FRANCHISE DISCLOSURE DOCUMENT

Rococo Franchise Corporation
105 East Wisconsin Avenue
Oconomowoc, Wisconsin 53066
(262) 569-5580

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Brief Description of the franchised business: The franchised business is a restaurant specializing in pan style pizza and pasta dishes.

The total investment necessary to begin operation of a ROCKY ROCOCO PIZZA AND PASTA is $211,000 to $705,000. This includes $25,000 that must be paid to the franchisor.

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 the franchisor's office at 105 East Wisconsin Avenue, Oconomowoc, Wisconsin 53066, (262) 569-5580.

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.

This Franchise Disclosure Document was issued on _____, 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.
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 FIN 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 Rocky Rococo Pizza and Pasta 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?	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 Rocky Rococo Pizza and Pasta franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.

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 ST.

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:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor in accordance with the United States Arbitration Act, if applicable, and the rules of the American Arbitration Association at its office nearest to home office of franchisee.

ROCOCO FRANCHISE CORPORATION

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Exhibits:

FIN. Financial Statements
FA. Franchise Agreement
FDA. Franchise Deposit Agreement
CAL. Collateral Assignment of Lease
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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, "RFC" means Rococo Franchise Corporation, the franchisor. "You" means the person who buys the franchise. If you are a corporation, partnership or other entity, "you" includes the owners of such entities.

The Franchisor, Its Predecessors and Its Affiliates. RFC is a Wisconsin corporation, incorporated on June 13, 1995, for the purpose of establishing a franchise system specializing in pizza and pasta and offering and serving other food and beverage items. RFC is not a subsidiary of any company and has no affiliates that offers franchises in any line of business, or provides products or services to franchisees of RFC. RFC does business under the name, "ROCKY ROCOCO PIZZA AND PASTA". RFC has offered franchises since 1995.

RFC's principal business address is 105 East Wisconsin Avenue, Oconomowoc, Wisconsin 53066. RFC's agent for service of process in the State of Minnesota is the Commissioner of Securities, 133 East Seventh Street, St. Paul, Minnesota 55101.

The Franchisor's Business. RFC offers and sells franchises for ROCKY ROCOCO PIZZA AND PASTA. Rocky Rococo Corporation, a Wisconsin corporation, is a predecessor and an affiliate of RFC. Rocky Rococo Corporation offered franchises of a similar concept from 1982 to December, 1987. Those franchises are not a part of the RFC franchise system. RFC is not engaged in any other business.

The Rocky Rococo Franchise. Under the Franchise Agreement (the "Franchise Agreement"), which is Exhibit FA to this Disclosure Document, RFC offers qualified purchasers the right to operate, from a single location (the "Location") in a specified Territory (the "Territory") a restaurant (the "Restaurant") specializing in pizza and pasta and offering and serving other food and beverage items (the "Franchised Business"). RFC has developed distinguishing characteristics of which include marketing and advertising methods and techniques, operating procedures and materials, training and supervision, management assistance, administrative systems, business and reporting forms, staffing procedures, and product and equipment specifications.

You can operate a ROCKY ROCOCO RESTAURANT under the name and mark "ROCKY ROCOCO" and other marks designated by RFC (all referred to as "the Proprietary Marks"). You must operate in accordance with the standards and procedures designated by RFC (the "System"), within a specified Territory.

The general market for the products or services you will offer are persons ages 5 to 70. The market is developed and sales are not seasonal. It will be necessary for you to comply with local laws or regulations relating to the sale of food and beverage items. ROCKY ROCOCO RESTAURANTS must compete with other full-service, carry-out or delivery restaurants and outlets specializing in pizza and pasta, some of which are national or regional chains. ROCKY ROCOCO RESTAURANTS also will have to compete with restaurants and fast-food or quick-service outlets offering other types of food products and with grocery stores selling pizza for home consumption.

Prior Business Experience of RFC, Its Predecessors and its Affiliates. RFC has never operated a business of this type being offered. An affiliate of RFC, Pizza Rococo, Inc., owns and operates 1 ROCKY ROCOCO RESTAURANT. Pizza Rococo, Inc., opened its first restaurant May 20, 1992. Pizza Rococo, Inc., does not offer franchising in this business or any other. Pizza Rococo, Inc., provides goods and services in the form of uniforms and other miscellaneous items to franchisees of RFC. Pizza Rococo, Inc., does not derive a profit from the sale of such uniforms and other miscellaneous items.

An affiliate of RFC, TRH Restaurants, Inc., owns and operates 1 ROCKY ROCOCO RESTAURANT. TRH Restaurants, Inc., was incorporated in 1991 and opened its first restaurant in 1994. TRH Restaurants, Inc., does not offer franchising in this business or any other and does not provide goods and/or services to franchisees of RFC.

An affiliate of RFC, Airport Pizza Roc, Inc., owns and operates 2 ROCKY ROCOCO RESTAURANTS. Airport Pizza Roc, Inc., was incorporated in 2003 and opened its first restaurant in 2003. Airport Pizza Roc, Inc., does not offer franchising in this business or any other and does not provide goods and/or services to franchisees of RFC.

An affiliate of RFC, TRH Restaurants II, Inc., owns and operates 2 ROCKY ROCOCO RESTAURANTS. TRH Restaurants II, Inc., was incorporated in 2001 and opened its first restaurant in 2007. TRH Restaurants II, Inc., does not offer franchising in this business or any other and does not provide goods and/or services to franchisees of RFC.

An affiliate of RFC, TRH Restaurants III, Inc., owns and operates 1 ROCKY ROCOCO RESTAURANT. TRH Restaurants III, Inc., was incorporated in 2021 and opened its first restaurant in 2021. TRH Restaurants III, Inc., does not offer franchising in this business or any other and does not provide goods and/or services to franchisees of RFC.

Item 2

BUSINESS EXPERIENCE

THOMAS R. HESTER, Director

Mr. Hester has served as Director since December, 2025. From January, 2020 to December 2025, he served as Co-Chief Executive Officer and Director of RFC. Mr. Hester served as President, Treasurer, and Director of RFC from June, 1995 to January, 2020. He served as Director of RFC's affiliate, Pizza Rococo, Inc., since December, 2025. From May, 1990, to December, 2025, he has served as President, Treasurer and Director of RFC's affiliate, Pizza Rococo, Inc. He served as Director of TRH Restaurants, Inc. since December, 2025. From May, 1991 to December, 2025, he served as President, Treasurer and Director of TRH Restaurants, Inc. He served as Director of Rocky Rococo Corporation since December 2025. From October, 1986 to December 2025, he served as President and Director of Rocky Rococo Corporation. He served as Director of TRH Restaurants II, Inc. since December, 2025. From March, 2001 to December 2025, he served as President and Director of TRH Restaurants II, Inc.

THOMAS R. HESTER III, President and Director

Mr. Hester has served as President/CEO and Director since December, 2025. From January, 2020 to December, 2025, he served as President and Director of RFC. Mr. Hester served as Vice-President of RFC from January, 1999 to January, 2020, and Director of Marketing from 2011 until January, 2020. From January, 1999, to December, 2025, he has served as Vice-President of Pizza Rococo, Inc., TRH Restaurants, Inc., Airport Pizza Roc, Inc., TRH Restaurants, II, Inc. and Rocky Rococo Corporation. From August, 1994, to December, 1998, he served as Controller of Pizza Rococo, Inc., TRH Restaurants, Inc. and Rocky Rococo Corporation.

AMY R. BARTLEY, Secretary, Director of Marketing and Director

Mrs. Bartley has served as Secretary and Director of Marketing of RFC since January, 2020. Mrs. Bartley has served as Director of Customer Experience and Digital Marketing of RFC's affiliates, Pizza Rococo, Inc., TRH Restaurants, Airport Pizza Roc, Inc., TRH Restaurants, Inc. and Rocky Rococo Corporation from 2017 to present. Prior to 2017, Mrs. Bartley served as Marketing Project Manager and Social Media Manager of RFC's affiliates from 2000 until 2017.

EARL W. RAMBO, Operations and Training Director

Mr. Rambo has served as the Training Director of RFC since May, 2006. Mr. Rambo has served as Operations Director since July, 2013. From December, 2003, to the present, he has served as Operations Consultant of RFC's affiliates, Airport Pizza Roc, Inc., Pizza Rococo, Inc., TRH

Restaurants, Inc., and Rocky Rococo Corporation. From 1984 to the present, Mr. Rambo has worked every staff position in the Rocky Rococo Restaurants.

KURT J. KIMBALL, Controller

Mr. Kimball has served as the Controller of RFC since April 17, 2000. From April 17, 2000 to present, he has served as Controller of RFC's affiliates, Airport Pizza Roc, Inc., Pizza Rococo, Inc., TRH Restaurants, Inc., TRH Restaurants II, Inc., TRH Restaurants III, Inc., and Rocky Rococo Corporation.

NATHAN D. KLEINE, Operations and Quality Control Director

Mr. Kleine has served as an Operations and Quality Director since January 7, 2025. From November 5, 2013 to October 15, 2024, he served as a franchise owner of the New Berlin Rocky Rococo location. Prior to November 5, 2013, he served as General Manager. Manager and staff employee at Pizza Rococo, Inc., TRH Restaurants, Inc.

Item 3

LITIGATION

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

The Initial Franchise Fee is $25,000.00, payable $12,500.00 upon the execution of the Franchise Deposit Agreement and the balance of $12,500.00 payable upon the execution of the Franchise Agreement. The Initial Franchise Fee for the second restaurant is $17,500.00, payable $10,000.00 upon the execution of the Franchise Deposit Agreement and the balance of $7,500.00

payable upon the execution of the Franchise Agreement. The Franchise Agreement is signed by you at the time an acceptable site is found and approved by RFC and you.

The Initial Franchise Fee payments are non-refundable. Each franchisee will pay an identical initial franchise fee.

RFC may adjust the Initial Franchise Fee in the future subject to prior approval by applicable governmental state agencies regulating franchises or business opportunities.

