FRANCHISE DISCLOSURE DOCUMENT

ALSIES FRANCHISING, LLC
A North Carolina limited liability company
1426 East Highway 54
Durham, North Carolina 27713
919-360-8033
franchise@alsies.com
www.alsiesfranchise.com

The franchisee will operate a modern ice cream truck, ice cream carts, and fixed ice cream freezers under the trademark "Alsies", selling gourmet ice cream and nostalgic classics and characters. The business utilizes a proprietary, mobile and web-based application that allows customers to track the Alsies truck in real-time, call Alsies to their location, receive push-button and text notifications and effortlessly book private events.

The total investment necessary to begin operation of the initial Alsies franchise ranges from $128,900 to $191,600. This includes $57,450 to $63,800 that must be paid to the franchisor, or affiliate.

The total investment necessary to begin operation of an Alsies multi-unit development business ranges from $168,400 to $231,100 for a minimum of 2 Alsies outlets. This includes $96,950 to $103,300 that must be paid to the franchisor and its affiliate(s).

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 the 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 government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2026

How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 D 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 Alsies business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Alsies franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

Business models can change. The franchise agreement may allow the franchisor to change its Manual 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 agency information in Exhibit A.

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

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 by mediation, arbitration and/or litigation only in North Carolina. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in North Carolina than in your own state.

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

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in the termination of your franchise and loss of your investment.

4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

5. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

ALSIES FRANCHISING, LLC
Franchise Disclosure Document

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

To simplify the language in this disclosure document, the terms "Franchisor", or "we" or "us" means Alsies Franchising, LLC, the Franchisor. The terms "we", "us" and "Franchisor" do not include you, the "Franchisee". We refer to the purchaser(s) of an Alsies franchise, as "you" or "Franchisee", whether an individual, a partnership, corporation, or limited liability company.

The Franchisor was formed as a limited liability company in the State of North Carolina on November 29, 2023. Our principal business address is 1426 East Highway 54, Durham, North Carolina 27713, and our telephone number is 919-360-8033. We do business under our company name, "Alsies" and its associated design (the "Marks"). Alsies Franchising, LLC, has registered, or filed for registration of, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We have not offered franchises in any other line of business. We only offer franchises which operate under the "Alsies" Marks. We began offering franchises in March 2024.

The principal business of our agents for service of process are 11312 US 15-501 N., STE 107 #212, Chapel Hill, North Carolina 27517, and the state agency addresses shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor.

We have an affiliated company, Alsies Intellectual Property LLC, a North Carolina limited liability company with a principal place of business at 11312 US 15-501 N., STE 107 #212, Chapel Hill, North Carolina 27517. Alsies Intellectual Property LLC was formed on February 2, 2024, and is the owner of the Marks and has exclusively licensed use of the Marks to us. Alsies Intellectual Property LLC has not offered franchises in this or in any other lines of business previously.

We have an affiliate company, Alsies LLC, which has operated Alsies outlets similar to the franchise offered by this Disclosure Document since 2020.

The Franchise Offered:

We offer franchises for the right to operate modern ice cream trucks, push-carts and fixed freezer locations, selling gourmet ice cream and nostalgic classics and characters. The business utilizes a proprietary, mobile and web-based application which allows customers to track the Alsies truck in real-time, call Alsies to their location, receive push and text notifications. Customers can also book the Alsies Truck for fundraising events, sports leagues, school events, festivals and fairs, birthday parties, corporate events, picnics, church events, block parties, daycares and preschools, etc. If you enter in a Multi-Unit Development Agreement, you will be required to sign our then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

The business will operate under the "Alsies" Marks, using our distinctive operating procedures and standards in a limited protected territory from one or more Alsies trucks (the "Franchised Business"). The distinguishing characteristics of an Alsies Franchised Business include, but are not limited to, the Alsies distinctive trade dress, proprietary software platform, designs and techniques, operations methods, inventory, procedures for management, training, advertising, and promotional programs, all of which may be changed, improved or further developed by us at any time (the "System").

Market and Competition:

The market for your Alsies Franchised Business is made up of select residential and commercial customers seeking a premium ice cream product and experience at their home or neighborhood via a delivery service, private events or public and community events.

While we have created a new technology-enabled business model to offer real-time tracking and ice cream delivery, the market for traditional ice cream truck services is well developed. You will compete with businesses, including national, regional and local businesses, offering products similar to those offered by your Alsies Franchised Business. There are other ice cream truck franchises, as well as independent businesses, throughout the United States, that may offer similar products and services. The market for our products and services may experience seasonal variations and may be affected by economic conditions.

Industry Specific Regulations:

The area where your Alsies Franchised Business is located may require food safety certifications. You must comply with all laws and regulations for proper food storage, preparation and service.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and foodservice establishment sanitary conditions. State and local agencies inspect food service establishments to ensure that they comply with these laws and regulations.

Any person who drives your Alsies Truck must have a valid driver's license, and each Alsies Truck must be properly licensed and registered. The requirements for these licenses may vary, depending on your location. If we require safety additions to your Alsies Truck or if your Alsies Truck is subject to a manufacturer's vehicle safety recall, you must immediately perform the required repairs, changes, maintenance and/or inspections before using your Alsies Truck in the operation of your Franchised Business.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Alsies Franchised Business, including, among others, business operations, insurance, discrimination, employment, health, sanitation, workplace safety, and commercial vehicle operation laws. Your advertising of the Alsies Franchised Business is regulated by the Federal Trade Commission.

There may be federal, state and local laws which affect your Alsies Franchised Business. You should investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. You are solely responsible for determining what licenses and permits may be required for your business, as well as obtaining all such licenses and permits.

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer: Travis Kososki

Employer	*Start Date - End Date*	*Titles*	*City, State*
Alsies Franchising, LLC	11/2023 to present	CEO	Chapel Hill, NC
Alsies LLC	08/2020 to present	CEO	Chapel Hill, NC
Launch Trampoline Park	08/2018 to 02/2022	CFO	Chapel Hill, NC

Head of Operations: Walker Petersen

Employer	*Start Date - End Date*	*Titles*	*City, State*
Alsies Franchising, LLC	11/2023 to present	Head of Operations	Chapel Hill, NC
Alsies LLC	08/2020 to present	Head of Operations	Chapel Hill, NC
Title Boxing Gym Franchise	09/2017 to 04/2020	Franchise Area Manager	Chapel Hill, NC

VP of Franchise Development: Jennifer Brock

Employer	*Start Date - End Date*	*Titles*	*City, State*
Alsies Franchising, LLC	02/2025 to present	VP of Franchise Development	Chapel Hill, NC
Squeeze Franchising LLC	06/2021 to 09/2024	VP of Franchise Development	Studio City, TN
Global Recruiters Network	01/2016 to 05/2021	Franchise Development Coordinator	Chicago, IL

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is $49,500 for a territory with up to 125,000 people. This payment is fully earned by us, and due in a lump sum payment when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We currently offer a 5% discount on the Initial Franchise Fee for the first outlet to veterans of the U.S. armed forces who have been honorably discharged from the military and who otherwise meet our requirements. We also offer a discount on the Initial Franchise Fee for franchisees in good standing who open subsequent outlets as follows:

Outlet #	Initial Franchise Fee*
2	$39,500
3	$34,500
4	$29,500

The Initial Franchise Fee for any additional outlet beyond Outlet #4 on the above table is $24,500.

Technology Setup and Marketing Package

You will pay us a $1,500 technology setup fee upon signing the Franchise Agreement. This fee will include all onboarding to the proprietary system, setting up your personalized website, integrating square and booking features to the website, setting up your text messaging and manager platforms.

