetta	GA	30022	7706408828
Viva Verus LLC	Vitali Vassilyev+	3000 Old Alabama Road	Alpharetta	GA	30022	6782050747
V Circle, LLC	Vitali Vassilyev+	3855 Old Milton Parkway	Alpharetta	GA	30075	6785859366
Classic City Creamery LLC	Andrew Rowe	1029 Parkway Place	Athens	GA	30606	7058501249
HPIC INC	Hasil Patel	2095 Lavista Road	Atlanta	GA	30329	4043207166
J & R and CK Enterprise Associate	Kimberly Coleman	3695 Cascade Rd	Atlanta	GA	30331	4045650512
QB Creamery LLC SavJaz Inc.	Swindale Rhodes+ Quintin Bell+	1115 Agerton Lane	Augusta	GA	30909	7067319929
Bruster's Austell, Inc.	Tewdros Abraha	1845 Anderson-Mill Rd.	Austell	GA	30106	7707396939
Saya, LLC	Jayshree Patel	3256 Buford Drive	Buford	GA	30519	7708312332
Scoops & Sprinkles, Inc.	Erin Krall	101 Riverwalk Court	Canton	GA	30114	6784939014
SKAai Shree Khodiyar Creamery Inc.	Sanskar Priyanka Patel+	183 Cherokee Place	Cartersville	GA	30121	7706060553
Metro Scoops & More LLC	Margret Foster+	3465G Macon Road	Columbus	GA	31907	7065683380
Metro Scoops & More LLC	Margret Foster+	1654 Whittlesey Rd	Columbus	GA	31904	7063200755
HD Ice Cream, Inc.	Himanshu Patel+	1172 Dogwood Drive, SE	Conyers	GA	30012	6784130103
My Sweet Tooth, Inc.	Robert Wasserman	878 Buford Highway 20	Cumming	GA	30041	6784556633
SJMJ enterprise Inc.	Chang Lee	1540 Sharon Rd	Cumming	GA	30041	6784553888
VVC Enterprises LLC	Vince Chastain+	2720 Braselton Highway	Dacula	GA	30019	6783953824
Big Scoop LLC	Lauren Tucker	1307 Dug Gap Road	Dalton	GA	30720	7065293869
Meerarjun LLC	Trusha Patel	83 N Georgia Ave, Suite 100	Dawsonville	GA	30534	7062031415
Vincent & Sons LLC	Wayne Vincent+	4790 Flat Shoals Pkwy	Decatur	GA	30034	7703239966
Zagol LLC	Amanuel Lakew	6920 Douglas Blvd.	Douglasville	GA	30135	7705770481

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Bruster's Ice Cream - Duluth, LLC	Johnny Gil	2628 Pleasant Hill Rd	Duluth	GA	30096	7704952311
SK Creamery Inc.	Sanskar Patel	5503 Chamblee Dunwoody Rd	Dunwoody	GA	30338	7706689863
Mahika Anik Pritam Inc	Nilkesh Patel+	120 Highway 314	Fayetteville	GA	30214	7704614729
Fun Food Systems, LLC	Nick Ditta	165 John W. Morrow Parkway	Gainesville	GA	30501	7705357679
Cicco Ice Cream Co., Inc.	Mickey Cicco+	1993 Rosebud Road	Grayson	GA	30017	6783764656
AN Pritam 72 Inc.	Nilkesh Patel	7181 Mount Zion Blvd	Jonesboro	GA	30236	6784791124
R&M Scoops Enterprise LLC	Rahda Agrawal+	2960 George Busbee Parkway	Kennesaw	GA	30144	6782906330
CBSYY, LLC	Byung Chae	3380 Sugarloaf Parkway	Lawrenceville	GA	30044	7703390303
SK Creamery Inc.	Sanskar Patel	1702 Lawrenceville-Suwanee Rd.	Lawrenceville	GA	30043	6789859099
J & J Tucker Treats, Inc	Jim Shoults	5314 Five Forks Trickum Road	Lilburn	GA	30047	7705593073
CP Ice Cream Group, Inc	Danna Vach	3795 Due West Road, N.W.	Marietta	GA	30064	7704191551
Lower Roswell Ventur, LLC	Keith Ong	2044 Lower Roswell Road	Marietta	GA	30060	7709734666
S&N Bastani, LLC	Samuel Johnson	3735 Trickum Rd.	Marietta	GA	30066	7705167722
Vincent & Sons	Wayne Vincent+	4244 Jodeco Road	McDonough	GA	30253	6785831841
FRAZ LLC	Ronak Momin	1431 Hwy 11 North	Monroe	GA	30656	7702075422
Trusha Patel	Trusha Patel+	138 Newnan Station Drive	Newnan	GA	30265	7702536555
HD Ice Cream, Inc.	Himanshu Patel+	6359 Jimmy Carter Blvd.	Norcross	GA	30071	7703009105
Light & Salt, Inc.	Jung Gil	1590 Indian Trail Rd.	Norcross	GA	30093	7709312122
RZ White EJ Cookies LLC	Josh Barrett Zach White	675 W Crossville Road	Roswell	GA	30075	6785859366
SK Creamery INC	Sanskar Patel	226 Johnson Ferry Rd NE	Sandy Springs	GA	30328	4044586760
R&M Scoops Enterprise LLC	Radha Agrawal+	2420 Cobb Parkway, SE	Smyrna	GA	30080	7709889500
Cicco Ice Cream Co., Inc.	Mickey Cicco+	2324 Scenic Highway	Snellville	GA	30078	7709856660
Sundae Wishes 11:11, LLC	-JoDell Mcgrath	995 Lovett Rd	Statesboro	GA	30458	9126811118