The Franchise Deposit Agreement is utilized when you wish to purchase a franchise, but a site has not been found and approved by RFC and you. If you have executed the Franchise Deposit Agreement, you shall pay to RFC the sum of $12,500.00 upon the execution of the Franchise Deposit Agreement for the first Restaurant, and the sum of $10,000.00 upon the execution of the Franchise Deposit Agreement for the second Restaurant. The entire deposit shall be credited to the payment of the Initial Franchise Fee with the balance of the Initial Franchise Fee payable when you sign the Franchise Agreement. If no acceptable site is found and approved by RFC and you within 180 days from the date of the Franchise Deposit Agreement, then both RFC and you shall have the right, upon written notice to the other party, to terminate the Franchise Deposit Agreement and the deposit shall be refunded to you, except that if RFC terminates the Franchise Deposit Agreement because you made a material misrepresentation or omission in your application; are convicted by a trial court of or plead no contest to a felony, or to any other crime or offense that is likely to affect adversely the goodwill associated with the Marks, or engage in any conduct which may adversely affect the reputation of a ROCKY ROCOCO RESTAURANT or the goodwill associated with the Marks; or make an unauthorized use or disclosure of any confidential information, then RFC shall retain the entire deposit.

Item 6

OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	5% of total gross sales	On or before the Friday following the end of the preceding week	See note 1.
Marketing Fund	Not to exceed 0.75% of gross sales	On or before the Friday following the end of the preceding week	See note 2.
Advertising/ Promotion/Local Advertising	Not to exceed 3 1/2% of gross sales	On or before the Friday following the end of the preceding week or within	See note 3.

		90 days following the end of the week	
Transfer	50% of the then-current initial franchise fee charged by RFC	Upon approval of assignment	See note 4.
Additional Training/On-Site Assistance	Cost of lodging, meals, transport.	Subsequent to the opening of the store	See note 5.
Amounts Advanced by RFC	Any amount advanced by RFC	Immediately	
Interest	Maximum by law or 1 1/2% per month	From date payment is due until paid in full	See note 6.
Indemnification	Maximum by law	From date payment is due until paid in full	See note 7.
Audit	Actual cost of audit plus interest on overdue amount	Immediately	See note 8.

With the exception of local advertising, refurbishing, and insurance premiums, all the fees listed above are imposed by and payable to RFC. The fees are non-refundable and are uniformly imposed.

Note 1. Royalty. You will pay to RFC a weekly royalty and service fee in the amount of 5% of the RESTAURANT's gross sales, payable on or before the Friday following the end of the preceding week. Each week shall end at the close of business on Monday.

In the event the RESTAURANT does not achieve sales volume of at least Four hundred twenty five thousand Dollars ($425,000.00) in a fiscal year, which consists of thirteen (13), four (4) week periods during a calendar year, or Four hundred thirty three thousand one hundred seventy three Dollars ($433,173.00) during a fifty-three (53) week fiscal year, which consists of twelve (12), four (4) week periods and one (1), five (5) week period during a calendar year, the weekly Royalty and Service Fee for that RESTAURANT shall be retroactively reduced for that fiscal year to Three and one-half percent (3 1/2%). RFC shall refund the excess to you within thirty (30) days of the end of the fiscal year. In order to receive a refund, you must be current on all Royalty and Service Fees due RFC, and any other accounts payable due RFC, or one of RFC's affiliates.

The term "gross sales" means the aggregate amount of all sales of food, beverages, goods, articles and any other merchandise or services made and rendered in conjunction with the RESTAURANT, including sales made at or away from the RESTAURANT, whether for cash or credit, but excluding all federal, state or municipal sales or service taxes paid by you.

Note 2. Marketing Fund. You shall pay weekly into a marketing fund, (the "Fund"), with RFC, an advertising fee designated by RFC, not to exceed .75% of the RESTAURANT'S gross sales.

Note 3. Advertising/Promotion/Local Advertising. You shall contribute not more than 3 1/2% of your gross sales to a local advertising fund (the "Local Ad Fund") comprised of ROCKY ROCOCO RESTAURANTS located in the same market area for the purpose of promoting ROCKY ROCOCO RESTAURANTS in the market area based upon the following formula:

a. RESTAURANTS with no electronic media shall contribute 1 1/2% of weekly gross sales;

b. RESTAURANTS with radio media shall contribute 2 1/2% of weekly gross sales; and

c. RESTAURANTS with television media shall contribute 3 1/2% of weekly gross sales.

RFC may increase the maximum amount you are required to contribute to the Local Ad Fund, provided, that such increase is approved by the owners of not less than 60% of the RESTAURANTS which are participating in the Local Ad Fund.

The Local Ad Fund contribution is payable together with, and for the same period, as the royalty and service fee.

As of the date of this Disclosure Document, RFC has not commenced collection of the Local Ad Fund.

During any week in which you do not participate in a Local Ad Fund, an amount designated by RFC shall be expended by you for local advertising and promotion of the RESTAURANT, based upon the following formula:

a. RESTAURANTS with no electronic media shall expend 1 1/2% of weekly gross sales;

b. RESTAURANTS with radio media shall expend 2 1/2% of weekly gross sales; and

c. RESTAURANTS with television media shall expend 3 1/2% of weekly gross sales.

You shall make such advertising expenditures within 90 days of the close of a weekly period. RFC may increase the maximum amount you are required to expend for local advertising and

promotion, provided, that such increase is approved by the owners of not less than 60% of the RESTAURANTS which are participating in the Local Ad Fund.

Note 4. Transfer Fee and Renewal Fee. If you assign your franchise, you shall pay RFC a non-refundable fee equal to 50% of the then current initial franchise fee charged by RFC, upon approving the assignment, to cover RFC's expenses, including costs for credit checks and attorneys' fees as well as training expenses for members of the new Franchisee (assignee), with such training being the same training as that offered at that time to new Franchisees, or, if new franchises are not being offered, such training as RFC believes the new Franchisee (assignee), should have in order to carry on the business in the same quality of manner as required by the Franchise Agreement.

Note 5. Additional Training/On-Site Assistance. RFC may require you or any person or persons employed by you in a managerial or other responsible capacity to attend additional periodic mandatory training programs subsequent to the opening of the RESTAURANT. The cost of transportation, meals and lodging, as a direct result thereof, will be borne by you. If you desire RFC to train additional persons, you will be responsible for transportation, meals, lodging, and a reasonable charge for RFC's representative(s).

Note 6. Interest. RFC reserves the right to assess interest at a rate up to the maximum rate allowed by law in any payments due RFC which are not timely paid by you from the date payment is due until paid in full. In the absence of a maximum interest rate permitted by law, the rate shall be 1 1/2% per month.
Note 7. Indemnification. Under the Franchise Agreement, you are obligated to indemnify and hold RFC harmless with respect to all losses and expenses of any action, suit, proceeding, claim, demand, investigation or inquiry, or any settlement thereof arising as follows:

a. Your infringement, alleged infringement, or any other violation or alleged violation of any patent, mark or copyright or any other proprietary right owned or controlled by third parties;

b. Your violation, breach or asserted violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive or of any industry standard;

c. Libel, slander or any other form of defamation, by you;

d. Your violation or breach of any warranty, representation, agreement or obligation in this Agreement;

e. Acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, affiliates or representatives;

f. Your dealings with prospective, existing or former franchisees;

g. Latent or other defects in the RESTAURANT, whether or not discoverable by RFC or you;

h. The inaccuracy, lack of authenticity or non-disclosure of any information by any customer of the RESTAURANT or visitor to or guest of the RESTAURANT;

i. Any service provided by you at, from or related to the operation of the RESTAURANT;

j. Any action by any customer of the RESTAURANT or visitor or visitors to the RESTAURANT; or

k. Any damage to the property of you or RFC, their agents or employees, or any third person, firm, or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused in part through the active or passive negligence of RFC or any of its agents or employees, or resulted from any strict liability imposed on RFC or any of its agents or employees.

Note 8. Audit. RFC has the right to audit all of your books and records at any time, relating to the gross sales and business transacted by you. If the audit discloses that the actual amount of gross sales for any period exceeds the amount reported by you, then the total amount of the fees payable on account of the deficiency is immediately due together with interest at the maximum rate then permitted by law with commercial transactions. In addition, if the amount of the deficiency exceeds 2% of the gross sales reported by you, you shall pay all costs and expenses incurred by RFC in connection with the audit and collection of the deficiency including, all accountants' and attorneys' fees as well as the amount of the deficiency. RFC has the right, at its option, to terminate the Franchise Agreement because of the submission of false reports and for underreporting. At RFC's discretion, you shall, upon receipt of written notice, maintain all books and records of the company on the premises.

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Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (1)	$ 25,000	If Franchise Deposit Agreement is signed, 1 installment of $12,500 and 1 installment of $12,500 If Franchise Deposit Agreement is not signed, 1 installment of $25,0000	If Franchise Deposit Agreement is signed, $12,500 at signing of Franchise Deposit Agreement and $12,500 at signing of Franchise Agreement If Franchise Deposit Agreement is not signed, $25,000 at signing of Franchise Agreement.	RFC
Equipment, Fixtures (2)	$ 80,000-$300,000	By agreement with vendors	Before opening	Vendors
Leasehold Improvements (3)	$ 80,000-$325,000	Progress payments with vendors	Before opening	Contractors
Opening Inventory (4)	$ 4,000-$ 12,000	Lump sum	Before opening	Suppliers
Security Deposits (5)	$ 0 -$ 4,000	Lump sum	Before opening	Landlord, utilities, Insurance
Promotion (6)	$ 5,000	As incurred	Opening to 30 days	Various Media, PR events
Pre-Opening Training (7)	$ 1,000-$ 5,000	As incurred	Before opening	Employees
Misc. (legal, permits) (8)	$ 1,000-$ 4,500	As incurred	Before opening	Attorneys, local gov., travel agent

Additional Funds (3 mos.) (9)	$ 10,000 $ 20,000	As incurred	Before opening to first 3 months	Contingency may be paid to various vendors
Insurance (10)	$ 5,000	As incurred	Before opening	Vendor
TOTAL	$211,000- $705,500			

NOTES:

1. See Item 5 for additional information about the initial franchise fee.

2. Equipment and fixtures include, but are not limited to, computer system, phones, ovens, dishes, and cooking utensils.

3. ROCKY ROCOCO RESTAURANTS may be located in enclosed malls with seating, enclosed mall food courts with common seating, strip-center malls, store front locations, and free-standing buildings. When you lease your premises, you may have to pay for leasehold improvements, including, but not limited to, plumbing, electrical, HVAC, walls and counters to the premises. The cost of leasehold improvements varies depending upon the size of the premises, location, material cost, labor cost, amount of the leasehold improvements provided by landlord and other economic factors. The cost for free-standing buildings is substantially higher than those projected and is not available from RFC. An enclosed mall location will require approximately 900 square feet of space, a strip center mall will require approximately 2,800 square feet of space, and a free-standing building will require approximately 3,800 square feet of space.