Market Introduction Program

You must spend between $5,000 and $7,000 on a market introduction program to promote the opening of the Franchised Business. You will submit your market introduction program to us for our review. We reserve the right to create a market introduction program for you to conduct, or we can collect the money from you and conduct the market introduction program on your behalf. If we collect this money from you for the market introduction program, it is non-refundable.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing Royalty Fee	6% of weekly Gross Revenue, with a minimum of $3,000 per calendar year, prorated for the first year of operation	Weekly on Monday for Gross Revenue for the prior week.	Payable to us. See footnote 1.
Brand Development Fund Contribution	1% of weekly Gross Revenue.	Weekly on Monday for Gross Revenue for the prior week.	Brand Development Fund Contributions are paid directly to the Brand Development Fund. See footnote 2.
Advertising	1% of monthly Gross Revenue	Annually.	Payable to third-party suppliers and or/us. All advertising must be approved by us. See footnote 3.
Initial Training	No charge for initial training for up to 2 individuals. You pay for all travel and other related expenses incurred by all trainees. The fee to train additional personnel is $400 per person per day.	Travel and related expenses are due as incurred. Fees for training your personnel are due at the commencement of training.	Initial training takes place in Chapel Hill, NC
Additional Training	You pay all travel and other related expenses incurred by you and your personnel to attend additional training.	As incurred.	See footnote 4.
Remedial Training	Our current rate is $400 per trainer per	As incurred.	We may impose this fee, payable to us, if you request additional

Type of Fee	Amount	Due Date	Remarks
	day, plus travel and other expenses.		training at your premises from time to time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer(s), which include but are not limited to, airfare, transportation, hotel and meals.
Internal Systems Fee	$40 per week.	Weekly on Monday.	Payable to us for email, google voice, Canva, and 3 specialized apps designed to optimize your business operations: Customer App: Enables customers to track your trucks in real-time, receive notifications when you're nearby, call the truck to their location, and book private events easily. Manager App: Offers an intuitive dashboard for managers to oversee operations, manage routes, and assign events to drivers, simplifying scheduling. Driver App: Allows drivers to view their daily schedules, including appointment notes, and provides route guidance and incoming call requests. Additionally, you will have access to a text notification system to keep customers updated and engaged with timely alerts. Text message fees will be prorated based on the number of messages sent.
Computer System Fees	The ongoing cost of the software fees is approximately $149 to $160 per month.	As incurred.	Payable directly to third-party providers for required software, including: • Square: Point-of-sale, payroll, booking site, scheduling, email and text message marketing functions • Power Monitor Program: Monitors remote equipment • Additional software as specified in the Operations Manual.

Type of Fee	Amount	Due Date	Remarks
Interim Management Support Fee	10% of Gross Revenue in the event we choose to operate your franchise.	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Continuing Royalty Fee and Brand Development Fund Contributions), payable to us, if we provide on-site management of your Franchised Business. Payable to us. See footnote 7.
Audit and Quality Assurance Fees	Maximum of $1,000.	As incurred.	We may require you to conduct a self- shop by sending photos of your Alsies Truck. If the results of the self-shop are unsatisfactory or you do not participate, we may send a mystery shopper or similar third party to conduct the mystery shop. If the results of the mystery shop are unsatisfactory, we will conduct an inspection of your Alsies Franchise, and you must pay us a fee of $1,000 to cover our travel and expenses in addition to being subject to non- compliance fees. We may require you to temporarily close your Alsies Franchised Business, and we may require that you attend remedial training that addresses your operational deficiencies and pass our inspection before reopening.
Insurance	Amount paid by us for your insurance obligations, plus a 15% administrative fee.	As incurred.	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Payment Service Fees	Up to 3% of total charge.	As incurred.	If payment of any fee is made to us or our affiliates by credit card, we may charge a service fee of up to 3% of the total charge.
Interest	12% per annum from the due date, or maximum allowed by law.	As incurred.	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.

Type of Fee	Amount	Due Date	Remarks
Examination of Books and Records	Actual cost plus expenses incurred.	As incurred.	We have the right under the Franchise Agreement to examine your books, records, and tax returns related to the Franchised Business. If we conduct an audit as a result of your failure to submit the required reports, you must pay us the cost of the audit and all travel and related expenses, in addition to repaying the monies owed and interest in the monies owed.
Fee for unauthorized posting of sale of franchised business	$5,000 per posting per Alsies webpage / social media platform	On demand	We may charge you $5,000 for each posting of the sale of your franchised business on your Alsies webpage or our official social media platforms, without our prior written consent.
Testing or Supplier Evaluation Fee	Actual cost of inspection and testing of a proposed item or vendor.	As incurred.	Payable to us.
Initial Territory Adjustment Fee	$1,000 - $2,500	As incurred	We may, subject to availability and our approval, allow you to adjust your Territory during the first 90 days of operation of your Alsies Business. You will be required to pay an "Initial Territory Adjustment Fee." This fee will be $1,000 during the first 30 days of operation and $2,500 beginning on the 31st day. No revisions will be granted after 90 days of delivery of the Alsies Truck.
Relocation Fee	$2,500	As incurred.	Payable to us if we approve the relocation of your Territory.
Territory Infringement Fee	$1,000 plus invoice amount for first violation; $5,000 plus invoice amount for second and subsequent violations.	As incurred.	Payable to us if you infringe on the territory awarded to another Alsies franchisee by receiving payment for goods and/or services provided and/or rendered within the other franchisee's territory without that franchisee's and/or our permission. We may direct the funds at our option.

Type of Fee	Amount	Due Date	Remarks
Successor Agreement Fee	50% of the initial franchise fee	Upon signing the then-current form franchise agreement.	Payable to us. See Item 17.
Transfer Fee	50% of the initial franchise fee.	Upon application to transfer, you will pay a deposit of $1,000. The remainder is due at the time of closing. If the transfer is not completed, we will refund the deposit to you, less our costs and expenses incurred in approving the transfer.	Payable to us. For transfers to an entity owned and controlled by you for convenience purposes or for transfers among owners that do not change management control, the transfer fee is waived, but you must reimburse us for any actual costs and expenses. See Item 17.
Post-Termination or Post-Expiration Expenses	Actual costs plus expenses.	As incurred.	Payable to us.
Reimbursement of Costs and Expenses for Non-Compliance	Actual costs and expenses.	As incurred.	Payable to us. See footnote 6.
Late Charge	$25 per day.	As incurred.	If you fail to pay us the Continuing Royalty Fee, Brand Development Fund Contribution, or if you fail to submit your Gross Revenue report when due, we may charge you $25 per day for each late submission in addition to the interest charges explained above.
Non-Sufficient Funds Fee	$100	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you an Insufficient Funds Fee.
Unauthorized Advertising Fee	$500 per occurrence.	As incurred.	This fee is payable to the Brand Fund if you use unauthorized advertisements in violation of the terms of the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Reimbursement of Legal Fees and Expenses	Our costs and expenses, including but not limited to attorneys' fees, incurred for your failure to pay amounts when due or failure to comply in any way with the Franchise Agreement.	As incurred.	Payable to us.
Conference Non-Attendance Fee	$3,000 per occurrence	As incurred.	Payable if a Franchisee does not attend an annual meeting or conference, without obtaining Franchisor's approval
Non-Compliance Fee	$1,000 for the first violation; $5,000 if violation is not corrected within 30 days; $5,000 for the second violation.	As incurred.	Payable to us in the event you are not in compliance with any terms of the Franchise Agreement or Operations Manual.
Liquidated Damages – Default and Termination of Franchise	the greater of $50,000 or up to 24 months of rolling 12-month average of Royalty Fees and Brand Fund Contributions	Upon termination of the Franchise Agreement due to your default, in a lump sum.	If your Franchise Agreement is terminated due to your default, you must pay us the average Royalty Fee and Brand Fund Contribution payable by you for the 12 months prior to your default termination multiplied by the lesser of months or the number of months remaining in the Term of your Franchise Agreement.

All fees and expenses described in this Item 6 are nonrefundable and are generally uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

[1] "Gross Revenue" includes all revenues and income from any source derived or received by you from, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using our methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue includes the full amount payable by your customers, without deduction for write-offs; however, Gross Revenue does not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented promotional discounts (i.e., coupons) or (iv) tips paid to Alsies employees. If you do not report revenues for any week, then we will collect 120% of the last Royalty Fee collected and settle the balance for the next period in which you report revenue. You are required

to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds.

[2] You must pay directly to our Brand Fund a Brand Fund Contribution of 1% of the weekly Gross Revenue generated by your Franchised Business. Payments are due at the same time and in the same manner as the Royalty Fee. You may be required to set up authorization at your bank to allow the Brand Fund to electronically transfer funds from your bank account to the Brand Fund's bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report your revenues for the week, then we will collect 120% of the last Brand Fund collected and settle the balance for the next period in which you report revenue.

[3] You must furnish us with a quarterly report and documentation of local advertising expenditure. You may not use social media platforms, such as Instagram, TikTok, Facebook, Twitter, LinkedIn, blogs or other networking and sharing websites, unless you first receive our written approval to do so, and such use is in strict accordance with our requirements.

[4] We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training for up to 5 days per year and/or a national business meeting or annual convention for up to 3 days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training, including, without limitation, costs of travel, lodging, meals and wages. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. If you fail to attend an annual meeting or conference without obtaining our approval, we reserve the right to charge you a non-attendance fee.

[5] You must indemnify and hold us, our affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.
[6] If you fail to do so, in our sole discretion, we may correct any deficiency in the Franchised Business and/or your operation of the Franchised Business, or take steps to modify, alter or de-identify the Alsies Truck upon the termination or expiration of the Franchise Agreement. You will reimburse us for our costs and expenses incurred to correct any deficiency or to modify, alter or de-identify the Alsies Truck.

[7] In the event of your death or disability, your default of the Franchise Agreement, absence of a qualified manager, or other reasons, in our sole discretion, we may provide interim on-site management of your Franchised Business.