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Marli Foods, Inc.	Martin Rhymer	2688 Rockbridge Road	Stone Mountain	GA	30087	7704695100
Sweet Darlin, LLC	Darlyn Brooks	4844 Redan Road	Stone Mountain	GA	30088	4042920480
Iroh Business Management Inc.	Sushma Shirsathi	555 Peachtree Industrial Blvd.	Suwanee	GA	30024	6784824003
Solomon Treats Inc	Solomon Bariagaber	4535 Hugh Howell Rd.	Tucker	GA	30084	7709345195
Big Dipper, Inc.	Elizabeth Miller	6870 Hickory Road	Woodstock	GA	30188	7707202868
Woodstock Treats LLC	Erin Krall+	2905 Eagle Drive	Woodstock	GA	30189	7705921551
The Real-est Ice Cream Enterprise LLC	Judy Kim	2440 South Eola Road	Aurora	IL	60503	3312567023
AlFatiha Corp	Aamir Munir+	17 W 727 Roosevelt Road	Oakbrook Terrace	IL	60181	6304470905
SV Foods Corp	Manoj Wagh	50 Avon Ave	Avon	IN	46123	3173449444
East Bloomington Ice Cream LLC	Marcia Stewart	4531 East Third Street	Bloomington	IN	47401	8123318979
Schlueter Inc. ASPL Fishers Creamery LLC	Shivaji Srivatsava Tiffa ny Schlueter	12350 Oilio Road	Fishers	IN	46037	3172884552
Joy In a Cone, Inc	Robert Alford	2712 Scottsville Road	Bowling Green	KY	42104	2708429839
True Blue Ice Cream, Inc.	Beth Speck	104 N. Bradford Lane	Georgetown	KY	40324	5025708688
Jessamine Creamery, LLC	Burton Butler II	111 North Plaza Drive	Nicholasville	KY	40356	8598854055
Havish Creamery, LLC	Rohan Patel	124 Main St	Haverhill	MA	01830	9789146280
Scoop-N-Dipity	Lisa Ruth	1409 Forest Drive	Annapolis	MD	21403	4102950025
ALAN Twins LLC	Anh Tu Nguyen	2943 Emmorton Rd	Bel Air	MD	21009	4434021202
BIC Bowie, LLC	Phil Sardelis+	4001 Town Center Boulevard	Bowie	MD	20748	2402603076
Aziz A Chaudhry LLC	Hameed Chaudry	9396 D Baltimore National Pike	Ellicott City	MD	21042	4102009854
Willco Foods, LLC	Jim Willard+	6960 Crestwood Blvd.	Frederick	MD	21703	2406515817
Scoops of Smiles LLC	Jim Willard+	18519 N. Frederick Ave.	Gaithersburg	MD	20879	2406311222
GHF, LLC	Gary Feldman+	801 Aquahart Rd	Glen Burnie	MD	21061	4107879725
BIC Hagerstown LLC	Phil Sardelis+	100 Railway Lane	Hagerstown	MD	21740	2403821213
Peachtree, Inc.	Bill Michel	23825 Mervell Dean Road	Hollywood	MD	20636	3013735000

Company	Franchisee	Address	City	St	Zip	Phone
Bhatti Bros LLC	Saleem Bhatti	2288 Blue Water Blvd.	Odenton	MD	21113	4438747135
GHF, LLC	Gary Feldman+	160 Ritchie Hwy	Severna Park	MD	21146	4107935010
Jessgood Food LLC	Jesse Griffin+	1276 Smallwood Drive W	Waldorf	MD	20603	3017055726
Motor City Frozen Foods LLC	Khalil Moussa	17088 Fort St	Riverview	MI	48196	7342256187
Twisted Scooper LLC	Brandon McClure	1802 NW Chipman	Lee's Summit	MO	64081	8167892107
Shree Hari Developers, LLC	Ghanshyam Patel+	952 US Hwy 64 W	Apex	NC	27523	9192340026
Forty Four 22 LLC	Steve Kim	17029 Kenton Drive	Cornelius	NC	28031	7048962886
Sahajan and Developers	Ghanshyam Patel+	8200 Renaissance Pkwy Ste 1002	Durham	NC	27713	9192373537
Emerson Treats LLC	Craig Emerson	1130 Eastchester Drive	Highpoint	NC	27265	3364096212
Beachwood Adventures, Inc	John Dolan+	531 Indian Trail Road	Indian Trail	NC	28079	7048219390
Ohana Enterprises Inc.	Kim Watt	545 West John Street	Matthews	NC	28105	7047086763
Beachwood Adventures, Inc	John Dolan+	2166 Commerce Road	Monroe	NC	28110	7042182111
Scoops of Joy, LLC	Walter Blalock	252 Williamson Road	Mooresville	NC	28117	7047999898
Vinayak Umiya LLC	Rohan Patel	10450 Durant Rd. Ste.100	Raleigh	NC	27614	9198441120
Frozen Assets, LLC	Scott VanNote	4414 S. 17th St.	Wilmington	NC	28412	9107941222
Dunstable Creameries, Inc. Dhanlaxmi Foods LLC	Dharmik Sheth William Croteau	621 Amherst Street	Nashua	NH	03063	6038819595
The Sorrentity Co	Tim Sorrentino	305 Greentree Rd	Sewell	NJ	08080	8562702107
LJS Ice Cream Company LLC	Heather Harrison	513 Boardway	Westwood	NJ	07675	2016060223
Doppia Panna at the Lakes LLC	Dave Soumas	2862 S Durango Dr	Las Vegas	NV	89117	7252106180
Neroli East LLC	Jay Negrin	824 Long Pond Road	Greece	NY	14626	5853194533
Neroli East LLC	Jay Negrin	1930 East Ridge Rd	Irondequoit	NY	14622	5855666446
ETA Ice Cream, Inc.	Mary Amato	1041 Ridge Road	Webster	NY	14580	5858724690
Rainbow Cream Corp.	Chirag Patel	5205 Transit Road	Buffalo	NY	14221	7168980999
SAB Acquisitions	Andi Brown	4609 Hills & Dales Rd NW	Canton	OH	44708	3305460070