4. You will need an initial supply of ingredients and supplies in your opening inventory. The estimated cost should cover approximately 2-3 weeks of operation. All supplies and inventory must meet RFC's specifications. (See Item 8).

5. The estimate includes deposits, if required, to Landlord or utility companies which may be refundable to you at a later time. At the discretion of the Landlord, or utility company, a security deposit may not be required.

6. Promotion cost estimate may vary due to the type of media you choose to use. Costs vary by location as well. Public relations event costs will also vary by type of event and location.

7. The estimate includes payroll for time spent by your employees to train the franchise location. Estimate should cover 1 week of training new employees so that they are proficient enough at the

production process to open for business. Your employees should not incur any expenses for meals, lodging, or travel to complete training.

8. The estimate includes attorney's fees and local government permits.

9. This is an estimate only of the range of initial start-up expenses you may incur. The actual amount of additional funds you will need depends on a variety of factors, including the size of your Territory, the time of year when you start your business, your own management skill, economic conditions, competition in your area, and other factors. The estimate is for a period of 3 months and is based upon the experience of affiliates of RFC.

10. This is an estimate only of the insurance you may require to maintain. It is a business owner's policy which covers liability, property damage, loss of income, and loss of property. The insurance expense is an annual expense.

The estimate of additional funds is based on an owner-operated business and does not include any salaries or benefits for employees or any allowance for an owner's draw. The estimate is for a period of 3 months. RFC estimates that, in general a franchisee can expect to put additional cash into the business during at least the first 3 to 9 months, and sometimes longer, but RFC cannot estimate or promise when, or whether, you will achieve positive cash flow or profits.

Payments to RFC are non-refundable. Whether payments to others are refundable depends on arrangements you make with them. RFC, or an affiliate of RFC, does not offer direct or indirect financing of the initial investment.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain a uniform image to the public and to maximize quantity discounts, RFC shall have the right to designate a soft drink supplier and require you to use the designated brand. Neither RFC, or its affiliates, are approved suppliers of the designated brand of soft drink and no member of RFC owns an interest in the soft drink supplier. RFC will negotiate with a national brand to provide soft drinks to the restaurant with the goal to provide the greatest amount of service at a competitive price to you. RFC may change the soft drink supplier in the event the quality, service or pricing of the national brand is less favorable than with other national brands.

Neither RFC, or its affiliates, will derive revenue or other material consideration as a result of your requirement to use the designated soft drink supplier. Neither RFC, or its affiliates, derive revenue or other material consideration for any purchases made by you.

With the exception of the designated soft drink supplier, RFC imposes no obligations on you to purchase or lease from RFC, from RFC's affiliates or from RFC's designees, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate or comparable items relating to the establishing or operating of the franchised business. Neither RFC, nor an affiliate of RFC, are an approved supplier, or the only approved supplier, of a product/service. One hundred percent (100%) of the above items may be purchased from a supplier of your choosing. RFC attempts to negotiate purchase arrangements with suppliers, including price terms, for the benefit of all franchisees, but derives no revenue or other material consideration as a result of such negotiations.

The reputation and goodwill of ROCKY ROCOCO RESTAURANTS is based upon and can only be maintained by the sale of distinctive high-quality products and services. You shall do the following:

(a) use ingredients that conform to RFC's recipes in the preparation of food products and beverages;

(b) prepare and offer for sale food products and beverages; and

(c) use plates, cups, utensils, uniforms, menus, forms, packaging, materials, labels and other supplies

that conform to RFC's specifications and quality standards.

You agree to maintain, at all times, an inventory of food products, beverages, ingredients and other products sufficient in quantity and variety to realize the RESTAURANT'S full potential. RFC may conduct market research and testing to determine consumer trends and the salability of new food products and services. You agree to cooperate by participating in RFC's market research programs, test marketing new food products and services in the RESTAURANT, and providing RFC with timely reports and other relevant information regarding such market research. You shall purchase a reasonable quantity of and make a reasonable offer to sell test marketed products.

RFC desires to maintain high standards in quality and service at all ROCKY ROCOCO RESTAURANTS. To this end, you agree to cooperate with RFC in maintaining such high standards in the RESTAURANT to comply with all mandatory specifications, standards and operating procedures relating to the appearance or operation of a ROCKY ROCOCO RESTAURANT, including:

(a) type, quality, taste, weight and dimensions, ingredients, uniformity, manner of preparation in sale of food products and beverages sold by the RESTAURANT and all other products used in the packaging and sale thereof;

(b) hours and days in which RESTAURANT will be open for business;

(c) manner of and limitations on delivery of food products and beverages outside the premises;

(d) safety, maintenance, cleanliness, sanitation, function and appearance of the premises and its fixtures, equipment, furniture, decor and signs;

(e) qualifications, dress, general appearance and demeanor of your employees;

(f) use of the Marks;

(g) use and retention of standard forms;

(h) identification of you, as the owner of the RESTAURANT; and

(i) advertising and promotion.

RFC has established, and may establish, standards and specifications for equipment, fixtures, furnishings, signs, supplies, exterior and interior construction, indoor and outdoor signs, displays, promotional materials, hours of operation, and other items bearing RFC's tradenames, names, slogans, and logo, as referenced in the Operations Manual which is supplied to all franchisees and which may be changed by RFC.

There are no purchasing or distribution cooperatives in existence.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection & acquisition/lease	Franchise Agreement (FA) Sect. III.	Items 7 and 11
b. Pre-opening purchases/leases	FA Sect. III.	Items 7 and 8
c. Site development other pre-opening requirements	FA Sect. III./V.	Items 7 and 8
d. Initial and ongoing training	FA Sect. V.	Items 6, 7 and 11
e. Opening	FA Sect. III./V.	Item 11
f. Fees	FA Sect. I./VI./XII.	Items 5, 6 and 7
g. Compliance with standards and policies/Operations Manual	FA Sect. VII./IX./X.	Items 8 and 11
h. Trademarks and proprietary info.	FA Sect. IV.	Items 13 and 14
i. Restrictions on products/services	FA Sect. X.	Items 8, 11 and 16
j. Warranty and customer service requirements	FA Sect. X.	Item 11
k. Territorial development and sales quota	FA Sect. I.	Item 12
l. Ongoing product/service purchases	FA Sect. X.	Item 8
m. Maintenance, appearance, and remodeling requirements	FA Sect. X.	Item 6
n. Insurance	FA Sect. X.	Item 6
o. Advertising	FA Sect. VI.	Items 6, 7, and 11
p. Indemnification	FA Sect. XIII.	Item 6
q. Owners participation/ management/staffing	FA Sect. V./X.	Items 11 and 15
r. Records and reports	FA Sect. IX.	Item 6
s. Inspections and audits	FA Sect. IX./X.	Item 6
t. Transfer	FA Sect. XVIII.	Item 6
u. Renewal	FA Sect. II.	Items 6 and 17
v. Post-termination obligations	FA Sect. XVI.	Item 17
w. Non-competition covenants	FA Sect. XIV./XVI.	Item 17
x. Dispute resolution	FA Sect. XXIX.	x. Dispute resolution
y. Other (covenants, hours of operation, taxes, permits, and indebtedness)	FA Sect. XIV./XVII./XIX.	

Item 10

FINANCING

RFC does not offer direct or indirect financing. RFC does not guarantee your note, lease or obligation.

Item 11

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

Except as listed below, RFC is not required to provide you with any assistance.

1. RFC's Pre-Opening Obligations to You. You shall be solely responsible for the selection of the site location for the Franchised Business, however, RFC must approve your site. Factors to be considered in selecting a site include the obtaining of a demographic report which includes traffic patterns, parking, character of neighborhood, competition from other restaurants within the area, the proximity to other businesses and ROCKY ROCOCO RESTAURANTS, the nature of other businesses in proximity to the site and premises and other commercial characteristics, and the size, appearance and physical characteristics of the site and premises. RFC shall approve, or disapprove, of your site within 30 days after RFC receives the complete site and premises report and other materials that RFC may request. (Franchise Deposit Agreement – Paragraph 2)

You shall lease, purchase, or otherwise acquire access to the premises for your ROCKY ROCOCO RESTAURANT within 180 days after you execute the Franchise Deposit Agreement. RFC generally does not own the premises and lease it to you. If you are unable to acquire a site and premises acceptable to RFC within 180 days, or during any extended period agreed to by RFC and you, RFC may terminate your Franchise Deposit Agreement. ROCKY ROCOCO RESTAURANTS are generally located in enclosed malls with seating, enclosed mall food courts with common seating, strip center malls, store fronts, free-standing buildings, and campus locations and range in size from 900 to 3,800 square feet. (Franchise Deposit Agreement – Paragraph 2)

You shall have either acquired the site, or have a lease for the site approved, before the execution of the Franchise Agreement. You agree to deliver a copy of the signed lease to RFC within 15 days after its execution. RFC may request for you to collaterally assign to RFC your lease as security for your obligations under the Franchise Agreement. You agree to make the assignment

and procure the landlord's permission for the lease assignment. RFC does not own the premises and lease it to you.

RFC will supply you with prototype plans and specifications which will reflect all requirements for dimensions, exterior design, interior design and layout, image, building materials, fixtures, equipment, furniture, signs and decor. RFC will provide you with the names of approved suppliers for fixtures, equipment, furniture, and signs. RFC does not deliver or install any of the above items. You shall insure your premises complies with all required building, utility, sign, health, sanitation, business and other permits and licenses required for the operation of the Franchised Business. (Franchise Agreement – Paragraph III.D.)

2. Typical Length of Time. The typical length of time between signing the Franchise Deposit Agreement, along with payment of the Franchise Deposit, and the opening of your business varies according to the circumstances involved. It normally takes from 2 to 6 months to locate a site after the Franchise Deposit Agreement has been executed. Once a site has been located and the entire franchise fee paid, it normally takes between 2 and 9 months, subject to delaying circumstances normally associated with construction endeavors to open your RESTAURANT. However, an additional amount of time is often required by you for finding an acceptable site for a proposed location, negotiating leases, securing financing, securing building permits, shortages, delayed installation of equipment, fixtures and signs, and all other events which normally occur before the Franchise Agreement is signed.