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ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(Single Unit)

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee[1]	$49,500 - $49,500	Lump sum payment in cash or available funds	Upon signing the franchise agreement	Us
Rent, Utilities, and Leasehold Improvements[2]	$400 - $1,500	As required by landlord	As required by landlord	Landlord
Market Introduction Program[3]	$5,000 - $7,000	As required by us or vendors	As incurred	Vendors
Initial Technology Fee	$1,500 - $1,500	Lump sum payment in cash or available funds	Upon signing the franchise agreement	Us
Furniture, Fixtures, and Equipment[4]	$1,000 - $4,000	As required by suppliers	Before opening	Suppliers
Computer Systems[5]	$400 - $800	As required by suppliers	Before opening	Suppliers
Insurance [6]	$750 - $4,000	As required by providers	Before opening	Insurance company
Alsies Truck[7]	$20,000 - $55,000	As required by supplier	Before opening	Suppliers
Alsies Truck Fit-Out[8]	$40,000 $42,000	Lump sum payment in cash or available funds	Upon signing the franchise agreement	Suppliers
Alsies Truck Delivery[9]	$0 $3,000	Lump sum payment in cash or available funds	Before opening	Us or a supplier
Office Expenses	$200 - $500	As required by suppliers	Before opening	Suppliers
Initial Merchandise Package[10]	$1,200 - $1,200	As required by us or vendors	Before opening	Us or Vendors
Product Inventory[11]	$3,000 - $6,000	As required by suppliers and/or Us	Before opening	Suppliers and/or Us
Licenses and Permits[12]	$200 - $1,000	As required by licensing authorities	Before opening	Licensing authorities

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Travel, lodging and meals for initial training [13]	$500 - $2,000	As required by suppliers	Before opening	Airlines, hotels, and restaurants
Alsies Pushcart	$2,250 - $2,600	As required by supplier	Before opening	Us
Additional working capital (for first 3 months) [14]	$3,000 - $10,000	As incurred	After opening	Various
Total	**$128,900 - $191,600**			

YOUR ESTIMATED INITIAL INVESTMENT
(Multi-Unit – for 2 or more outlets only)

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee [1]	$89,000	Lump sum payment in cash or available funds	Upon signing the Multi-Unit Development Agreement	Us
Cost of first Alsies Franchised Business	$79,400 - $142,100	As incurred	As incurred	Us; Lessor or Contractors
Total	**$168,400 - $231,100**			

[1] The development fee is considered fully earned and is nonrefundable. Please see Item 5 for information on incentive programs that may offer a discount on the initial franchise fee. The amounts stated in the single unit table are for one outlet operated pursuant to a single Franchise Agreement with a Territory of up to 125,000 people. The amount stated in the Multi-Unit Development Agreement table assumes you will develop a minimum of two (2) Alsies outlets.

You may but are not obligated to execute a Development Agreement with us. You will pay us a Development Fee in connection with your execution of the Development Agreement (See Exhibit C). The Development Fee is paid to us in exchange for our agreement to grant you a Development Area in which you will develop and open an agreed upon number of Alsies according to a Development Schedule.

The Development Fee, you pay us will depend upon the number of Alsies outlet that you agree to develop and open in the Development Area. The Development Fee will be 100% of the Initial Franchise Fee that you will pay for each Alsies outlet although you will be obligated to execute a Franchise Agreement in connection with each Alsies outlet. The Development Fees for 2025 are:

- Right to open two (2) Alsies Territories: $44,500 ($89,000 total)
- Right to open three (3) Alsies Territories: $41,167 ($123,500 total)

- Right to open four (4) Alsies Territories: $38,250 ($153,000 total)
- Right to open five (5) Alsies Territories: $29,500 each additional territory

[2] Alsies is a mobile business. You may operate Alsies Franchise from your home, or you may choose to rent commercial office space. Depending on your local laws and community rules, you may need to rent or lease storage space for your Alsies Truck and any additional equipment at a commissary location or other location. The low end of our estimate assumes you will operate the Alsies Franchise from your home. The high end of our estimate assumes you will rent a commercial office space.

[3] You must spend between $5,000 and $7,000 to promote the opening of your Alsies Franchise. Your market introduction program must be approved by us and must include any elements we require. We reserve the right to collect some or all of your market introduction funds and implement a market introduction program on your behalf.

[4] This estimate includes the equipment required for your Franchised Business, including refrigeration equipment, furniture, and any other equipment we require in the operation of the Franchised Business.

[5] This estimate includes a Google Chromebook or laptop, Cellular-enabled Android Tablet, and Remote Power Monitor. Additional information regarding the required computer system is included in Item 11.

[6] Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Insurance costs and requirements may vary widely in different localities. This estimate is for the first quarterly premium for required minimum insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

[7] The low end of our estimate assumes that you will buy a used Dodge Ram ProMaster 1500. The high end of our estimate assumes that you will purchase a Dodge Ram ProMaster 2500.

[8] Each Alsies Truck is custom designed and branded. The low end of our estimate assumes that you buy a Ram Promaster 1500. The high end of our estimate assumes that you will buy a Ram Promaster 2500. The cost assumes that the standard setup meets all local codes and permitting requirements. We are not responsible for ensuring the Alsies Truck will meet all local codes and permitting requirements. If you inform us that upfitting is necessary to meet local codes and permitting requirements, you can discuss directly with our approved vendor. Cost for any upgrades may cause this estimate to be higher. These figures do not include NC Sales Tax which will be payable on the fit out of the truck.

[9] The low end of this estimate assumes you elect to pick up your Alsies Truck from us directly us.

[10] This estimate is for the cost of initial branded merchandise, staff uniforms, and other products utilized for the Franchised Business.

[11] This estimate is for the cost of the initial ice cream inventory sufficient for the first few weeks of operation. Your initial inventory will include ice cream, paper and plastic products, cleaning supplies and other products utilized in the operation of the Franchised Business.

[12] This is an estimate of the cost associated with permits and licenses that may be required by your local government for the operation of the Franchised Business and each Alsies Truck.

[13] The cost of the Initial Management Training Program for up to two individuals is included in the initial franchise fee. Initial training must be completed by the owner or general manager (if any). The chart estimates the costs for transportation, lodging, and meals for your trainees. These incidental costs are not included in the

initial franchise fee. Your costs will depend on the number of people attending the training, their point of origin, method of travel, accommodation class and living expenses. This estimate does not include employee wages.

[14] We relied on our affiliate's experience in operating an Alsies business in Chapel Hill, North Carolina since 2020 when preparing this estimate. This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses during the first 3 months after commencing operations. This estimate includes such items as initial payroll and payroll taxes, repairs and maintenance, bank charges, and other miscellaneous items. These estimates do not include any compensation to you and do not include debt service costs.

We do not offer financing for any part of the initial investment.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, inventory, and technology services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, marketing materials, inventory, computer systems, certain software, and other supplies, products and materials from our approved suppliers and contractors or in accordance with our specifications. We maintain lists of approved items of fixtures, furnishings, signs, equipment, inventory, uniforms, marketing materials, inventory, computer systems and other supplies, products, and materials (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

We approve suppliers after careful review of the quality of the products they provide for us and our franchisees. If you would like us to consider another item or supplier, you must make such a request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. In addition, you must pay us an evaluation fee equal to our costs and expenses incurred in our review of the potential supplier. If the item and/or supplier meet our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will make a good-faith effort to notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. If we do not approve any request within 30 days, it is deemed unapproved. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge for our actual costs of product testing and evaluation.

We are the designated supplier of certain branded merchandise, including shirts, hats, paper and plastic products, and staff uniforms, as well as the pushcart that you are required to purchase for the operation of your Franchised Business. Travis Kososki has ownership interest in us. None of our officers has an ownership interest in any other approved supplier.

Jack of All Trades By George is the designated supplier of your the Alsies Truck Fit-Out, which includes the custom design, branding, interior/exterior build out, and equipment necessary to operate an Alsies Truck.

We and our affiliates reserve the right to earn a profit from the sale of products to our franchisees. During the fiscal year ending December 31, 2025, Alsies Franchising generated revenue of $127,438.18 from approved vendors. This revenue includes the sale to our approved vendor of specialized digital menu boards for the Alsies Truck.

Except as set forth herein, neither we nor any affiliate is the sole approved or designated supplier for any product, good or service that you are required to lease or purchase for the operation of your Franchised Business but reserve the right to be in the future. Except as set forth herein, none of our officers own any interest in any other approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchised Business, but they reserve the right to do so in the future.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 70% of your costs to establish your Franchised Business and approximately 70% of your costs for ongoing operation.

During the fiscal year ended December 31, 2025, neither we nor any of our affiliates received any revenue from vendors on account of required purchases by franchisees.