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L&M Golf Dome, Inc.	Kurt Latell	1300 N. State Street	Girard	OH	44420	3305451000
TM of Ohio Enterprises	Tiger Najjar	27045 Lorain Rd N	N Olmsted	OH	44070	4404714646
Just Everything Sweet and Good Corp	John Haag	7330 East Main Street	Reynoldsburg	OH	43068	6147833214
Due Paletta LLC	Tom Ely	2291 Brodhead Rd.	Aliquippa	PA	15001	7243789958
Pramukhraj & Mahantrah Inc.	Jignesh Patel	3630 Concord Road	Aston	PA	19014	6108597868
SGRS Enterprises LLC	Ashley Spampinato	2814 Egypt Road	Audobon Audubon	PA	19403	6106500264
Snap5 Inc.	Sharon Pletz	4940 Library Road	Bethel Park	PA	15102	4123086277
Zephyrus Enterprises, LLC	Jen Staiger	3519 Hartzdale Drive	Camp Hill	PA	17011	7177618161
CoJo Ice Cream LLC	Corey Rumberger	220 Penrose Place	Carlisle	PA	17013	7172459860
Sweet Dreams Brusters, LLC	Jim Schmutzler	500 Gateway Ave.	Chambersburg	PA	17201	7172611484
Scoopin Dough LLC	Glenn Pilarski	4937 William Flynn Highway	Gibsonia	PA	15044	7244498000
Vincent and Sons LLC	Wayne Vincent+	1118 Smithbridge Rd.	Glen Mills	PA	19342	6105582311
YM Hanover LLC	Ammar Naqvi	1035 George Street	Hanover	PA	17331	7176469333
Sphera Familia Inc.	Charles Ball+	241 W. Ridge Pike	Limerick	PA	19468	6104898880
PBJC INC	Steven Pulaski	5888 Unit #2 Steubenville Pike	McKees Rocks	PA	15136	4122002337
JICA INC	Jodi Morrow	444 Valley Brook Rd	McMurray	PA	15317	7249425567
Dark Timbers LLC	Angelo Poulich	Center Ave. & Painterville Road	New Stanton	PA	15672	7249252511
Scooping Crew LLC	Mary Mann	9600 Perry Highway	Pittsburgh	PA	15237	4123669899
Steel Treats Shadyside LLC	Chad McWreath	4815 Centre Ave	Pittsburgh	PA	15213	4127020990
SteelTreats LLC	Chad McWreath	4584 Browns Hill Rd	Pittsburgh	PA	15217	4122515558
Full Swirl, LLC	Erinn Pierotti	493 Lowries Run Road	Ross Twp.	PA	15237	4123699008
Litflight LLC	Mark Neely	510 N. Pointe Circle	Seven Fields	PA	16046	7247729999
Sphera Familia Inc.	Charles Ball+	1520 Brownsville Rd	Trebose	PA	19053	2153550315
East End Scoops Corp.	Gary Haire	1600 E 3rd Street	Williamsport	PA	17701	5703265040
Sonlight Scoops Anderson LLC	Robert Pendrys+	3201 MLK Jr. Blvd.	Anderson	SC	29625	8643326566