3. RFC's Obligations to You during Operation of the Franchise. After opening of the Franchised Business, RFC shall advise you of operating problems of the Franchised Business disclosed by reports submitted to or inspections made by RFC. Operating assistance may include advice and guidance with respect to: (1) developing products or services you will offer to your customers; (2) methods, standards and operating procedures utilized by ROCKY ROCOCO RESTAURANTS; (3) products and services authorized for sale by ROCKY ROCOCO RESTAURANTS; (4) selecting, purchasing and preparing products, materials and supplies; (5) advertising and promotional programs; (6) administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for ROCKY ROCOCO RESTAURANTS' (7) consultation with the training of employees; (8) consultation with regards to establishing prices; (9) helping you resolve operating problems you may encounter; and (10) helping you improve and develop the Franchised Business.
Such guidance shall be furnished in the form of RFC's Operations Manual, bulletins, or other written materials, telephonic consultations and/or consultations at RFC's offices or at your Location in connection with an inspection of the Franchised Business. (Franchise Agreement – Paragraph V.D.)

4. Advertising Programs for Franchise System. You shall pay a marketing fund fee, designated by RFC, in the amount of .75% of the gross sales of the Franchised Business, payable weekly into a marketing fund (the "Fund"). The Fund shall be used for the creation and development of such advertising, marketing, media placement and public relations programs, research, websites and relative activities that RFC deems necessary and/or appropriate to advertise or promote ROCKY ROCOCO RESTAURANTS. RFC may use print, radio, TV or other media. It is the intent of RFC to use a regional advertising agency; however, RFC reserves the right to create an in-house advertising department. RFC is not required to spend any amount on advertising in the area where your franchise is located; however, RFC will attempt to apportion advertising on an equitable basis. The advertising fees are payable together with and for the same period, as the royalty and service fee due under the Franchise Agreement. (Franchise Agreement – Paragraph VI.A.)

The Fund may be used to pay various costs and expenses, including preparing and producing video, audio and written advertising materials; development and management of a web site; interest on borrowed funds; sponsorship of sporting, charitable or similar events; reasonable salaries and expenses of employees of RFC, or RFC's affiliates, working for or on behalf of the Fund; or on advertising, marketing, public relation materials, programs or activities or promotions for the benefit of the Fund; and administrative costs and overhead of RFC, or RFC's affiliates, incurred in activities originally intended for the administration and activities of the Fund. The Fund shall furnish you with reasonable quantities of marketing, advertising and promotional formats and materials at the same cost, terms and conditions that such materials are furnished to other franchised ROCKY ROCOCO RESTAURANTS. RFC will develop and maintain a website serving both RFC and you. You shall not create a website separate from the website created by RFC.

RFC may spend in any fiscal year, an amount greater or less than the aggregate contribution of all ROCKY ROCOCO RESTAURANTS to the Fund in that year. The Fund may borrow from RFC, or other lenders, to cover deficits of the Fund or cause the Fund to invest in a surplus in future use by the Fund. It is anticipated and it is the intent of RFC that all contributions to the Fund shall be expended for advertising and promotional purposes during RFC's fiscal year within which year contributions are made. Funds not expended in the fiscal year contributed may be applied and used for Fund expenses in the following year, or at the discretion of RFC, returned to RFC's franchisees, RFC, and RFC's affiliates, in proportion to the respective contributions to the Fund in the previous twelve (12) month period.

RFC assumes no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Fund. You agree and acknowledge that the Fund is intended to maximize the general public recognition and acceptance of the Marks for the benefit of the system in that RFC, or RFC's designee, make no representation and undertake no obligation in administering the Fund to make the expenditures for you, which are equivalent or proportionate

to your contribution, or to insure that any particular franchisee benefits directly or prorata from the Fund.

The Fund shall be accounted for separately from RFC's other funds, but shall not be required to be segregated, and shall not be used to defray any of RFC's general operating expenses, except for such reasonable salaries, administrative costs and overhead as RFC may incur in activities related to administration of the Fund and its marketing programs, including, without limitation, conducting market research, developing and maintaining websites, preparing advertising and marketing materials and collecting and accounting for other contributions to the Fund. The Fund is not audited. An unaudited statement of monies collected and costs incurred by the Fund shall be prepared annually by RFC and shall be furnished to you upon written request. RFC will not use any portion of the Fund for solicitation of franchisees. During the last fiscal year of the Fund (ending on December 29, 2025), the Fund spent 59.8% of its income on marketing and advertising, 10.9% for administration expenses, and 29.3% for public relations. (Franchise Agreement – Paragraph VI.A.)

Currently, RFC does not have an advertising council, but reserves the right to create such a council in the future. In the event an advertising council is created, members will be selected from existing franchisees and will serve in an advisory capacity only. RFC has the right to change or dissolve the advertising council as it deems necessary.

Currently, RFC does not have a advertising fund (the "Local Ad Fund"), an advertising cooperative comprised of ROCKY ROCOCO RESTAURANTS located in the same market area. In market areas in which there are two (2) or more Rocky Rococo Restaurants, RFC shall have the right to establish, maintain and administer the Local Ad Fund for the benefit of ROCKY ROCOCO RESTAURANTS located in the same market area. The Fund is not administered pursuant to a written plan. RFC shall determine which ROCKY ROCOCO RESTAURANTS shall comprise the same market area and the Local Ad Fund may be changed, dissolved, or merged, upon direction of RFC. If established, the Local Ad Fund shall be used for advertising, media placement, marketing and public relations programs and related activities as RFC may deem necessary or appropriate to promote ROCKY ROCOCO RESTAURANTS in the market area.

You shall contribute not more than 3 1/2% of your gross sales to the Local Ad Fund for the purpose of promoting ROCKY ROCOCO RESTAURANTS in the market area based upon the following formula:

a. RESTAURANTS with no electronic media shall contribute 1 1/2% of weekly gross sales;

b. RESTAURANTS with radio media shall contribute 2 1/2% of weekly gross sales; and

c. RESTAURANTS with television media shall contribute 3 1/2% of weekly gross sales.

RFC may increase the maximum amount you are required to contribute to the Local Ad Fund, provided, that such increase is approved by the owners of not less than 60% of the RESTAURANTS which are participating in the Local Ad Fund.

The Local Ad Fund contribution is payable together with, and for the same period, as the royalty and service fee.

The Local Ad Fund may be used to pay various costs of preparing, adopting and producing video, audio and written advertising materials, interest on borrowed funds, sponsorship of sporting, charitable or other similar events, reasonable salaries and expenses of employees of RFC, or RFC's affiliates, working for or on behalf of the Local Ad Fund or on advertising, marketing, public relations materials, programs, or activities or promotions for the benefit of the Local Ad Fund and administrative costs and overhead of RFC, or RFC's affiliates, incurred in activities reasonably related to administering or activities of the Local Ad Fund. You shall agree to participate in all advertising, promotional events, and public relations programs instituted by the Local Ad Fund.

RFC assumes no direct or indirect liability or obligation to you with respect the maintenance, direction or administration of the Local Ad Fund. You agree and acknowledge that the Local Ad Fund is intended to maximize the general public recognition and acceptance of the Marks for the benefit of the system in that RFC, and RFC's designee, make no representation and undertake no obligation in administering the Local Ad Fund to make the expenditures for you, which are equivalent or proportionate to your contribution, or to insure that any particular franchisee benefits directly or prorata from the Local Ad Fund.

The Local Ad Fund shall be accounted for separately from RFC's other funds, but shall not be required to be segregated, and shall not be used to defray any of RFC's general operating expenses, except for such reasonable salaries, administrative costs and overhead as RFC may incur in activities related to administration of the Local Ad Fund and its marketing programs, including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for other contributions to the Local Ad Fund. An unaudited statement of monies collected and costs incurred by the Local Ad Fund shall be prepared annually by RFC and shall be furnished to you upon written request. RFC will not use any portion of the Local Ad Fund for solicitation of franchisees. (Franchise Agreement - Paragraph VI.B.)

RFC is currently not collecting the Local Ad Fund contribution, but retains the right to institute the Local Ad Fund upon 30 days' written notice to you.

RFC is not obligated to conduct advertising for the franchise system and does not provide any advertising.

During any week in which you do not participate in a Local Ad Fund, an amount designated by RFC, not to exceed 3 1/2% of your gross sales, shall be expended by you for local advertising and promotion of the RESTAURANT, based upon the following formula:

a. RESTAURANTS with no electronic media shall expend 1 1/2% of weekly gross sales;

b. RESTAURANTS with radio media shall expend 2 1/2% of weekly gross sales; and

c. RESTAURANTS with television media shall expend 3 1/2% of weekly gross sales.

You shall make such advertising expenditures within 90 days of the close of a weekly period. RFC may increase the maximum amount you are required to expend for local advertising and promotion, provided, that such increase is approved by the owners of not less than 60% of the RESTAURANTS which are not participating in the Local Ad Fund.

Such expenditures shall be made within 90 days of the close of a weekly period. The following items shall not count towards local advertising: 1) money spent on classified telephone directory listings and advertisements, advertising and promotional expenses required under the lease for the Franchised Business and discounts and redemption of coupons; and 2) the cost of goods or services supplied without charge. If required by RFC, you shall submit, within 15 days after the end of each calendar quarter, verification of the amounts spent on local advertising for the previous calendar quarter. (Franchise Agreement – Paragraph VI.C.)

You shall list and advertise the Franchised Business in the principal regular (White Pages) and classified (Yellow Pages) telephone directories distributed within your primary trading area.

You agree to conduct a grand opening advertising and promotion program for the Franchised Business during the period commencing 30 days before and ending 30 days after the opening of the Franchised Business and to expend not less than $5,000.00 for that purpose. (Franchise Agreement – Paragraph VI.C.)