We do not receive any other revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion. During the fiscal year ended December 31, 2025, neither we nor any of our affiliates received any revenue from vendors on account of required purchases by franchisees.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed. Although we do not currently, from time to time, we may negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

In addition to the purchases described above, you must obtain the insurance that we require. This includes:

- **GENERAL LIABILITY**: General Liability Insurance with minimums of $1,000,000 per occurrence, $2,000,000 general and products/completed operations aggregate, $1,000,000 personal/advertising injury, $50,000 rented premises damage, and $5,000 medical expenses. The policy must include additional insured, waiver of subrogation, primary and noncontributory provisions, contractual liability, and be occurrence-based. It must be provided by an A- VII or higher AM Best-rated admitted carrier. Stop-gap coverage is required for applicable monopolistic states;

- **FRANCHISEE COMMERCIAL AUTO:** Commercial Auto Insurance with a $1,000,000 combined single limit, covering uninsured/underinsured motorists, owned (when applicable) hired, and non-owned autos. Policies must include additional insured, waiver of subrogation, and primary/non-contributory provisions, provided by an A- VII or higher AM Best-rated carrier. The maximum deductible should not exceed $500.

Each policy must be written by a responsible carrier or carriers acceptable to us and must name us and our respective officers, directors, partners, agents and employees as additional insured parties, and contain a waiver of the insurance company's rights of subrogation against us.

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 or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11
b. Pre-Opening Purchase/Leases	8.3, 10.5, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.2, 8.3, 12.1.1, 12.1.3	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2.3, 8.3	11
f. Fees	5.1, 5.2.7, Article 6, 12.3.7, 12.6, 15.6, 16.4, 18.1.4, 18.1.5, 18.1.8, 19.1.5	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 12.1, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.4, 12.1.8, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.1.1, 12.1.4, 12.6	8
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	12.1.4, 12.3.5	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.2, 12.1.5, 12.1.9	Item 11
n. Insurance	Article 15	7, 8
o. Advertising	12.1.9, Article 13	6, 11
p. Indemnification	15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.6	11, 15
r. Records /Reports	12.2	6

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
s. Inspections and Audits	9.2, 12.1.7, 12.2.5	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty	11.2.6, Attachment 9	15

ITEM 10: FINANCING

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

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

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

1. **Pre-Opening Obligations**

Before you open your Franchised Business, we will:

a. You have the sole responsibility for procuring a site to securely store the Alsies Truck, which may be your residence. You may operate from a home-based or commercial office, which does not need to be approved by us. We will approve sites for future/additional units under a Multi-Unit Development Agreement using its then-current site criteria. (Franchise Agreement, Section 8.1)

b. assign the territory for your Franchised Business. A territory will typically be defined by zip codes or other readily ascertainable information (Franchise Agreement, Sections 3.1, 10.1).

c. provide access to the Alsies Operations Manual and training aids we designate for use in the operation of an Alsies Franchise, as they may be revised from time to time. (Franchise Agreement, Section 10.3).

d. provide a list of equipment, supplies and products that will be required to open the Franchised Business (Franchise Agreement, Section 10.5).

e. provide you with initial training at our headquarters in Chapel Hill, North Carolina or another location we designate. We will determine, in our sole discretion, whether you satisfactorily complete the initial training. (Franchise Agreement, Sections 7.1, 7.2).

f. provide you with standards and qualifications for training of your employees. We do not otherwise assist you with employee hiring and training (Franchise Agreement, Section 12.1.6, 12.9).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Alsies Franchised Businesses.

2. **Time to Open**

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Alsies franchised business is 1-3 months from delivery of the Alsies Truck. Factors that may affect this time period include your ability to acquire licenses and permits; completion of required training; your ability to acquire storage space; compliance with local ordinances and restrictions; delivery of the Alsies Truck; completion of required training; and your ability to acquire financing. If you have not opened your Franchised Business within 6 months after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.1, 8.3)

3. **Obligations After Opening**

During the operation of your franchise, we will:

a. offer from time to time, in our discretion, mandatory or optional additional training programs. (Franchise Agreement, Section 7.4).

b. upon your request, or as we determine to be appropriate, provide remedial on-site training and assistance at your premises (Franchise Agreement, Section 7.5).

c. upon your request, provide individualized assistance to you within reasonable limits by telephone, electronic mail or postage service, subject at all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.6).

d. from time to time, as may become available, provide you with samples or digital artwork, advertising and promotional materials (Franchise Agreement, Section 10.6).

e. conduct inspections of your Franchised Business, at the frequency and duration that we deem advisable. Such inspections include evaluating your service to ensure that they meet our standards (Franchise Agreement, Section 10.4).

f. provide you with any specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.7).

g. advise on the advertised selling price for products and services for your Alsies business (Franchise Agreement, Section 12.5).

h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within 10 business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within 10 business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6).

4. **Advertising**

Local Advertising (Franchise Agreement, Sections 13.2 and 13.6)

We require you to spend at least $5,000 to $7,000 on pre-opening local advertising and public relations activities prior to the opening of your Franchised Business. Thereafter, you are required to spend at least 2% of your Gross Sales per month on local advertising to promote your Franchised Business. You are required to furnish us with a quarterly report and documentation of local advertising expenditures. We reserve the right to collect some or all of your market introduction funds and/or your Local Advertising Expenditure and implement a market introduction program and/or Local Advertising on your behalf.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within 10 business days; however, if we do not respond within 10 business days, the proposed advertising or marketing material is deemed "disapproved".

We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Alsies franchisees in your area, with our prior written approval. You may not maintain any business profile on Facebook, Instagram, TikTok, Twitter, LinkedIn, YouTube or any other social media and/or networking site without our prior written approval.

System-wide Brand Development Fund (Franchise Agreement, Section 13.3)

You are required to contribute 1% of weekly Gross Revenue to the Brand Fund. Each Alsies outlet operated by our affiliate or us may contribute to the Brand Development Fund, in our discretion, but has no obligation to do so. For the fiscal year ended December 31, 2025, the Brand Development Fund generated $13,506.16 in revenue and spent 100% on content development.

The Brand Development Fund is administered by us. We may use Brand Development Fund contributions to pay any and all costs for the development, production and placement of brand awareness generating and enhancing activities, advertising, marketing, promotional and public relations materials and programs. We may also use Brand Development Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Development Fund contributions to pay our costs (including salaries of our staff engaged in consumer marketing and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Development Fund.

The Brand Development Fund will not be used to defray any of our other general operating expenses. Brand Development Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Development Fund contributions.

The Brand Development Fund collects and expends the Brand Development Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Development Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any

particular area, including the Territory where your Franchised Business is located. The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Development Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund

An annual unaudited financial statement of the Brand Development Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Development Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

No Brand Development Fund contributions were required, made or expended in our most recently concluded fiscal year. Although the Brand Development Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised Alsies outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each Alsies outlet will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents.

If we establish a regional advertising fund or cooperative, each Alsies outlet, whether franchise-owned or affiliate-owned, must contribute amounts equal to each outlet's pro-rata share of cooperative advertising costs. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Development Fund; however, contributions made by you to a regional advertising fund or cooperative will be credited against your required expenditures for local advertising.

Advertising Council (Franchise Agreement, Section 9.6)

We do not have an advertising council composed of franchisees that advise us on advertising policies. The Franchise Agreement gives us the right, in our discretion, to create a franchisee advisory council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to the council, which may include factors such as a franchisee's level of success, superior performance and outlet profitability. We reserve the right to change or dissolve the council at any time.

5. **Computer Systems** (Franchise Agreement, Section 12.3)

You are required to use the hardware, software, system tools and processes as stated in the Operations Manual. Currently, you are required to have the following hardware and software.

Hardware: Google Chromebook or laptop, High Speed Wi-Fi Internet, Cellular-enabled Android Tablet, Remote Power Monitor.

Software: Square (POS and Payroll); Power Monitor program, QuickBooks (optional)

The total cost for hardware and software ranges from $400 to $800. The ongoing cost of the software is approximately $149-$160 per month. These costs are subject to increase.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems or programs. We may in the future modify or establish other sales reporting systems or project design methods, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update, or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software. We estimate the cost of maintaining, updating and upgrading your smart device or computer hardware and software will be $300 to $500. This will depend on the make and model of your device(s) and computer, repair history, usage, local cost of computer maintenance services in your area and technological advances which we cannot predict.

We reserve the right to have independent access to your sales information and customer data generated by and stored in your computer system. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time via a remote mobile device management system. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored on the system. We own all customer data stored in your computer system.

6. **Table of Contents of Operations Manual**

The Table of Contents of our Alsies Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E The Operations Manual is only available in a digital format; however, as of the date of this Disclosure Document, if printed, the Operations Manual would have an approximate total of 154 pages.