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Aspen Grove, LLC	Sam Haapala+	304 Robert Smalls Parkway	Beaufort	SC	29906	8439826277
Graham's Ice Cream Company	Jim Graham+	2099 Boiling Springs Road	Boiling Springs	SC	29316	8645785571
Arrington Parker Brown, LLC	Warren Parker	130-15 Forum Drive	Columbia	SC	29229	8036384137
NP of Easley	Preetibahen Patel+	5152 Calhoun Memorial Hwy.	Easley	SC	29642	8643060401
Sonlight Scoops Florence LLC	Robert Pendrys+	116 N. Dunbarton Road	Florence	SC	29501	8436762704
Beachwood Adventures, Inc	John Dolan+	2603 West Highway 160	Fort Mill	SC	29708	8035484070
NP of Greenville LLC	Preetibahen Patel+	6412 White Horse Road	Greenville	SC	29611	8642465966
Promise Land Ice Cream, Inc.	Donnie Alverson	1850 Woodruff Rd	Greenville	SC	29607	8642817751
Sonlight Scoops Greenville LLC	Robert Pendrys+	207 Pelham Road	Greenville	SC	29615	8642321201
M and M Ice Cream	Melissa Compton	1204 Mathis Road	Greenwood	SC	29649	8643880947
Sonlight Scoops Greer LLC	Robert Pendrys+	405 S Buncombe Rd	Greer	SC	29650	8648792323
Brusters at the Beach, LLC	Bill Jarae	3784 Renee Drive	Myrtle Beach	SC	29579	8432364232
Graham's Ice Cream Company	Jim Graham+	100 Peachshed Road	Spartanburg	SC	29307	8645422220
Graham's Ice Cream Company	Jim Graham+	1644 John B White Sr. Blvd.	Spartanburg	SC	29301	8645768866
JCL SCOOPS LLC SLF Services Inc	Neil Mazuranic John Leezer	10646 Concord Road 143 Berkeley Circle	Summerville Brentwood	TNS C	29483 3702	6158190378 8439003670
Trebor LLC	Robert Finney	1406 Jenkins Road	Chattanooga	TN	37421	4235109993
PNEA Enterprises, LLC	Nicole Fedorchek	350 East Main Street	Hendersonville	TN	37075	6155371114
Brusters Knoxville Inc	Robert Allen+	11692 Parkside Drive	Knoxville	TN	37934	8652880358
Knoxville Bruster's Inc.	Robert Allen+	1043 Old Cedar Bluff Road	Knoxville	TN	37923	8656913327
Knoxville Bruster's Inc.	Robert Allen+	906 East Emory Road	Knoxville	TN	37938	8659389633
Knoxville Bruster's Inc	Robert Allen+	7670 S. Northshore Dr	Knoxville	TN	37919	8659512068
Knoxville Bruster's Inc	Robert Allen+	1400 W. Broadway	Maryville	TN	37801	8659808285
TWC Ice Cream LLC	Chris Martinez+	The Woodlands 4836 FM 1488	Conroe	TX	77384	8324767101
LCB Ice Cream LLC	Chris Martinez+	12891 Highway 105 West	Conroe	TX	77384	7135422396
L Transport LLC	Larry Lakind+	14131 Mueschke Rd #201	Cypress	TX	77433	2812132484

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Sweet Tooth Ice Cream LLC	Islam Khasawneh	1648 FM 423	Frisco	TX	75036	4692005201
Golden Treats and Eats, LLC	Jennifer Golden	3210 Katy Road	Katy	TX	77494	2817898813
GSM Cramery LLC	Ram Patabhiraman	710 West Renner Road	Richardson	TX	75080	9728033543
NWH Ice Cream, L.P.	Chris Martinez+	7939 Louetta Road	Spring	TX	77379	8327177775
The Pickle Pals, LLC	Kylie Pyne	2255 N University Pkwy	Provo	UT	84604	8016072331
Romans XII, Inc.	Joel Smart+	42015 Village Center Plaza	Aldie	VA	20150	7032165151
helados hermanos LLC	Jim Winland+	6463 Old Beulah Street	Alexandria	VA	22315	5712236822
Romans XII, Inc.	Joel Smart+	43150 Broadlands Center, 114	Ashburn	VA	20148	7033401003
KPT, LLC	Tony Trubisz	11731 Sherbert Lane	Chester	VA	23831	8047681300
Romans XII, Inc.	Joel Smart+	3903 Fair Ridge Drive	Fairfax	VA	22033	7038014452
Irish Hospitality	Tim O'Neill	221 University Blvd.	Harrisonburg	VA	22801	5408010700
The Ortiz Group LLC	Raphael Ortiz+	6613 Watts Road	Haymarket	VA	20169	7038911333
Romans XII, Inc.	Joel Smart+	555 Compass Pointe Plaza	Leesburg	VA	20175	5714987181
Sweet Grace LLC	Joel Comiskey	7815 Timberlake Rd	Lynchburg	VA	24502	4348497746
Divine Ice LLC	Mukesh Bansal	8329 Sudley Road	Manassas	VA	20109	5713794302
Shreeya VIR Inc	Hemil Patel	8309 Bell Creek Road	Mechanicsville	VA	23116	8045595905
S & J Delights Inc	John Jack+	11221 Hull Street	Midlothian	VA	23112	8047444518
S & J Delights Inc	John Jack+	11501 Robious Road	North Chesterfield	VA	23235	8043204728
Otterdale Venture, LLC	Rachel Huff	2602 Anderson Highway	Powhatan	VA	23139	8045980599
M&G Ice Cream Enterprises, Inc.	Gary Zeller	9101 W. Staples Mill Road	Richmond	VA	23228	8047556200
Mohammad Munir	Mohammad Munir	512 Hull Street	Richmond	VA	23224	8046648388
Pawan LLC	Dan Desai+	6498 Williamson Road	Roanoke	VA	24019	5403666648
Zaara & Zain LLC	Mohammed Tariq+	237 Maple Avenue	Vienna	VA	22180	5714077738
BABS Enterprises, Inc.	Elizabeth Bulko	5317 Indian River Road	Virginia Beach	VA	23464	7574207071
4921 Bruster's Ice Cream LLC	Avrham Amuial	4921 Virginia Beach Blvd	Virginia Beach	VA	23462	7574994343