5. Electronic Cash Registers or Computer Systems. You agree to use in the development and operation of your RESTAURANT programs and computer hardware which RFC may specify or require for point-of-sale system, bookkeeping, inventory, training, marketing, employee selection, operations and financial information collection and retrieval systems for use with the operation of a ROCKY ROCOCO RESTAURANT, which costs is approximately Ten Thousand Dollars ($10,000.00). During the term of the Franchise Agreement, technological advances may require you to up-date computer hardware and/or software and to obtain service and support for your computer system during the term of the Franchise Agreement. In addition, there will be ongoing support for your computer system during the term of the Franchise Agreement. There is no obligation of RFC, or any affiliate of RFC, to provide ongoing maintenance, repairs, up-grades or up-dates to your computer system. As technology changes, RFC cannot estimate the anticipated costs or the frequency and costs of up-grades and/or up-dates, and maintenance to the computer system. The cost to you to obtain the computer system, including any licensed program, may not be fully amortizable over the remaining term of the Franchise Agreement. RFC does not have access to your computer information.

You agree to incur costs with obtaining the programs and the computer hardware comprising the computer system, provided that the computer system that RFC specifies for use by you is the same computer system which RFC is then currently specifying for use by new franchisee, or affiliate-owned stores. Within 120 days after you receive notice from RFC, you shall obtain the components of the computer system which RFC designated and requires.

You shall install and use the computer system at the Franchised Business and transmit information to RFC through use of the computer system. You, at your expense, shall establish and maintain at the Franchised Business, a) a dedicated line RFC may use to access the computer system, b) full and complete corporate records and reports, and c) data bases in the form specified by RFC pertaining to the operation of the Franchised Business, supervisory reports relating to the Franchised Business and accounting, record keeping, and records retention system conforming to the requirement prescribed by RFC (including, requirements for a general ledger system which includes the standard chart of accounts required by RFC and for timely entry of information into data bases of the computer system and periodic print-outs of reports generated from the computer system), information relating to employee turn-over and other reports and information as RFC may require. Each transaction of the Franchised Business shall be processed on the computer system in the manner required by RFC. RFC shall have the right to retrieve information from and data processed on the computer system with respect to the Franchised Business, and you shall take such action as may be necessary to provide access to RFC. All information retrieved from you and from other franchisees shall be the exclusive property of RFC. (Franchise Agreement – Paragraph IX.D.)

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expenses such as travel, lodging and meals. The speed with which you and your employees or representatives complete formal and on the job training will be determined by prior experience and general aptitude. RFC also provides you with opening assistance for a period of 5 business days beginning 3 days before the scheduled opening day of the RESTAURANT, or at the discretion of RFC. This assistance includes the providing by RFC of 1 member of RFC's operational staff to assist you for the first 2 business days of operation. RFC provides such staff at RFC's own expense, except that all costs that may be incurred by RFC for the wages, lodging and meals of such personnel after expiration of the 5-day opening training period is borne by you at your sole expense, if RFC's personnel are available for such extended training. The initial training program is mandatory. (Franchise Agreement – Paragraph V.A.)

RFC, in addition to providing layout for the interior of a typical ROCKY ROCOCO RESTAURANT, on-site operational instruction, customer service procedures, and management techniques in operating a ROCKY ROCOCO RESTAURANT, also provides training covering general management duties and responsibilities. You can also request additional meetings and instruction as part of your on the job training at no expense. RFC may require additional training, at RFC's discretion, as RFC determines necessary in the best interest of the system.

The failure of you or your employee, representative, or designees to complete such training to the satisfaction of RFC is grounds for termination of the Agreement at the option of RFC. (Franchise Agreement – Paragraph V.A.)

You or your employees will be responsible for the expenses of training programs, including costs and expenses of transportation, lodging, meals and wages and employee benefits. RFC reserves the right to impose reasonable charges for advance training course materials. RFC will notify you of any additional charges before you or your employees enroll in a course.

All classes are scheduled by advance written notices to all franchisees. Scheduled classes may be cancelled; RFC's class cancellation policies will be included in the written notice of class schedules.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On Job Training	Location
VCM (Dough Making)	0	12	Wauwatosa, Wisconsin
Pizza Preparation	0	24	Wauwatosa, Wisconsin
Quality Control/Oven	0	36	Wauwatosa, Wisconsin
Bussing/DMO	0	4	Wauwatosa, Wisconsin
Customer Service	0	36	Wauwatosa, Wisconsin
Delivery	0	12	Wauwatosa, Wisconsin
Administration	0	36	Wauwatosa, Wisconsin

RFC also may offer additional or refresher training courses. Some of these courses may be mandatory, and some may be optional. These courses may be conducted at RFC's headquarters or at any other locations selected by RFC. You must attend (or cause your Manager or other employees to attend) and satisfactorily complete all mandatory training programs including basic and advanced training, refresher courses, meetings and seminars, as RFC may require. If you or any of your employees are unable to complete a required program satisfactorily, you may designate a substitute trainee acceptable to RFC.

Item 12

TERRITORY

The franchise is for a specific location which shall be approved by RFC. During the term of the franchise, RFC will not, so long as the Franchise Agreement is in force and effect, and you are not in default under any of the terms of the Franchise Agreement, enfranchise or operate any other ROCKY ROCOCO RESTAURANT within a radius of 1 mile of the Franchised Business, except that a ROCKY ROCOCO RESTAURANT located within a major regional shopping mall shall not be granted a 1 mile radius protection, nor shall a ROCKY ROCOCO RESTAURANT located in a major regional shopping mall which is within a Franchisee's 1 mile radius protection be a violation of such protection, and if in the sole and exclusive judgment of RFC, the Franchised Business is located within a central business district, the 1 mile radius protection shall not apply. A major regional shopping mall is defined as a regional shopping mall consisting of a minimum of 500,000 square feet of space, including a minimum of 2 department stores as anchor tenants. The continuation of your territory is not dependent upon you achieving a certain sales volume, market penetration, or any other contingency and your territory may not be altered, except with the written consent of both you and RFC. RFC retains the right:

(a) to operate and grant to others the right to operate ROCKY ROCOCO RESTAURANTS in such locations, that do not infringe upon your territory, and on such terms and conditions as RFC deems appropriate; and

(b) to sell the products and services authorized for ROCKY ROCOCO RESTAURANTS under the Marks, or under other trademarks and service marks through similar or dissimilar channels of distribution and on such terms and conditions as RFC deems appropriate.

There are no restrictions on other franchisees from soliciting customers inside your territory, or on you from soliciting customers outside of your territory. Neither RFC, nor an affiliate, has reserved the right to make sales within your territory or to make sales within your territory of products or services under trademarks different from the ones you will use under the Franchise Agreement. You may not operate the Franchised Business at any other site without RFC's prior written consent. RFC may approve the relocation of the Franchised Business providing the new location meets the existing standards for locations and does not infringe upon the territory of any other ROCKY ROCOCO RESTAURANT, using the same trademarks. You do not have an option, right of first refusal, or similar right to acquire additional franchises within your territory or contiguous territories. RFC does not operate, franchise, or have present plans to operate or franchise a business under a different trademark selling goods or services similar to those offered by you.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that RFC owns, or from other channels of distribution or competitive brands that RFC controls.

Item 13

TRADEMARKS

Under the Franchise Agreement, You are granted the right to operate under the trade name "ROCKY ROCOCO".

The trademark, "ROCKY ROCOCO", has been registered with the United States Patent and Trademark Office on January 12, 1982, Registration #1,186,029, in the Principal Register by ROCKY ROCOCO CORPORATION. ROCKY ROCOCO CORPORATION has filed all required Affidavits with the United States Patent and Trademark Office. The trademark, "ROCKY ROCOCO", has been registered in the country of Canada on May 29, 1987, Registration #TMA328045. The ROCKY ROCOCO image and design was registered with the United States Patent and Trademark Office on January 28, 2003, by ROCKY ROCOCO

CORPORATION, Registration #2681017. ROCKY ROCOCO CORPORATION, has filed all required Affidavits with the United States Patent and Trademark Office. ROCKY ROCOCO CORPORATION, under a Licensing Agreement dated June 26, 1995, has licensed to RFC rights to use, and grant the right to use said servicemark to others, who qualifies as franchisees the Mark, "ROCKY ROCOCO", and any and all trademarks and servicemarks which ROCKY ROCOCO CORPORATION may subsequently acquire or use in business carried on and conducted by it. The Licensing Agreement is perpetual. The Agreement may be cancelled or modified only with the written agreement of ROCKY ROCOCO CORPORATION, and RFC.

With respect to any similar trademarks or service marks that are not registered by others, others may be able to use such trademarks and/or service marks in territories in which RFC or RFC's Franchisees and representatives are not operating or advertising, or which are not within the natural zone of expansion for future ROCKY ROCOCO RESTAURANTS, provided such others do so in good faith and without actual knowledge of the ROCKY ROCOCO RESTAURANTS. If others do establish in such territories, RFC may be restricted in its ability to expand into such territories.

The words "ROCKY ROCOCO PAN-STYLE PIZZA", has been registered by ROCKY ROCOCO CORPORATION in the State of Wisconsin in 1974.

The above listed trademark registrations have been renewed as required.

There is presently no effective material determinations of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, and the Trademark Administrator of this State or any Court; or any pending infringement, opposition or cancellation; proceedings; or any pending material litigation involving the principal trademarks. There is no pending material Federal or State Court litigation regarding RFC's use or ownership rights in any trademark.

Other than the above, there are no agreements currently in effect that significantly limit the rights of RFC to use or license the use of trademarks listed in this Disclosure Document in a manner material to the franchise other than licensed to RFC's future company-owned stores.

You shall promptly notify RFC of any use by any person or legal entity other than RFC, or another ROCKY ROCOCO franchisee, of any marks licensed or any colorable variation, or any other mark in which RFC has or claims a proprietary interest. You shall also promptly notify RFC of any litigation instituted by any person or legal entity against you involving the Marks.

RFC will protect you against any claims of infringement or unfair competition brought against you and arising out of the use of RFC's trade names, or logos, and to defend you in any legal action arising therefrom provided you have promptly notified RFC in writing of the facts of such claim or challenge, and provided you have used such trade names or logos in strict accordance

with the provisions of the Franchise Agreement and the provisions of all rules, regulations, directives, and procedures provided by RFC.