7. **Training** (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or an owner (if the franchisee is a business entity) or your general manager (if any) must complete our Initial Management Training Program, to our satisfaction, before opening your Franchised Business. We will train you at our headquarters in Chapel Hill, North Carolina, or another location we specify in our discretion:

INITIAL MANAGEMENT TRAINING PROGRAM

Subject	Hours Classroom	Hours On-the-Job	Location of Training
Alsies & Equipment Operation	0	8	Chapel Hill / Other
Alsies & Equipment Maintenance	0	2	Chapel Hill / Other
Field Sales and Customer Service	0	5-8	Chapel Hill / Other
Technology Training	3	0	Virtual
Total Hours	18-21		

We periodically conduct our Initial Management Training Program throughout the year, as needed. Training is currently provided by our Head of Operations, Walker Petersen. Walker serves as our Head of Operations, and has held various positions with us since August 2020. Walker oversees operational aspects of Alsies Franchising, LLC, including onboarding, training, quality control, operational support and communication. We reserve the right to make changes to our training staff as we deem necessary and advisable without prior notice.

Our training materials consist of the Operations Manual, videos, and online tutorials. You will receive both classroom and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

The cost of our instructors and training materials for up to 2 individuals is included in the Initial Franchise Fee. You must pay for all travel and personal expenses, including, but not limited to, all costs for your transportation, meals, and lodging for yourself and your personnel. Our current fee to provide initial training to any additional trainees is $400 per person per day.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

If we determine it is necessary, we will provide you with on-site training, supervision and assistance as needed within 4 weeks of the opening of your Franchised Business for up to 2 days. If we determine whether it is necessary or you request opening assistance, you will be required to pay all travel and personal expenses of our personnel to provide such on-site training.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs for up to 5 days each year and/or an annual conference or national business meeting for up to 3 days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference, not to exceed $2,000. If you fail to attend the annual meeting or conference without obtaining our approval, we reserve the right to charge you a non-attendance fee, which is currently $3,000. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainers' travel costs.

ITEM 12: TERRITORY

Franchise Agreement:

Under the Franchise Agreement, you have the right to establish and operate one or more Alsies Trucks and provide ice cream delivery and event services within a territory (the "Territory"). Your Territory is located in all or a portion of a listed town, city or county, and is identified by a radius, group of contiguous zip codes or other readily ascertainable information that we deem advisable with a total population of up to 125,000 people. Your Territory will be defined and attached to your Franchise Agreement as Attachment 2.

If the population of your Territory increases by 50%, you are obligated to purchase another Alsies truck to operate within the Territory

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not operate another Alsies Franchise or grant the right to anyone else to operate an Alsies Franchise within the Territory. We provide to you an exclusive right to your Territory, and we will not (a) either

directly or through others, sell our products and services anywhere within your territorial boundaries, and (b) sell our products and services through Alternative Distribution Channels (defined below) within your Territory.

There is no other market penetration or other contingency that will affect your right to operate in your Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

The Franchise Agreement entitles you to operate one or more Alsies Trucks within the Territory. You may not change the location of your Territory without our written consent, which we may withhold in our sole discretion.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories. We may, but have no obligation to, consider granting you the right to establish additional Alsies outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Alsies outlet in a territory we approve of.

We reserve all rights not expressly granted in the Franchise Agreement. We and our affiliates may sell products and services under the Marks outside the Territory through the internet, catalog sales, telemarketing, or other direct marketing ("Alternative Distribution Channels"). You will receive no compensation for our sales through Alternative Distribution Channels. You may not use Alternative Distribution Channels to make sales inside or outside your Territory.

You may only solicit sales from customers in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory.

Area Development Agreement:

You will not receive an exclusive Development territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The Development Territory is determined as mutually agreed upon by you and us and outlined in the Multi-Unit Development Agreement when signing the Multi-Unit Development Agreement.

While the Multi-Unit Development Agreement is in effect, provided that you open and operate Alsies Franchised Businesses per the Mandatory Development Schedule and the minimum number of Franchises that you have open and operating in the Development Territory at any given time is not less than the minimum required according to the Mandatory Development Schedule, we will not operate, or license any person other than you to operate, an Alsies Franchised Business under the Marks and the System within the Territory.

We reserve the right to own, acquire, establish and operate, and license others to establish and operate businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, outside the Development Territory; acquire a system of Competitive Businesses with units located within your Development Territory or outside the Development Territory; sell services and products authorized for Alsies Franchised Business using the Marks or other trademarks, service marks and commercial symbols through alternate channels of distribution, venues, catalog sales, internet sites, and co-branding strategies, pursuant to such terms and conditions as Franchisor deems appropriate; advertise, promote, market or sell goods or services using the Alsies Marks over the internet, the World Wide Web or any other electronic network; offer and sell the services and products authorized for Franchised Business using the Alsies Marks or other trademarks, service marks and commercial symbols to Special Accounts; own, acquire, establish and operate, and license others to establish and operate, businesses like the Franchised Business or substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, in Special Venues.

We do not select the Site for any additional franchises under your Multi-Unit Development Agreement. We generally do not own the premises or lease sites to the Franchised Businesses under the Multi-Unit Development Agreement. We approve the Sites for each additional Franchised Businesses under the Area Development Agreement. For each additional AlsIes outlet to be established under a Multi-Unit Development Agreement, you will execute and deliver our then-current form of Franchise Agreement. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement

ITEM 13: TRADEMARKS

Alsies Intellectual Property LLC, or its successor ("Licensor"), is the owner of the Mark and has granted us the exclusive right to use the Mark and to license the right to use the Mark to others in the operation of an Alsies Franchise in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Alsies trademark, for which Licensor has registered and filed for registration on the Principal Register of the United States Patent and Trademark Office, as described below ("Principal Mark"):

Mark	Serial Number	Filing Date	Registration Number	Registration Date
Alsies – Class 043	90599566	03/24/2021	7402382	05/28/2024
alsies happiness at your door	97939351	05/16/2023	7940931	09/09/2025
ALSIES – Class 030	99208267	05/29/2025	Pending	Pending
ALSIES – Class 035	99561339	12/22/2025	Pending	Pending

Licensor has filed all required affidavits.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Marks or other Marks in accordance with the Franchise Agreement. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Marks or other Marks licensed by us to you.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such an event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Marks, or to use one or more additional or substitute Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Marks or other Marks in a manner material to the franchise.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Marks.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no issued patents, but our owner, Travis Kososki, holds U.S. Patent No. 12,406,222 issued on September 2, 2025, which is a utility patent material to the Franchise. The patent, titled System and Method for Providing Proximity-Based Delivery Service, covers a proprietary process and methodology used in connection with the operation of the franchised business. We have an agreement with Mr. Kososki which grants our franchisees the right use this process and as a franchisee you will be using it in your Alsies Truck.
We claim copyrights on certain forms, advertisements, promotional materials, and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding the pending patent or any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights or intellectual property. As of the date of this Disclosure Document, we are unaware of any infringing uses of our superior previous rights to any of our intellectual property that could materially affect your use of them.

Under the Franchise Agreement, you must notify us immediately when you learn about an infringement of or challenge to your use of our intellectual property. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our intellectual property. We have the right to control any administrative proceedings or litigation involving our intellectual property.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the “Confidential Information”). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never (during the Initial Term, any Successor Term, or after the Franchise Agreement expires or is terminated) reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 6).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated by the Franchise Agreement to take any action, but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

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

You (or your owner) must be an active operator and must provide daily personal supervision of the Franchised Business for a minimum of 60 days following the opening date. Under certain circumstances, after the first 60 days of operation, we may allow you to appoint a General Manager who has been approved by us to run the day-to-day operations of the Franchised Business. The General Manager must successfully the Initial Training Program and all other training courses we require. If the franchisee is a business entity, your General Manager is not required to have an equity interest in the franchisee entity. Your General Manager must devote best efforts to the job and cannot have an interest or business relationship with any of our competitors. If you replace a General Manager for any reason, the new General Manager must satisfactorily complete our Initial Training Program at your own expense.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 6. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Guaranty, which is attached to our Franchise Agreement as Attachment 8.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You must offer and sell all services that are part of the System, and all services and products that we incorporate into the System in the future. You may only offer services and products that we have previously approved.

You may not use our Marks for any other business, and you may not conduct any other business from your Franchised Business location without our prior approval. You cannot engage in any other business that competes with your Franchised Business, with our affiliates, or us or with Alsies outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from, or modify the products and services that you can and must offer. You must abide by any additions, deletions, and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. You may only solicit sales from customers in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory. See Item 12 for restrictions on sales within and outside the Territory.