Company	Franchisee	Address	City	St	Zip	Phone
Caroline's Creamery LLC	Caroline West	5289 John Tyler Highway	Williamsburg	VA	23185	7572208930
Varado Food LLC	Raphael Ortiz+	180 Kernstown Commons	Winchester	VA	22602	5405080225

+ indicates multiple unit owner / developer under development agreement

Franchisees that have signed a franchise agreement but as of December 31, ~~2024~~2025 were not yet open:

Franchisee	Business Entity	Address	City	St	Zip	# of Open Agreements
Prital Patel+	Ganeshji P&D LLC	515 Balsam Terrace Way	Huntsville	AL	35824	4 2
Terry Scott	BRIG Warner Robbins GA, LLC	4000 Fieldcrest Drive	Montgomery	AL	36111	4
Dan Tarkoff+	The Tarkoff Group LLC	5827 E. Peak View Road	Gave Creek	AZ	85331	4
Diane Hathaway	Lanathaway, Inc.	1971 E. Harrison Street	Chandler	AZ	85225	1
Sudhakara Bellam	Flavs LLC	1830 E Horseshoe Drive	Chandler	AZ	85249	4
Stephanie Peters	Inside Scoop LLC	325 E Tumbleweed Drive	Phoenix	AZ	85085	1
Tim Milano+	TRM Desserts LLC	8396 Granite Pass Road	Scottsdale	AZ	85266	2 1
Amiee Joint+	Our Joint LLC	18415 W Becker Lane	Surprise	AZ	85388	2
Rafay Khalil+	TheHummgDesign LLC	1205 S 4 th Avenue	Arcadia	CA	91006	2
Ekta Patel+	11 Eleven 11 Inc.	58 Kiwi	Irving	CA	92618	2
Sakthivel Jambugeswara+	Scoops N Shakes INC	11470 Austum Sage Ave	Jarupa Valley	CA	91752	2 1
Shailvi Patel+	Amarsh LLC	5338 Dupont Ave	Newark	CA	94560	1
John Harris+	JTTT, Inc.	560 Dodge Way	Norco	CA	90860	4 3
Daniel Decker+	Triple Decker Enterprises Inc.	10570 Foothill Blvd	Rancho Cucamonga	CA	90740	1
Gary Judge+	NorCal Frozen Foods LLC	9641 Ronaldo Falls Way	Sacramento	CA	95624	1
Gary Judge+	SAC Frozen Foods LLC	9641 Ronaldo Falls Way	Sacramento	CA	95624	1
Sean Nelson+	Coastal Creamery LLC	13 Via Buen Corazon	San Clemente	CA	92673	2
Karen Hill+	Frozen Empire Inc.	14 Via Lampara	San Clemente	CA	92673	2
Neil Patel	P & V Ventures LLC	846 Whitefir Lane	San Jose	CA	95133	1
Shawn Mundy		14 Bentley Road	Trabuco Canyon	CA	92679	1