RFC alone has the right to control or settle any such legal actions or proceedings. RFC, may prosecute or defend any other actions or proceeding necessary or desirable for the protection of RFC's trade names, logos, or future service marks and you agree not to contest RFC's right, title, or interest in such names, marks and logos. If it becomes advisable at any time in the discretion of RFC to modify or discontinue use of any mark and/or use one or more additional or substitute trademarks or servicemarks, you agree to comply with RFC's directions to modify or otherwise discontinue the use of such mark and/or use one or more additional or substitute trademarks or servicemarks within a reasonable time after notice by RFC. RFC's sole obligation shall be to reimburse you for your reasonable out-of-pocket costs of changing signage. RFC shall not be obligated to reimburse you for any loss of goodwill associated with any modified or discontinued mark or for any expenditures made by you to promote a modified or substitute trademark or servicemark.

There are no infringing uses actually known to RFC that could materially affect your use of the trade names, logo types, or other commercial symbols in this state or in other states in which the Franchised Business is to be located or is located.

The Minnesota Department of Commerce requires that RFC indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that your use of RFC's trademark infringes trademark rights of the third party. RFC does not indemnify against the consequences of your use of RFC's trademark except in accordance with the requirements of the franchise, and, as a condition to indemnification, you must provide notice to RFC of any such claim within 10 days and tender the defense of the claim to RFC. If RFC accepts the tender of defense, RFC has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

RFC does not own any rights in or to any patents which are material to the franchise. RFC presently has proprietary rights in numerous items such as advertising designs and the like relating to the operation of its ROCKY ROCOCO RESTAURANTS, which are suitable for copyright protection. RFC reserves any and all rights which it has in and to such items.

Under the Franchise Agreement, RFC will loan to you one copy of the Operations Manual, which may consist of one or more manuals and other written materials. RFC has not filed an application for registration of its copyright in the Operations Manual, but claims a copyright and treats the information in the Operations Manual as confidential trade secrets. You must promptly tell RFC when you learn about unauthorized use of this proprietary information.

There are no infringing uses actually known to RFC that could materially affect you.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

It is RFC's belief and recommendation, but not requirement, that you (if a sole proprietorship) or designated partner (if Franchisee is a partnership) or designated member (if Franchisee is a limited liability company) or a designated officer (if Franchisee is a corporation), should devote full time and attendance as well as your best efforts to the performance of the supervisory duties.

The Franchised Business shall at all times be under the direct, on premises supervision of a manager, or assistant manager, who need not have an equity interest in the business, who shall devote full time, energy and best efforts to the management operation of the business licensed hereunder and to maintain any and all applicable state, local or other registrations or licenses. The person who shall be responsible for the day to day supervision must attend, and successfully complete training to the satisfaction of RFC. The person who shall be responsible for the day to day supervision shall not engage directly or indirectly in any business or other activity requiring substantial management responsibility or time commitments which otherwise may conflict with your obligations.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer products and services that RFC designates as required for all franchisees. These required products and services include the sale of pizza, pasta, and other food and beverage items. RFC may require you to remove products which RFC believes to be inconsistent with the System image. You must operate the Franchised Business in strict conformity with all required methods, procedures, policies, standards and specifications of the System in the Operations Manual and in writing by RFC.

The standards, specifications and operating procedures include:

(a) type, quality, taste, weight and dimensions, ingredients, uniformity, manner of preparation in sale of food products and beverages sold by the Franchised Business and all other products used in the packaging and sale thereof;

(b) hours and days in which the Franchised Business will be open for business;

(c) manner of and limitations on delivery of food products and beverages outside the premises;

(d) safety, maintenance, cleanliness, sanitation, function and appearance of the premises and its fixtures, equipment, furniture, decor and signs;

(e) qualifications, dress, general appearance and demeanor of your employees;

(f) use of the Marks;

(g) use and retention of standard forms;

(h) identification of you, as the owner of the Franchised Business; and

(i) advertising and promotion.

You must use the location only for the operation of the Franchised Business and may not operate any other business at or from the location without the prior written consent of RFC.

RFC reserves the right to change or to designate additional or required or optional services. There are no limits on RFC's rights to do so provided these additional services are compatible with a restaurant specializing in pizza and pasta and offering and serving other food and beverage items.

See Items 9, 11, and 12 for more information about your obligations and restrictions.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or other Agreement	Summary
a. Length of the franchise term	II. A. FDA.2.	15 years 180 days
b. Renewal or extension of the term	II. B. FDA.2.	If you are in good standing, you can renew for an additional period of 15 years As agreed by RFC and you
c. Requirements for franchisee to renew or extend	II. B. FDA.2.	Give notice, execute then current Franchise Agreement which may contain materially different terms and conditions than the original contract, remodel restaurant, attend and complete re-training program. There are no renewal fees. None
d. Termination by franchisee	None FDA.2.	 You may terminate if you are unable to acquire a site within 180 days of signing Franchise Deposit Agreement
e. Termination by franchisor without cause	None FDA.2.	 RC may terminate if you are unable to acquire a site within 180 days of signing Franchise Deposit Agreement
f. Termination by franchisor with cause	XV. FDA.6.	RFC can terminate only if you are in default
g. "Cause" defined –	XV.	You have 30 days to cure: fail to submit reports

curable defaults		or financial data, bankruptcy, real or personal property attached or levied upon, commit an act which materially impairs goodwill, fail to comply with agreements, fail to decorate and equip premises, default on Lease, sell, lease or sublease Lease, if Lease or Sublease is terminated, fail to maintain insurance, fail to operate restaurant, breach any obligation under any agreements, fail to maintain trade accounts, fail to pay federal or state income taxes, and any other default not listed in Section XV. of the Franchise Agreement. You have 10 days to cure non-payment of fees.
h. "Cause" defined – non-curable defaults	XV. FDA.6.	Non-curable defaults: Adjudged bankrupt, assignment for benefit of creditors, abandonment, criminal misconduct, failure to comply, material misrepresentation, loses right to possession, makes unauthorized assignment of Franchise Agreement, unauthorized disclosure of confidential information, failure to comply with mandatory standards, intentionally understates gross sales, and repeatedly fail to comply with lawful provisions of Franchise Agreement You fail to acquire a site within 180 days, made a material misrepresentation or omission in application, convicted by a trial court, or pleads no contest to a felony, or make any unauthorized use or disclosure of any confidential information
i. Franchisee's obligations on termination/non-renewal	XVI. FDA.8.	Obligations include payment of amounts due, complete deidentification, and covenant not to compete Covenant not to compete
j. Assignment of contract by franchisor	XVIII. A. FDA	No restriction on RFC's right to assign No restriction on RFC's right to assign
k. "Transfer" by franchisee – defined	XVIII. B FDA.12.	Includes transfer of contract or assets or ownership change
l. Franchisor's approval of	XVIII. B.	RFC has the right to approve all transfers but will

transfer by franchisee	FDA	not unreasonably withhold approval No provisions in Agreement
m. Conditions for franchisor's approval of transfer	XVIII. C. FDA	New franchisee qualifies, your accounts made current, transfer fee paid, training arranged, release signed by you, covenant not to compete signed by you, remodel, and current Agreement signed by new franchisee No provisions allowing transfer
n. Franchisor's right of first refusal to acquire franchisee's business	XVIII. G. FDA	RFC can match any offer for the franchise business None
o. Franchisor's option to purchase franchisee's business	None	
p. Death or disability of franchisee	XVIII. E. FDA	Franchise must be assigned by estate to approved buyer or heir within 6 months None
q. Non-competition covenants during the term of the franchise	XIV. A. FDA.5.	No involvement in competing business anywhere The Franchise Agreements provision(s) are subject to State Law
r. Non-competition covenants after the franchise is terminated or expires	XVI. D. FDA.5.	No competing business for 1 year within 5 miles of the designated area or within a radius of 5 miles of the location of any other business using the System No competing business for 1 year within 50-mile radius of the designated area or within a radius of 50 miles of the location of any other business using the System The Franchise Agreements provision(s) are subject to State Law
s. Modification of the agreement	XXV. FDA	No modifications, but Operations Manual subject to change
t. Integration/merger clause	XXV.	Only the terms of the Franchise Agreement, Exhibits, and all agreements signed with it are

	FDA	enforceable. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. The Franchise Agreements provision(s) are subject to State Law
u. Dispute resolution by arbitration or mediation	XXIX. FDA	Except for certain claims, all disputes must be arbitrated by the American Arbitration Association at its office nearest RFC. None
v. Choice of forum	None	No restriction on choice of forum The Franchise Agreements provision(s) are subject to State Law
w. Choice of law	XXVII. FDA	Wisconsin law applies None The Franchise Agreements provision(s) are subject to State Law

Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit RFC from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchisees governed by Minnesota law, RFC will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, 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.

Item 18

PUBLIC FIGURES

RFC does not use any public figures to promote its franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if:

1) a franchisor provides the actual records of an existing outlet you are considering buying; or

2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representation either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Thomas R. Hester III, 105 East Wisconsin Avenue, Oconomowoc, Wisconsin 53066, (262) 569-5580, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

Systemwide Outlet Summary
For year 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	18	21	3
	2025	21	24	3
	2024	24	24	0
Company-Owned	2023	8	7	-1
	2024	7	7	-
	2025	7	7	-
Predecessor-Franchised	2023	6	3	-3
	2024	3	0	-3
	2025	0	0	-
Total Outlets	2023	32	31	-1
	2025	31	31	-
	2024	31	31	-

Note: Company-owned outlets are not owned by RFC, but are owned by affiliates of RFC.

Note: Predecessor-franchised outlets were franchised by Rocky Rococo Corporation, a predecessor and affiliate of RFC.