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ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Section in Multi-Unit Development Agreement	Summary
a.	Length of the franchise term	Article 4	Article 3	Term is 10 years
b.	Renewal or extension of the Term	Sections 5.1 and 5.4	Not applicable	If you are in good standing as defined below, you can sign a successor agreement for 2 additional terms of 5 years each, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.
c.	Requirements for franchisee to renew or extend	Sections 5.2 and 5.3	Not applicable	Be in full compliance, have no more than 3 events of default during current term; provide written notice to us at least 6 months before the end of the term; execute a new franchise agreement; pay us the Successor Agreement Fee in the amount of 50% of the then-current initial franchise fee; continue to maintain your vehicle with proper insurance, current trade dress and other standards; execute a general release; comply with then-current qualifications and training requirements; including completion of additional training. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Not Applicable	Not applicable	You may seek termination on any grounds applicable by state law.
e.	Termination by franchisor without cause	Section 16.7	Not applicable	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law, and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	Article 7	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully. Termination of the Multi-Unit Development Agreement may result in Termination of the Franchise Agreement.
g.	"Cause" defined – curable defaults	Section 17.3	Article 7.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

	Provision	Section in Franchise Agreement	Section in Multi-Unit Development Agreement	Summary
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	Article7.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not dismissed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not open the Franchised Business within required time frames; falsify any report to us; fail to re-open the Franchised Business within 14 days after a vehicle casualty; slander or libel of us; refusal to cooperate with an audit or business evaluation; cease operation for more than 60 days or indicate decision to close; fail to comply with applicable laws; understate Gross Revenue 2 or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations 3 or more times during the term or receive 2 or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT (electronic funds transfer) 2 or more times within any 12-month period; or terminate the Franchise Agreement without cause.
i.	Franchisee's obligations on	Article 18	Article 7.4	Upon termination, you must: cease operations; cease to identify yourself as an Alsies

	Provision	Section in Franchise Agreement	Section in Multi-Unit Development Agreement	Summary
	termination/ non-renewal			franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorney's fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; pay liquidated damages; sell to us, at our option, all furnishing, fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media, and software accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	Article 6.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Article 6.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Not Applicable	Article 6.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Article 6.3	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully complete our Initial Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 3 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; payment of a transfer fee equal to 50% of the then-current initial franchise fee; however, for transfers to an entity owned and controlled by you for convenience purposes or for transfers among owners that do not change management control, the transfer fee is waived, but you must reimburse us for any actual costs and expenses.

	Provision	Section in Franchise Agreement	Section in Multi-Unit Development Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	Article 6.5	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Not applicable	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies, vehicle, and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	Not applicable	The Franchise Agreement will terminate automatically upon your death or permanent disability, unless prohibited by law and the Franchise is transferred within 6 months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	Article 8	You may not: divert, or attempt to divert, customers of any Alsies outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	Article 8	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Alsies outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 25 miles of your former Alsies Territory or any other Alsies territory (franchised or company owned); do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 22.4	Article 11.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
t.	Integration/merger clause	Section 21.4	Article 11.4	Only the terms of the Franchise Agreement and other related written agreements are binding

	Provision	Section in Franchise Agreement	Section in Multi-Unit Development Agreement	Summary
				(subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	Article 10	At our option, claims that are not resolved internally may be submitted to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business office and post-termination, subject to applicable state law.
v.	Choice of forum	Section 20.3	Article 10.5	Litigation takes place in North Carolina, subject to applicable state law.
w.	Choice of law	Section 20.3	Article 10.5	North Carolina law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our 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 (trucks), if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The financial performance representation below reflects the average actual financial results of Alsies' company-owned trucks and the one franchised outlet operating during the 2025 calendar year. Where we disclose the company-owned trucks, the historical financial performance representation below includes the Royalty Fees, Brand Development Fund Contributions, and Internal Systems Fees that a franchisee-operated truck would be expected to pay. In total, we ended the 2025 calendar year with 28 franchised outlets, but we did not disclose the 27 that did not operate the full 2025 calendar year.

The reasonable basis for inclusion of this Financial Performance Representation is the corporate-owned trucks are similar to the franchise being offered under this Disclosure Document in terms of operations and product offerings. The Corporate location is able to get lower pricing for Nightingales versus the average price listed as they pick up directly from the manufacturer. Pricing for specific items may also differ from the listed prices.

Outside of this, there are no material financial or operational characteristics of the below corporate-owned trucks that are reasonably anticipated to differ materially from future franchise truck operations. The corporate-owned trucks are different from the franchise being offered in that the corporate-owned trucks are not required to pay any Royalty Fees or Brand Development Fund Contributions to us (although they are reflected in the below Financial Performance Representation) and are not subject to territorial advertising or service restrictions. Although our corporate-owned trucks are not required to expend any minimum amount on local advertising, their expenditure exceeds the minimum amount that would be required for a franchisee-operated truck.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.

Table 1A: Sales By Franchisees in 2025 – Full year

This table shows sales information by Alsies franchisees who had at least 1 outlet open and operational for the full year in 2025.

Franchisee	Gross Sales	Labor as % of Gross Sales	# of Events
#1	$205,279.22	12.0%	183

Notes to Table 1A:

1. In 2025, there was 1 Franchisee who operated at least one outlet for one full year.

2. This franchisee purchased a 2nd Alsies Truck and began operations in July 2025

3. "Gross Sales" is defined as gross sales plus tips (not including taxes).

4. "Labor as a % of Gross Sales" does not include owner compensation and is presented as reported in the POS system.

Table 1B: Adjusted Net Profit Statement for 2025

The following table shows certain financial information for the Alsies Trucks operated by our corporate location in 2025.

Number of Events	519

Average Pricing by Product Category

Product Category	Selling Price (incl. tax)	Avg. Cost of Product
Nightingale Full Size	$7.00	$2.92
Nightingale Chomp	$5.00	$1.51
Classics & Characters	$5.00	$1.20
Local Popsicle	$5.00	$1.70

Expenses as a Percent of Sales

Category	% of Sales
Total Revenue	100%
Cost of Good Sold	28%
Gross Profit	**71%**
Salary (Ambassadors)	22%
Fuel	5%
Royalty	6%
Brand Development Fund	1%
Technology Fee	1%

Notes to Table 1B:

1. Number of Events reflects the number of event fees that were paid to our corporate location. Our corporate location charges a $75 event fee for one hour. The event fee is at each franchisees discretion, but ranges in the franchise networks for events within 10 miles are between $75 - $95. For events between 20-30 miles, we charge $95 and for events beyond 30 miles, we charge $115.

2. In 2025, Alsies Corporate Gross Profit was 71% of Net Sales. This figure is defined by Net Sales (Gross Sales less taxes and tips) minus Cost of Goods Sold (Ice Cream and other Product). This figure may differ depending on the cost of the products in your market, as well as the products each franchisee will select to sell in the truck.

3. Alsies operated 5 Alsies Trucks in its market

4. The Average Pricing by Product Category is the price Alsies corporate charges to customers and includes sales tax.

5. The Avg. Cost of Product shown above reflect the average purchase prices paid by Alsies franchisees for the specified product categories during the stated period. These costs are not standardized across the system and will vary by franchisee. Actual product costs may differ based on a variety of factors, including but not limited to geographic market, shipping and freight expenses, distributor pricing, order volume, supplier availability, negotiated vendor terms, and the specific product assortment selected by the franchisee. Franchisees have discretion in determining the mix of products offered for sale, and variations in product selection may materially impact overall cost of goods sold. We do not represent that any franchisee will obtain product pricing identical or similar to the amounts shown above.

6. "Salary" reflects the total wages paid to hourly ambassadors (drivers) operating the truck during the stated period. Our base salary for Ambassadors (drivers) was between $10.50 - $12.50 during the period. This amount does not include any compensation paid to an owner, manager, general manager, administrative personnel, or other supervisory employees. Franchisees may incur additional labor or management expenses depending on their staffing model, local wage rates, operating structure, and level of owner involvement. Inclusion of such expenses would increase total operating costs and may materially impact overall profitability.

7. The "Royalty" expense reflects the 6% royalty fee that franchisees are required to pay under the Franchise Agreement. Because the results shown in Table 2 reflect a corporate-owned location, no royalty was actually paid. This amount has been included solely to illustrate the royalty expense that a franchisee would incur based on gross sales.

8. The "Brand Development Fund" expense reflects the 1% Brand Development Fund contribution required of franchisees under the Franchise Agreement. The corporate location does not pay this fee. This amount has been included solely to reflect the expense that a franchisee would incur based on gross sales.

9. The "Technology Fee" expense reflects the current technology fee of $40 per week charged to franchisees under the Franchise Agreement. The corporate location does not pay this fee. This amount has been included to illustrate the expense a franchisee would incur. The technology fee is subject to change as provided in the Franchise Agreement. Franchisees may also incur additional costs related to point-of-sale systems, hardware, payment processing fees, internet connectivity, or other technology services not included in this amount. The Technology fee includes: gmail suite, google voice (phone number), hosting for dedicated website, hosting and maintenance of the manager platform, mobile app and text messaging platform. Includes 20k text messages annually.