Franchisee	Business Entity	Address	City	St	Zip	# of Open Agreements
Judi Welch Boutros Emad Boutros +	So-Cal Scoopers Inc ST Pope Kerollos VI INC	1764 Seth Loop West 16309 Pasada Drive	Upland Whittier	CA	91784 90603	1
Dru Patel Kenneth Whitter	-Scooper's Delight LLC	211 Case Ridge Road 5365 Oak Bay Drive	Dover Boca Raton	DE FL	19904 32277	4 2
George Albert	LA Frozen Treats SM, LLC	5365 Oak Bay Drive	Jacksonville	FL	32244	1
Kunal Pandya	P&P Scoop LLC	1223 Evergreen Park Circle	Lakeland	FL	33813	4
Reka Nidavalou	Delicious Ice Cream PRPR, LLC	4006 Isabella Circle	Orlando	FL	34786	1
Quintin Bell +	QB Creamery LLC	11638 SW Lake Park Drive	Port St Lucie	FL	34987	4
Swindale Rhodes	SAVJAZ INC.	11906 SW Aventino Drive	Port St Lucie	FL	34987	1
Jerry Schiavo+	Insight Business Ventures, Inc.	8019 Key West Dove Street	Winter Garden	FL	34787	2 1
Bhupendra Patel +	-	231 Ruby Lake Lane	Winter Haven	FL	33884	4
Philip Cash+	Pacific Scoops LLC	1418 Westover Place	Dalton	GA	30720	6
Vik Angia	Sidespin LLC	4941 Vermack Road	Dunwoody	GA	30338	1
Trusha Patel	Shivanks LLC	720 Ellsborough Court	Johns Creek	GA	30005	4
Waheed Rahman	La Jolla Corp.	1117 Sadlers Close	Marietta	GA	30068	1
Nathalie McElroy	Atlantic Legacy Group, LLC	7655 Oglethorpe Hwy	Midway	GA	31320	1
Naresh Patel	Yogi RE LLC	1244 Bradley Circle	Elgin	IL	60120	1
Ahmad Abdeljawad	SWEET SCOOP VENTURES LLC	2s641 Briarcliff Ct	Lombard	IL	60148	1
Judy Kim+	The Rea-est Ice Cream Enterprise	4231 Chapparral Drive	Naperville	IL	60564	2
Dipen Kachhiaptel +	B N Technologies LLC	133 Brixham Place	Schaumburg	IL	60194	2
Aamir Munir Manoj Wagh	SV Foods Corp ALFATHIHA CORPORATION	2406 Sandi Drive 842 S Harvard Ave	Avon Villa Park	IN IL	46123 60181	1
Shibani Banerjee	Shri Laxmi Debo Creamery INC	5134 Stellhorn Road	Ft Wayne	IN	46815	1
Tu Nguyen+	ALAN Twins LLC	1019 E MacPhail Road	Bel Air	MD	21015	1
Jesse Griffin +	JessGood Food LLC	7700 Old Brand Ave	Clinton	MD	20735	4
David Amare Sarkisov	Drea Sark Ice Cream, LLC	11519 Fox River 3236 Pine Bluffs Drive	Ellicott City	MD	21042	1
Jim Hasemann		19205 Autumn Maple Lane	Gaithersburg	MD	20879	1

Franchisee	Business Entity	Address	City	St	Zip	# of Open Agreements
Hillary Feldman+	GHF LLC	4115 Haverford Drive	Rockville	MD	20853	1
Vasudhaa Brahmandam Haheed Chaudhry	VAAA ABA LLC	3830 Columbia Drive 7800 Manet Way	Bloomfield Severn	MI MD	48392 21144	2 1
Khalil Moussa Vasudhaa Brahmandam +	Motor City Frozen Foods VAAA LLC	25674 Wilson 3830 Columbia Drive	Dearborn Heights Bloomfield	MI	48127 48392	4 2
Brandon McClure Khalil Moussa +	Get Scooped Motor City Frozen Foods LLC	2716 SW Carlton 25674 Wilson Drive	Lee's Summit Dearborn Heights	MO MI	64082 48127	4 3
Daphne Pelech	Deluxe Scoops, LLC	9827 Vicksburg Siege Ct	St. Louis	MO	63123	1
Craig Emerson	Emerson Treats LLC	5708 Zelma Blvd	Archdale	NC	27263	4
John Dolan+	Beachwood Adventures, LLC	11217 Pine Valley Club	Charlotte	NC	28277	1
Kim Jackson	Carolina Cream & Cones Inc.	2322 Arden Gate Lane	Charlotte	NC	28262	1
Ron Schumer	AB Happy Corp	6728 Aronomink Drive	Charlotte	NC	28262	1
Dharmik Sheth +	Dhanlaxmi Foods LLC	5 Gaskell Drive Unit F	Nashua	NH	03063	1
Nimesh Patel	SHRIJI CREAMERY LLC	310 Lincoln Ave	Elmwood Park	NJ	07407	1
Jung Eun Kim+	J World 316 Corp.	12 Littlefield Ct	Haworth	NJ	07641	2
Anthony LaFonte	TRIPLESCOOPS LLC	12 Whittier Drive	Morganville	NJ	07751	1
Heather Harrison+	LJS Ice Cream Company LLC	197 Lincoln Avenue	Ridgewood	NJ	07450	2
Brian Vitale Tim Sorrentino	The Sorrentino Company Sweeter Together, LLC	100 Wendee Way 3 Carrington Ct	Sewell	NJ	08080	1
Jay Negrin+	Neroli East, LLC	1930 East Ridge Road	Irondequoit	NY	14622	1
Chirag Patel	Rainbow Cream Corp.	864 Eastbrooke Lane	Rochester	NY	14168	4
Michel Simon+	L&M Sweet Scoop LLC	7 Terra Pines Gate	Yaphank	NY	11980	2
Tiger Najjar+	TM of Ohio Enterprises	26473 Sweetbriar	North Olmsted	OH	44070	5
John Haag +	Just Everything Sweet and Good Corp.	7671 Broadwyn Drive	Reynoldsburg	OH	43068	4
Angelo Poulich	Dark Timbers LLC	21 Goodlin Drive Drive	Greensburg	PA	15601	1
Justine Clark	Eight C Family, LLC	2349 Scotch Valley Road	Hollidaysburgh Hollidaysburg	PA	16648	1
Joe McColgan		9640 Wissinoming Street	Philadelphia	PA	19114	1