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023, 2024 and 2025

State	Year	Number of Transfers
	2023	1
	2024	1
	2025	2
Total		4

Status of Franchised Outlets
For years 2023, 2024 and 2025

State	Year	Outlets at Start of Year	Outlets Opened/ Predecessor Affiliated Transferred	Terminations	Non-Renewals	Reacquired by Franchisor/or Affiliates	Ceased Operations – Other Reasons	Outlets at End of the Year
Wisconsin	2023	17	4	0	0	0	1	20
	2024	20	3	0	0	0	0	23
	2025	23	0	0	0	0	0	23
Minnesota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	2023	18	4	0	0	0	1	21
	2024	21	3	0	0	0	0	24
	2025	24	0	0	0	0	0	24

Status of Company-Owned Outlets
For years 2023, 2024 and 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Wisconsin	2023	8	0	0	0	1	7
	2024	7	0	0	0	0	7
	2025	7	0	0	0	0	7
Total	2024	8	0	0	0	1	7
	2023	7	0	0	0	0	7
	2025	7	0	0	0	0	7

Projected Openings as of December 30, 2025

State	Franchise Agreements Signed, But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned/Affiliate-Owned Outlet in the Next Fiscal Year
Wisconsin	0	2	0
Minnesota	0	1	0
Total	0	3	0

The following is a list of the names, addresses, and telephone numbers of all current franchisees to which franchises have been granted:

RMDT, LLC
226408 Rib Mountain Drive
Wausau, Wisconsin 54401
Tia Engebrecht
(715) 212-7649

JJAM, LLC
135 Division Street N.
Stevens Point, Wisconsin 54481
Melissa Slack
(715) 342-8885

TRH Whitewater, Inc.
1210 West Main Street
Whitewater, Wisconsin 53190
David Apgar
(262) 473-2105

R&P Restaurants II, LLC
7600 West Capitol Drive
Milwaukee, Wisconsin 53222
Heyden Penkert
(414) 465-0452

Brymat, LLC
2295 Westowne Avenue
Oshkosh, Wisconsin 54904
Luke Geoffrion
(920) 235-2626

Mad Rock LLC
2010 West Silvernail Road
Pewaukee, Wisconsin 53072
Darin Hogy and Morten Sunde
(262) 513-8100

C & R Investments of Wood County
1841 Eighth Street South
Wisconsin Rapids, Wisconsin 54494
Craig and Rachelle Hanson
(715) 712-1200

C. Steven Setzer Enterprises, LLC
8300 West Brown Deer Road
Milwaukee, Wisconsin 53223
Craig Setzer
(414) 355-5222

HP Restaurants, LLC
15455 West Howard Avenue
New Berlin, Wisconsin 53151
Heyden Penkert
(262) 786-7000

MODA Inc.
6631 Washington Avenue
Racine, Wisconsin 53406
Darin Hogy and Morten Sunde
(262) 886-1984

SDJJ Agostino, LLC
7540 Brooklyn Boulevard
Brooklyn Park, Minnesota 55443
Stacey Agostino
(763) 560-5451

Derkster Enterprises, LLC
4800 Golf Road #226
Eau Claire, Wisconsin 54701
Regi Derks
(715) 210-7742

NITZZA, LLC
3740 South Taylor Drive
Sheboygan, Wisconsin 53081
John Degnitz
(920) 783-6639

K&L Restaurants, LLC
774 West Johnson Street
Fond du Lac, Wisconsin 54904
Luke Geoffrion
(920) 922-6100

Dough It Right, LLC
W3178 Van Roy Road
Appleton, Wisconsin 54914
Luke Geoffrion and Elizabeth Recarte
(920) 832-3992

TMart Operations I, LLC
N1551 Sunset Drive
Lodi, Wisconsin 53555
Jeremy Alsaker
(608) 292-4505

Midwest Pizza, LLC
2828 Prairie Lakes Drive, #108
Sun Prairie, Wisconsin 53590
Pam Zeller and Jim Voeck
(608) 825-2555

1618 West Beltline Highway
Madison, Wisconsin 53713
(608) 251-0304

Three Rivers Rockys, LLC
1239 Crossing Meadows Drive
Onalaska, Wisconsin 54650
Stacey Agostino and Jasin Ellenz
(608) 784-0300

Three Rivers Rockys, LLC
40 Copeland Avenue, Suite 112
LaCrosse, Wisconsin 54603
Stacey Agostino and Jasin Ellenz
(608) 784-3374

Krockcoco, LLC
4301 West Wisconsin Avenue, #624
Appleton, Wisconsin 54913
Kris Dewing
(920) 830-9969

True Legacy Hospitality LLC
4556 Monona Drive
Madison, Wisconsin 53716
Jose Zavala and Yudit Zavala
(608) 221-3818

Castle Roc LLC
7952 Tree Lane
Madison, Wisconsin 53717
Victoria Schloss and Talina Schloss
(608) 829-1444

The following is a list of the names, last known home addresses, and telephone numbers of every franchisee who has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the application date:

None

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

Franchisees have not signed confidentiality clauses during the last 3 fiscal years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organizations which have asked to be included in this Disclosure Document.

Item 21

FINANCIAL STATEMENTS

Audited financial statements of Rococo Franchise Corporation, as of December 25, 2023, December 30, 2024, and December 29, 2025, audited by Vrakas, S.C., are attached to this Disclosure Document as Exhibit "FIN".

Item 22

CONTRACTS

Attached are copies of the following agreements relating to the offer of the franchise:

Exhibit FA	Franchise Agreement
Exhibit FDA	Franchise Deposit Agreement
Exhibit CAL	Collateral Assignment of Lease
Exhibit MA	Minnesota Addendum
Exhibit ST	State Agency Information

FINANCIAL STATEMENTS

ROCOCO FRANCHISE CORPORATION

EXHIBIT FIN

ROCOCO FRANCHISE CORPORATION

FINANCIAL STATEMENTS

DECEMBER 29, 2025, DECEMBER 30, 2024

AND DECEMBER 25, 2023

WITH INDEPENDENT AUDITORS' REPORT

vrakás

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vrakas
cpas+advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rococo Franchise Corporation

Opinion

We have audited the accompanying financial statements of Rococo Franchise Corporation (the Company), which comprise the balance sheets as of December 29, 2025, December 30, 2024, and December 25, 2023, and the related statements of operations and retained earnings and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 29, 2025, December 30, 2024, and December 25, 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 (GAAP).

Basis for 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Company 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 the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment 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 the Company'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 financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Vrakas S.C.

Brookfield, Wisconsin
March 9, 2026

Rococo Franchise Corporation

Balance Sheets

December 29, 2025, December 30, 2024 and December 25, 2023

	2025	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 679,680	$ 669,550	$ 520,944
Franchisee receivables	55,217	56,629	66,295
Other receivables	19,010	32,199	21,965
Prepaid expenses	10,799	-	10,445
Refundable income taxes	21,244	-	-
TOTAL CURRENT ASSETS	785,950	758,378	619,649
PROPERTY AND EQUIPMENT			
Furniture, fixtures and equipment	75,046	52,593	52,593
Less - accumulated depreciation	47,693	44,561	41,353
NET PROPERTY AND EQUIPMENT	27,353	8,032	11,240
TOTAL ASSETS	$ 813,303	$ 766,410	$ 630,889
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts payable	$ 25,219	$ 63,015	$ 5,594
Accrued payroll and related taxes	31,530	49,760	29,985
Cooperative advertising fund surplus	135,517	94,480	120,256
Gift cards payable	132,638	108,282	79,828
Accrued expenses	-	-	386
Income taxes payable	-	2,173	15,766
TOTAL CURRENT LIABILITIES	324,904	317,710	251,815
DEFERRED INCOME TAX LIABILITY	7,000	2,000	3,000
STOCKHOLDER'S EQUITY			
Common stock, $.02 par value per share, 9,000 shares authorized, 2,000 issued; 1,000 shares outstanding	40	40	40
Additional paid-in capital	49,960	49,960	49,960
Retained earnings	541,876	507,177	436,551
Less - 1,000 shares of treasury stock, at cost	(110,477)	(110,477)	(110,477)
TOTAL STOCKHOLDER'S EQUITY	481,399	446,700	376,074
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 813,303	$ 766,410	$ 630,889

The accompanying notes are an integral part of these statements.

Rococo Franchise Corporation

Statements of Operations and Retained Earnings

For the Years Ended December 29, 2025, December 30, 2024 and December 25, 2023

	2025	2024	2023
REVENUES			
Royalty revenues	$ 1,212,952	$ 1,063,524	$ 862,654
Transfer fees	25,000	50,000	62,500
Advertising fees	234,157	269,344	228,699
TOTAL REVENUES	1,472,109	1,382,868	1,153,853
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,422,854	1,284,610	1,063,048
INCOME FROM OPERATIONS	49,255	98,258	90,805
INCOME TAX EXPENSE	14,556	27,632	25,585
NET INCOME	34,699	70,626	65,220
RETAINED EARNINGS			
Beginning of year	507,177	436,551	371,331
End of year	$ 541,876	$ 507,177	$ 436,551

The accompanying notes are an integral part of these statements.

Rococo Franchise Corporation

Statements of Cash Flows

For the Years Ended December 29, 2025, December 30, 2024 and December 25, 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 34,699	$ 70,626	$ 65,220
Add (deduct)			
Depreciation	7,184	3,208	3,206
Deferred income taxes	5,000	(1,000)	3,000
Change in cash and cash equivalents due to changes in			
Franchisee receivables	1,412	9,666	(19,746)
Other receivables	13,189	(10,234)	(21,965)
Prepaid expenses	(10,799)	10,445	(305)
Other assets	-	-	3,327
Accounts payable	(37,796)	57,421	(3,946)
Accrued payroll and related taxes	(18,230)	19,775	7,273
Refundable income taxes/income taxes payable	(23,417)	(13,593)	22,575
Cooperative advertising fund surplus	41,037	(25,776)	(20,482)
Gift cards payable	24,356	28,454	17,990
Accrued expenses	-	(386)	55
NET CASH FLOW - OPERATING ACTIVITIES	36,635	148,606	56,202
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of furniture, fixtures and equipment	(26,505)	-	-
NET CASH FLOW - INVESTING ACTIVITIES	(26,505)	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,130	148,606	56,202
CASH AND CASH EQUIVALENTS			
Beginning of year	669,550	520,944	464,742
End of year	$ 679,680	$ 669,550	$ 520,944
ADDITIONAL INFORMATION			
Income taxes paid	$ 32,973	$ 42,166	$ -

The accompanying notes are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business - Rococo Franchise Corporation (the Company or RFC) is a regional franchisor of quick service pizza and pasta restaurants. The restaurants are operated under the trade name Rocky Rococo Pizza and Pasta and are currently located in Wisconsin and Minnesota. The Company was founded on June 13, 1995. As of the date these financial statements were available to be issued, there are 31 restaurants operating under the trade name "Rocky Rococo Pizza and Pasta" (see Note 3 for additional location information). These restaurants are operated in accordance with a system established by the Company. In addition, the Company assists with location selection for new restaurants, designs and supervises the construction of new restaurants and coordinates advertising campaigns for the franchisees. Restaurant revenues consist of both dine-in and carryout services. Future revenues are dependent on the health of the Wisconsin and Minnesota food service industry, which is generally tied to consumer demographics and spending habits.