10. The above figures do not represent a full Profit and Loss Statement. Other additional expenses can include POS fees, Rent, Insurance, Supplies, Cell Phone & Internet, and other miscellaneous expenses.

Table 1C: Unit and Sales Information for Standalone Freezer Program

On January 28th, Alsies launched a standalone freezer program in select locations in the corporate territory. Over the 75 days of sales from January 28th – April 13th, the below table reflects the Unit and Gross Sales for the locations that were in operation during the time period.

	Units Sold	Gross Sales
Location 1	71	$708.73
Location 2	75	$636.65
Location 3	139	$1,291.17
Location 4	159	$1,357.33

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Travis Kososki at travis@alsies.com, 1426 East Highway 54, Durham, North Carolina 27713 the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20: OUTLETS (TRUCKS) AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet (Truck) Summary
For Years 2023, 2024 and 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	28	28
Company – Owned*	2023	2	5	+3
	2024	5	5	0
	2025	5	5	0
Total Outlets	**2023**	**2**	**5**	**+3**
	2024	**5**	**5**	**0**
	2025	**5**	**33**	**+28**

* Company-owned outlets (trucks) are operated by affiliated entities.

Table No. 2

Transfers of Outlets (Trucks) From Franchisees to New Owners (Other than the Franchisor)
For Years 2023, 2024 and 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2023	0
	2024	0
	2025	0
Total	**2023**	**0**
	2024	**0**
	2025	**0**

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Table No. 3

Status of Franchised Outlets (Trucks)
For Years 2023, 2024 and 2025

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
AL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
AZ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
FL	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
GA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	4	0	0	0	0	4
ID	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NV	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
NJ	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NC	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	3	0	0	0	0	3
PA	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	5	0	0	0	0	5
SC	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
TX	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	5	0	0	0	0	5
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**28**	**0**	**0**	**0**	**0**	**28**

Table No. 4

Status of Company Owned* Outlets (Trucks)
For Years 2023, 2024 and 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisees	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisees	Col. 8 Outlets at End of the Year
NC	2023	1	2	0	0	0	3
	2024	3	0	0	0	0	3
	2025	5	0	0	0	0	5
Total	**2023**	**2**	**5**	**0**	**0**	**0**	**5**
	2024	**5**	**0**	**0**	**0**	**0**	**5**
	2025	**5**	**0**	**0**	**0**	**0**	**5**

* Company-owned outlets are operated by affiliated entities.

Table No. 5

Projected Openings as of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
FL	6	3	0
NJ	1	1	0
OH	1	1	0
PA	1	1	0
TX	10	5	0
Total	19	11	0

Exhibit F lists the location of each Alsies outlet in our System.

During our last fiscal year, no franchisee has had a outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisee has signed confidentiality clauses during the last three years.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

We began offering franchises in March 2024. Included in Exhibit D of this Franchise Disclosure Document is our audited financial statements for the period ending December 21, 2024, and December 21, 2025.

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

1.	Franchise Agreement	Exhibit B
2.	Multi-Unit Development Agreement	Exhibit C
3.	Franchisee Acknowledgment	Exhibit H

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Alsies Franchising, LLC, 1426 East Highway 54, Durham, North Carolina 27713.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Dept. 401 Bismarck, ND 58505 (701) 328-2910	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Dept. 401 Bismarck, ND 58505 (701) 328-2910
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Legalinc Registered Agents, Inc. 6650 Rivers Avenue North Charleston, SC 29406
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

Between

ALSIES FRANCHISING, LLC

And

_____

FRANCHISEE

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ATTACHMENTS

1 - Trademarks
2 - Territory
3 - General Release
4 - Statement of Ownership Interests in Franchisee
5 - Spousal Guaranty
6 - Confidentiality and Non-Compete Agreement
7 - Internet Advertising, Social Media, Software, and Telephone Account Agreement
8 - ACH Authorization
9 - Provisions Applicable to SBA Financing

ALSIES FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this _____, (the "Effective Date") by and between Alsies Franchising, LLC, a North Carolina limited liability company with its principal place of business at 1426 East Highway 54, Durham, North Carolina 27713 (herein "Franchisor) and _____ , a _____ _____, with its principal place of business located at _____ and _____ _____'s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a unique and distinctive business selling gourmet ice cream and nostalgic classics and characters. The business utilizes a mobile and web-based application and state-of-the-art ice cream trucks (each an "Alsies Truck") and operates under the Alsies trademarks, using Franchisor's designs, confidential operations manual ("Manual"), distinctive trade dress, operations methods, sales techniques, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the Alsies service mark, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. RECITATIONS.

The Recitations set out above form part of this Agreement.

2. GRANT OF FRANCHISE.

Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate an Alsies franchise (the "Franchise" "Franchised Business"), using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved, and further developed by Franchisor from time to time. This grant applies only within a single territory that is designated in Attachment 2 attached hereto and incorporated herein (the "Territory").

3. TERRITORY

3.1. Territory. This Agreement grants Franchisee the right to operate the Franchised Business within the Territory only. Subject to Sections 3.2 and 3.3 below, Franchisor agrees that Franchisor will not, and Franchisor will not permit any other of its franchisees, to operate an Alsies business in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee is not in default under this Agreement or this Agreement has not expired or been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise Alsies outlets around, bordering and adjacent to the Territory.

3.1.1 The Territory granted to Franchisee shall remain fixed at the original territory size as of the Effective Date of this Agreement and shall not be subject to reduction based on population growth or any other factor.

3.1.2 With Franchisor's prior consent and subject to availability and payment of the current initial territory adjustment fee (the "Initial Territory Adjustment Fee"), Franchisee may request a Territory adjustment within the first ninety (90) days of operation of the Alsies Franchised Business;

3.1.3 "Territory Infringement" occurs when Franchisee generates income from a customer by receiving payment for goods and/or services provided and/or rendered within the territory of another Alsies franchisee without first obtaining that franchisee's and Franchisor's written permission. If Franchisee infringes upon another franchisee's territory, it is subject to the following fines, payable to Franchisor within five (5) days after the infringement(s) is/are proven:

- First violation – One Thousand Dollars ($1,000) plus the invoice amount for the products or services sold; and

- Second (2nd) and subsequent violations – Five Thousand Dollars ($5,000) plus the invoice amount for the products or services performed.

3.2. Outside Territory Sales. Franchisee must target Franchisee's marketing efforts within the Territory and solicit sales from customers and referral sources located within the Territory. In the event Franchisee is requested to perform on-demand ice cream delivery services at a property outside of the Territory, Franchisee may do so only if the property is not located in the territory of another Alsies franchisee. In the event Franchisee receives a request to provide on-demand ice cream delivery services at a property located within the territory of another Alsies franchisee, Franchisee must refer the request to such other franchisee, unless Franchisee obtains the written permission of the other franchisee and Franchisor. If Franchisee fails to obtain permission from the other franchisee and Franchisor, it shall be in default under this Agreement and subject to the fines for Territory Infringement in Section 3.1.2.

3.3. Solicitation and Sales Restrictions. Franchisee must target Franchisee's advertising within the Territory and may only solicit sales from customers located within the Territory. Notwithstanding, Franchisee may engage in sales by delivery outside of the Territory, with Franchisor's prior consent. Franchisee is prohibited from selling and soliciting customers through Alternate Distribution Channels, provided that Franchisee may fulfill at the Franchised Business premises orders received through Franchisor's approved online ordering platform or approved third-party delivery applications.

4. TERM.

Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is ten (10) years following the Effective Date, as defined in Section 8 hereof (the "Term").

5. SUCCESSOR OPTIONS.

Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for two (2) additional terms equal to five (5) years each. The term of each such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a renewal fee equal to fifty percent (50%) of the then-current initial franchise fee ("Successor Agreement Fee").

5.1. Form and Manner of Successor agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1. Not less than six (6) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

5.1.2. Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within thirty (30) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

5.1.3. The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4. If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Paragraph 5 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5. Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2. Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1. Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, the Manual and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2. Franchisee shall not have committed three (3) or more events constituting default during the then current Term of this Agreement, whether or not such defaults were cured.

5.2.3. Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

5.2.4. Franchisee shall have completed any required updates to the Franchised Business and the Alsies Truck in order to meet system standards.

5.2.5. Franchisee shall execute a general release of all claims Franchisee may have against Alsies Franchising, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 3. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6. Franchisee performs such remodeling, repairs, replacements and redecoration as Franchisor may require causing the Franchised Business, Alsies Truck, equipment, and trade dress to conform to the plans and specifications being used for new franchised businesses on the Successor Agreement date.