Franchisee	Business Entity	Address	City	St	Zip	# of Open Agreements
Ghad McWreath+	STEEL TREATS SHADYSIDE LLC	246 Prospect Street	Pittsburgh	PA	15214	4
Charles Ball	Sphera Familia Inc.	531 Brookside Ave	Wayne	PA	19807	1
Praveen Mandula	SG Icecream LLC	3033 Spruce Road	Gibsonia	PA	15044	1
Warren Parker+		132 Upper Wing Trail	Blythewood	SC	29016	1
Alfonso Cabrera	ACL Ice Cream LLC	836 Neff Court	Fort Mill	SC	29715	1
Michelle Mazuranic+	SLF Services INC.	246 Grand Cypress Road	Summerville	SC	29486	3
Amanda Gencay+	The Scoop Group, LLC	1017 Boxwood Drive	Franklin	TN	37069	2
Robert Allen+	Knoxville Bruster's Inc.	114 Tillery Drive	Knoxville	TN	37912	21
Larry Lakind+	L Tranport, LLC	98354 Primrose Park Lane	Cypress	TX	77433	1
Ramkumar Pattabiraman+	GSM Creamery LLC	4270 Chantilly Lane	Frisco	TX	75036	2
Toney Nelson	PANLAP Inc.	2832 N Creekwood Drive	Grapevine	TX	76051	1
Andleeb Alvi		3515 Sierra Pines Drive	Houston	TX	77068	1
Chris Martinez+	ECMTG, INC.	30 Frontenac Way	Houston	TX	77025	21
Michelle Dean+	3 Au Scoops, LLC	3755 Grennoch Lane	Houston	TX	77025	4
Casey Howard	Lickety Sweets LLC	7239 Carriage Mist	San Antonio	TX	78249	1
John Golden+	Golden Treats and Eats, LLC	8702 Chelsford Lane	Spring	TX	77379	2
Rupert Patel+	MyDistroDiscount, LLC	14000 Creeek Way Drive, #231A	Sugarland	TX	77478	2
Raphael Ortiz+	The Ortiz Group, LLC	41066 Hickory Bluff Court	Aldie	VA	20105	3
Eric Andreoni	Two Fresh Scoops LLC	23812 Weathervane Place	Ashburn	VA	20148	3
Aaron Skinner	DFW Scoopers LLC	23065 Chambourcin Place	Ashburn	VA	20148	2
Joel Comiskey Hemil Patel	Sweet Grace LLC Carolina Cream & Cones Inc.	1397 Autum-Run Drive 5013 Maben Hill Lane	Forest Glen Allen	VA	24551 23059	1
Joel Smart+	Romans XII, Inc.	17379 Canby Rd	Leesburg	VA	20175	2
Mohammed Munir		16421 Hull Street	Richmond	VA	23120	4
Dhruvin Desai	Pawan LLC	5224 Ranchcrest Drive	Roanoke	VA	24153	1
James Winland+	helados hermanos LLC	7808 Lakeland Valley Drive	Springfield	VA	22153	1

+ indicates multiple unit owner / developer under development agreement

Franchisees that have left the system. The following tables lists the franchisees that left the system in our fiscal year that ended December 31, ~~2024~~2025. There are no franchisees with whom we have not been in communication in the last ten weeks.

Transfer (T), Ceased Operations – Other Reason (C)	Franchisee	Address	City	State	Zip	Phone	Store Location
C <u>I</u>	Zach White Jon Spano	2405 Johnstone Circle 261 Carrington Way	Huntsville anton	AL G A	35803 30115	256-653-2430 7707893370	Madison Roswell
T	Quintin Bell Jan March	4806 Mayfield 7470 Burch Creek Drive	Fremont Grovetown	CA G A	94536 30813	510-332-1244 7036156205	Fremont Augusta
C	Julius Lite	2780 Wright Lane	Los Angeles	CA	90068	323-359-6204	Hollywood, CA
T	Jeffrey Yee	4407 Esta Lane	Soquel	CA	95073	415-747-6999	Aptos, CA
T	Trishul Vaghani	3370 Hanging Tide Street	Winter Garden	FL	34787	630-242-0456	I-Drive
C	Ayube Benson Kahn	1542 Wescott Loop	Winter Springs	FL	32708	407-367-8678	Winter Springs
T	Kiran Sansk ar Patel*	12855 Wyngate Trail 175 Southmill Lane	Alpharetta Senolia	GA	30005 30276	770-256-5544 3176016067	Jonesboro Cartersville
T	Sanjay Patel	3538 Old Chamblee Tucker Road	Atlanta	GA	30340	678-468-4081	Douglasville
T	Vince Chastain	3359 Rosecliff Trace	Buford	GA	30519	404-279-0956	Sandy Springs
T <u>C</u>	Vince Chastain Sa nskar Patel	3359 Rosecliff Trace 175 Southmill Lane	Buford Senolia	GA	30519 30276	404-279-0956 3176016067	Dunwoody
T	Tiffany Schlueter Bob Fischer	12028 Gatewater Drive 1115 Mateo Court	Potomac Fishers	MD I N	20854 46060	240-620-5957 3176016067	Gaithersburg Fishers
T	William Croteau DJ Lee	1508 Elkins Ave 612 Amherst Street	Abbingdon Nashua	PA N H	19001 03063	215-285-4535 6033202423	Trevose Nashua
C	Brett Wagner	489 Ridge way	Lewisberry	PA	17339	717-887-7270	Etters
T <u>C</u>	David Straub John Haag	640 Thorncroft 7671 Broadwyn Drive	West Chester Reynolds-burg	PA O H	19380 43068	484-904-5750 6147833214	Limerick Reynolds-burg