Fiscal year - The Company's fiscal year end covers the 52-53 week period ending on the last Monday in December.

Accounting estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent events - The financial statements include management's evaluation of the events and transactions occurring subsequent to December 29, 2025 through March 9, 2026, which is the date the financial statements were available to be issued.

Cash and cash equivalents - The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents in Federal Deposit Insurance Corporation (FDIC) insured banks. The FDIC provides limited insurance on cash and cash equivalents deposits. At times, the Company's cash and cash equivalents may exceed the FDIC insurance limit; however, the Company does not expect to experience any losses on its cash and cash equivalents deposits.

Franchisee receivables - The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated credit risk by performing credit checks and actively pursuing past due accounts. Receivables from franchisees for royalty and advertising fees are due by the end of the following week to which the activity relates. The Company does not charge finance charges on receivables past due. Collections from franchisees are continuously monitored and an allowance for credit losses is maintained. In determining the allowance for credit losses, the Company applies a practical expedient under GAAP which assumes that current economic conditions as of the balance sheet date do not change for the remaining life of the receivable. The Company determines its allowance for credit losses based on any specific customer collection issues and aggregate historical collection experience adjusted for collection activity after the balance sheet date through the date that the financial statements were available to be issued. Franchisee receivables are written off when determined uncollectible and are recognized as a reduction to the allowance for credit losses. Management has determined no allowance for credit losses was needed as of December 29, 2025, December 30, 2024, and December 25, 2023.

Other receivables - The Company sells gift cards online and at restaurants. Funds collected from gift card sales and funds reimbursed upon the utilization of gift cards are processed through a third-party processor.

Property and equipment - Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to seven years.

Long-lived assets - The Company annually considers whether indicators of impairment of long-lived assets held for use are present. If such indicators are present, the Company determines whether the sum of the estimated undiscounted future cash flow attributable to such assets is less than their carrying amounts, and if so, the Company would recognize an impairment loss based on the excess of the carrying amounts over their fair value. Management determined that no indicators of impairment were present as of December 29, 2025, December 30, 2024 or December 25, 2023.

Gift cards payable - Gift cards payable are an accumulation of gift card sales by both franchisee and affiliate owned restaurant locations, less amounts utilized by the purchasers of the gift cards. Affiliate owned restaurants are owned by a member of the Company's management (see Note 3). For the fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023, the Company collected gift card purchases from franchisees and affiliates of $96,413, $88,609 and $61,587 and reimbursed gift cards utilized at franchise and affiliate locations of $72,057, $60,155 and $43,597.

Revenue recognition - The Company generates revenues from franchising through individual franchise agreements. In consideration for the payment of an initial franchise fee, continuing royalties, and other amounts specified in the franchise agreement, the Company grants new franchisees the use of the Rocky Rococo trade name, system and training, and restaurant operation assistance.

Payment for the franchise agreement consists of a fixed fee of $25,000 for a new franchisee and $17,500 for existing franchisees opening a new location. The fixed fee for a franchise transferred to a new franchisee is $12,500. The fixed fee, as determined by the signed franchise or transfer agreement, is due at execution of the agreement and refundable if the agreement is cancelled within ten days of execution. When ten days have passed, the fixed fee is nonrefundable. The Company accounts for all pre-opening activities as a single performance obligation and recognizes all franchise and transfer fees when a location is opened or transferred.

Royalty fees, which are based upon a percentage of up to 5% of gross revenue collected by the franchisees, are recognized as revenue by the Company when such revenues are earned by those franchisees. If franchisees do not reach a gross sales threshold during the fiscal year as defined in each franchise agreement, the Company retroactively reduces the percentage to 3.5% and credits the difference to the franchisees' balance owed in the future. Royalty revenues are primarily related to the use of the license agreement and are recognized as income in the same period in which the sales occur.

Sales-based advertising fees, which are based on .75% of gross revenue collected by the franchisees, are recognized as income in the same period in which such revenues are earned by those franchises. Any advertising fees collected that are greater than advertising expenses are recorded as a cooperative advertising fund surplus at the end of the fiscal year.

Advertising expenses - Advertising expenses are expensed when incurred. Advertising expenses are comprised of costs incurred by the Company to benefit franchise operations. The Company may also incur additional advertising expenses should the Company spend more than is collected from the franchisees in the future.

Advertising expense for the fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023 was $235,410, $270,344 and $229,359, and is included as a component of selling, general, and administrative expenses in the accompanying statements of operations and retained earnings.

Related party entities - The Company has elected to adopt Accounting Standards Update (ASU) No. 2018-17, *Consolidation - Targeted Improvements to Related Party Guidance for Variable Interest Entities (VIE)*, which provides an accounting alternative under which a company may elect not to apply VIE guidance to legal entities under common control if both the company and the legal entity being evaluated for consolidation are not public business entities. The Company has determined it satisfies the requirements provided by this accounting alternative and therefore, has not considered whether any related party entities that are under common control meet the requirements for consolidation under the VIE guidance.

2. COOPERATIVE ADVERTISING FUND

The Company and franchisees have entered into a marketing fund agreement. The franchisees pay weekly fees, equal to .75% of gross sales, to the Company for the creation and development of franchise-wide advertising, marketing, media placement, media and public relations programs, research, and related activities that the franchisor deems necessary and appropriate to advertise or promote the franchise. Advertising fees collected but not spent during the fiscal year are considered a contract liability on the Company's balance sheets and will either be reimbursed to franchisees or retained by the Company for future advertising expenditures, based on the discretion of the Company. Activity in the cooperative advertising fund for the fiscal years ended December 29, 2025, December 30, 2024, and December 25, 2023 was as follows:

	2025	2024	2023
Beginning Balance	$ 94,480	$ 120,256	$ 140,738
Contributions	275,194	243,568	208,217
Spending	(234,157)	(269,344)	(228,699)
Ending Balance	$ 135,517	$ 94,480	$ 120,256

3. LOCATION INFORMATION

Location information for the fiscal years ended December 29, 2025, December 30, 2024, and December 25, 2023 is as follows:

Franchised locations	2025	2024	2023
Open at beginning of year	24	21	18
Opened during the year	-	-	-
Transferred during the year*	-	3	4
Closed during the year	-	-	(1)
Open at end of year	24	24	21

* There were two locations transferred between franchisees during 2025 and one additional location transferred between franchisees during 2023.

Locations owned by affiliates of the Company	2025	2024	2023
Open at beginning of year	7	7	8
Opened during the year	-	-	-
Closed during the year	-	-	-
Transferred to franchisee	-	-	(1)
Open at end of year	7	7	7

Predecessor-franchised locations	2025	2024	2023
Open at beginning of year	-	3	6
Opened during the year	-	-	-
Closed during the year	-	-	-
Transferred to franchisee	-	(3)	(3)
Open at end of year	-	-	3

Total locations	2025	2024	2023
Open at beginning of year	31	31	32
Opened during the year	-	-	-
Closed during the year	-	-	(1)
Open at end of year	31	31	31

The restaurant locations owned by affiliates of the Company and by the predecessor franchisor are located in the state of Wisconsin.

4. INCOME TAXES

The Company is a C Corporation under the provisions of the Internal Revenue Code. Deferred income taxes result from temporary differences between reporting of amounts for financial statement purposes and income tax purposes. These differences relate primarily to different methods utilized for depreciation for federal income tax purposes.

Following is a summary of the income tax provision for the fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023:

	2025	2024	2023
Current income tax provision	$ 9,556	$28,632	$22,585
Deferred income tax provision (credit)	5,000	(1,000)	3,000
	$14,556	$27,632	$25,585

Following is a summary of the deferred income tax assets and liabilities as of December 29, 2025, December 30, 2024 and December 25, 2023:

	2025	2024	2023
Deferred income tax assets	$ -	$ -	$ -
Deferred income tax liabilities	(7,000)	(2,000)	(3,000)
Net deferred income tax assets (liabilities)	$(7,000)	$(2,000)	$(3,000)

The Company analyzed the requirements for accounting for uncertain tax positions and determined that it was not required to record a liability related to uncertain tax positions as of December 29, 2025, December 30, 2024, and December 25, 2023. With few exceptions, the Company is no longer subject to federal income tax examinations by tax authorities for years before 2022 and state income tax examinations for years before 2021.

Effective December 30, 2025, the Company elected S corporation status under the provisions of the Internal Revenue Code. In connection with this election, the deferred income tax liability as of December 29, 2025 will be reversed and recorded as a component of the income tax provision for the fiscal year ended December 28, 2026. As an S Corporation, the Company will generally not pay federal or state income taxes on its taxable income. Instead, any taxable income or loss will be passed through and included on the income tax return of the stockholder.

5. RELATED PARTY TRANSACTIONS

The Company enters into transactions with various related entities, which are related through common ownership, for common expenses incurred and supplies used by the companies. Additionally, at times during the year, loans are made between the companies. Net payables to related parties, which were included in accounts payable at December 29, 2025, December 30, 2024 and December 25, 2023, were $10,776, $41,363 and $3,345.

The Company made payments to related party companies for management and consulting services to run the day-to-day operations in the amounts of $115,418, $136,790 and $122,382 for the fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023. The Company conducts its operations in a facility leased by a related party for which no rent is charged to the Company.

Predecessor-franchised locations were franchised by Rocky Rococo Corporation, a predecessor and affiliate of RFC. See Note 3 for locations which are owned by affiliates of the Company. All remaining predecessor franchised locations were transferred to franchised locations during 2024.

The Company receives payments from affiliate locations owned by related parties of RFC for advertising and marketing expenses. These restaurants pay a percentage of gross weekly sales into RFC's advertising and marketing fund. The amount paid to RFC from these restaurant locations during the fiscal years ended December 29, 2025, December 30, 2024 and December 25, 2023 were $57,983, $59,194 and $58,516. At the discretion of the Company, unused advertising and marketing funds may be reimbursed back to franchisees as well as these affiliates or used toward future marketing expenditures. The amounts due back to the affiliate locations which are included in the cooperative advertising fund surplus were $31,731, $24,901 and $36,754 as of December 29, 2025, December 30, 2024 and December 25, 2023.