<u>TC</u>	<u>John Leezer Brent Barr</u>	<u>19 Woodhedge Court 1612 South Timber Road</u>	<u>Brentwood Mauldin</u>	<u>SC TN</u>	<u>37027 29662</u>	<u>864-275-2865 6158150 457</u>	<u>Easley Brentwood</u>
T	Brent Barr	19 Woodhedge Court	Mauldin	SC	29662	864-275-2865	Greenville
C	Henry Shackelford Kylie Pyne	14226 Lee Hwy 1256 N 1600 W	Gulpeper Ma pleton	VA UT	22701 84664	434-315-3388 801-669-6820	Gulpeper Pro vo
T	Gary Lierman	78 Magnolia Ln.	Daleville	VA	24086	540-354-4882	Roanoke

* Denotes a franchise who transferred a unit, but remains a franchisee of one or more Bruster's units (i.e., the franchisee has not left the system).

EXHIBIT I

List of Affiliate-Owned Bruster's Stores

As of our fiscal year ended December 31, ~~2024~~2025:

Bruster's – Bridgewater	1525 Riverside Dr	Beaver, PA 15009
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STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	April 24, 2025 Pending
Indiana	April 24, 2025 Pending
Illinois	April 24, 2025 Pending
Maryland	May 20, 2025 Pending
Minnesota	May 9, 2025 Pending
Michigan	April 25, 2025 Pending
New York	PENDING Pending
Virginia	May 5, 2025 Pending
Washington	May 15, 2025 Pending
Wisconsin	April 24, 2025 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.

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If Bruster's Limited Partnership ("**BLP**") offers you a franchise, it must provide this disclosure document to you: (a) 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; (b) in New York, at the earlier of: (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; (c) in Iowa, at the earlier of: (i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in Michigan, at least 10 business days before the earlier of when you sign a binding franchise or other agreement or pay any consideration to us (or an affiliate of ours).

If BLP does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to your state authority listed on Exhibit B.

BLP is the franchisor, with offices at 730 Mulberry Street, Bridgewater, PA 15009 (tel: 724.774.4250). The franchise sellers are Kimberly Ellis or Greg Danziger at BLP's offices, ~~730 Mulberry Street, Bridgewater, PA 15009 (tel: 724.774.4250)~~. Any additional individual franchise sellers involved in offering the franchise are: _____.

The issuance date of this Franchise Disclosure Document is April 24, ~~2025~~. ~~BLP authorizes the agents listed in Exhibit C to receive service of process for us.~~

~~I received a disclosure document dated April 24, 2026. BLP authorizes the agents listed in Exhibit C to receive service of process for us.~~

I received a disclosure document dated April 24, 2025/2026 that included the following exhibits:

- | | |
|--|---|
| A — Agreements (Franchise Agreement and Development Agreement, with Exhibits) | G — State Specific Addenda |
| B — List of State Administrators | H — List of Current and Former Franchisees |
| C — List of Agents for Service of Process | I — List of Affiliate-Owned Bruster's Stores |
| D — Form of General Release | J — State Effective Dates |
| E — Table of Contents to Brand Manual | K — Item 23 Receipts |
| F — Audited Financial Statements | |
| <u>A — Agreements (Franchise Agreement and Development Agreement, with Exhibits)</u> | <u>G — State-Specific Addenda</u> |
| <u>B — List of State Administrators</u> | <u>H — List of Current and Former Franchisees</u> |
| <u>C — List of Agents for Service of Process</u> | <u>I — List of Affiliate-Owned Bruster's Stores</u> |
| <u>D — Form of General Release</u> | <u>J — State Effective Dates</u> |
| <u>E — Table of Contents to Brand Manual</u> | <u>K — Item 23 Receipts</u> |
| <u>F — Audited Financial Statements</u> | |

Date Received

Prospective Franchisee

Name (Please print)

Address

Please keep this copy of the receipt with your FDD

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If Bruster’s Limited Partnership (“**BLP**”) offers you a franchise, it must provide this disclosure document to you: (a) 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; (b) in New York, at the earlier of: (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; (c) in Iowa, at the earlier of: (i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in Michigan, at least 10 business days before the earlier of when you sign a binding franchise or other agreement or pay any consideration to us (or an affiliate of ours).

If BLP does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to your state authority listed on Exhibit B.

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The issuance date of this Franchise Disclosure Document is April 24, 2026. ~~BLP authorizes the agents listed in Exhibit C to receive service of process for us.~~

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- | | |
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| A — Agreements (Franchise Agreement and Development Agreement, with Exhibits) | G — State Specific Addenda |
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-
- | | |
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| <u>A — Agreements (Franchise Agreement and Development Agreement, with Exhibits)</u> | <u>G — State-Specific Addenda</u> |
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| <u>F — Audited Financial Statements</u> | |

Date Received

Prospective Franchisee

Name (Please print)

Address

Please sign, date, and return this copy of the receipt to BLP