5.2.7. Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3. Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Alsies franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

5.4. Additional Reservation of Rights. Notwithstanding anything herein, to the contrary, Franchisor reserves the right not to renew this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

6. FEES.

6.1. Initial Franchise and Royalty Fee. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee in the amount of Forty-Nine Thousand Five Hundred Dollars ($49,500) for a territory with up to One Hundred Twenty-Five Thousand (125,000) people. (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise**

Agreement is signed and is not refundable under any circumstances. Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, weekly throughout the Term, a royalty fee equal to six percent (6%) of the Gross Revenue, as hereinafter defined, realized from the Franchised Business and from any other revenues received using Franchisor's methods, operations and/or trade secrets, with an annual minimum of Three Thousand Dollars ($3,000.00) (the "Royalty Fee"). The term "Gross Revenue" includes all revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited, any and all other revenues received using Franchisor's methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. Gross Revenue shall include the full amount payable by Franchisee's customers, without deduction for write-offs; however, Gross Revenue shall not include (i) any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, and (iii) properly documented promotional discounts (i.e., coupons). If Franchisee has paid less than Three Thousand Dollars ($3,000.00) in Royalty Fees to Franchisor during the calendar year, which shall be prorated for the first year of operation, Franchisee shall remit the difference to Franchisor within ten (10) business days of notice by Franchisor. On January 1 of each year, Franchisee's cumulative Gross Revenue will reset to Zero Dollars ($0.00). Franchisor reserves the right to adjust the minimum Royalty Fee annually based on the Consumer Price Index as defined by the U.S. Bureau of Labor Statistics.

6.1.3 Gross Revenue Reports. Franchisee shall, weekly throughout the Term, furnish Franchisor with a report showing Franchisee's Gross Revenue at or from the Franchised Business and/or made pursuant to the rights granted hereunder during such period (the "Gross Revenue Report"). The Gross Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, Franchisee shall submit the Gross Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor requires Franchisee to use in the operation of the Franchised Business.

6.1.4 Method of Payment. Franchisee shall, weekly throughout the Term, pay Franchisor the Royalty Fee and the Brand Fund Contribution, as defined and more particularly described in Article 13, then due. At Franchisor's request, Franchisee must execute documents, including but not limited to, the Authorization attached as Attachment 8, that allow Franchisor to automatically take the Royalty Fee and Brand Fund Contribution due as well as other sums due Franchisor, from business bank accounts via electronic funds transfers or Automated Clearing House ("ACH") payments. Franchisee's failure to allow electronic funds transfers or ACH payments on an ongoing basis is a material breach of this Agreement. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Royalty Fee payable. Franchisor shall reconcile amounts when Gross Revenues are reported. Franchisor reserves the right to modify the method and frequency of collection of the Royalty Fee and Brand Fund Contribution upon forty-five (45) days' prior notice to Franchisee. If payment of the Royalty Fee or Brand Fund Contribution is remitted to Franchisor by credit card, Franchisor may charge a service fee of up to three percent (3%) of the total amount due ("Payment Services Fee"). Franchisor reserves the right to modify the method and frequency of collection of the Royalty Fee and Brand Fund Contribution upon forty-five (45) days' prior notice to Franchisee.

6.2. Late Fee. If the Royalty Fee, Brand Development Fund Contribution, any Gross Revenue Reports, or any other payments due to the Franchisor that are not received by Franchisor as required by this Agreement, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Twenty-Five Dollars ($25.00) per day. This late fee is reasonably related to Franchisor's costs resulting from the delay in payment and/or receipt of any report, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to pay the Royalty Fee, the Brand Development Fund Contribution, and/or submit Gross Revenue Reports in accordance with the terms of this Agreement.

6.3. Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof shall bear interest from the date due until paid at the rate of twelve percent (12%) per annum or at the highest rate permitted by law, whichever is lower.

6.4. Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars ($100.00) per occurrence. This non-sufficient fund fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.5 Internal Systems Fee. Franchisee shall pay to Franchisor a fee equal to Forty Dollars ($40.00) per week for email, Google Voice, Canva and three (3) specialized apps designed to optimize Franchisee's business operations (the "Internal Systems Fee"): (i) Customer App: enables customers to track Alsies Trucks in real-time, receive notifications when an Alsies Truck is nearby, call an Alsies Truck to their location, and book private events easily; (ii) Manager App: offers an intuitive dashboard for managers to oversee operations, manage routes, and assign events to drivers, simplifying scheduling; and (iii) Driver App: allows drivers to view their daily schedules, including appointment notes, and provides route guidance and incoming call requests. Additionally, the Franchisee will have access to a text notification system to keep customers updated and engaged with timely alerts. Text message fees will be prorated based on the number of messages sent. Use of the text notification for messages unrelated to the Franchised Business is a material default of the Franchise Agreement. The Internal Systems Fee is due and payable weekly together with the Royalty Fee payment and Brand Development Fund Contribution. In Franchisor's sole discretion, Franchisor may (i) increase the amount of the Internal Systems Fee, or (ii) replace the software with different software, developed by Franchisor or a third party, and Franchisee shall pay the then-current fees for the replacement software and for continuous access thereto. Franchisee acknowledges that the Internal Systems Fee payable to Franchisor relates only to the software provided by Franchisor to Franchisee and that Franchisee remains responsible for all fees related to software required by Franchisor that is provided by third-party vendors. All such third-party vendor software license fees shall be in addition to the Internal Systems Fee.

6.6 Non-Compliance Fee. In the event Franchisee is not in compliance with any terms of this Agreement or the Manual, Franchisee shall pay to Franchisor a non-compliance fee equal to One Thousand Dollars ($1,000.00) for the first violation and Five Thousand Dollars ($5,000.00) for the second and subsequent violations ("Non-Compliance Fee"). If a violation is not corrected within thirty (30) days, Franchisee shall pay to Franchisor an additional non-compliance fee of Five Thousand Dollars ($5,000.00).

6.7 Taxes. If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Development Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay Franchisor a sum equal to the amount of such tax.

7. TRAINING.

7.1 Initial Training Program. Franchisee, if Franchisee is an individual, or an owner, if Franchisee is a business entity, or Franchisee's General Manager (as hereinafter defined) shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial training program ("Initial Training Program") prior to the opening of the Franchised Business. The Initial Training Program is conducted at Franchisor's headquarters or virtually. Franchisor reserves the right to designate an alternate location for any component of the Initial Training Program. Franchisee must at all times during the term of this Agreement have an owner or General Manager who has successfully completed the Initial Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) trainees to take the Initial Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, lodging, meals and wages.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Franchisee has satisfactorily completed the Initial Training Program. If the Initial Training Program is not satisfactorily completed by the Franchisee, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that Franchisee or Franchisee's Principal(s) cannot satisfactorily complete the Initial Training Program, Franchisor may terminate this Agreement.

7.3 Opening Assistance. If Franchisor determines that it is necessary, in its sole discretion, within four (4) weeks of the opening of the Franchised Business, Franchisor shall provide Franchisee with opening assistance by a trained representative of Franchisor. If Franchisor elects to do so, the trainer will provide on-site opening training, supervision, and assistance to Franchisee for up to two (2) days, and Franchisee will be responsible for all travel and personal expenses of Franchisor's personnel to provide such on-site opening training, supervision and assistance.

7.4 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's principals shall participate in the following additional training:

(i) on-going training for up to five (5) days per year, at a location designated by Franchisor.

(ii) a national business meeting or annual convention for up to three (3) days per year, at a location designated by Franchisor.

Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee. Franchisee understands and agrees that any specific ongoing training or advice Franchisor provides does not create an

obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which Franchisor may discontinue and modify from time to time.

7.5 On-Site Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel in the Territory. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System as outlined in the Manual for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.6 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided at the Franchised Business pursuant to Section 7.5, furnish consultation and assistance to Franchisee, either in person or by telephone, video conference, electronic mail or postal service, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding employee training, marketing, operation issues, purchasing and inventory control, bookkeeping and System improvements.

8. FRANCHISED LOCATION REQUIREMENTS

8.1 Site Requirements.

8.1.1. Franchisee has sole responsibility for procuring a site to securely store the Alsies Truck, which may be Franchisee's residence. Franchisee shall hold Franchisor harmless with respect to Franchisee's selection of a storage site. Franchisee may operate from a home-based or commercial office. Franchisees are responsible for adherence to all local laws, permitting, and safety regulations.

8.1.2. Franchisee shall notify Franchisor of the location of the storage site for the Alsies Truck. Franchisor shall set forth the location and Territory on Attachment 2 of this Agreement and shall provide a copy thereof to Franchisee. Attachment 2, as completed by Franchisor, shall be incorporated herein and made a part hereof. Franchisee shall notify Franchisor within fifteen (15) days of any error or rejection of Attachment 2; otherwise, Attachment 2 provided to Franchisee shall be deemed final.

8.2 Preparation of Office. Franchisee shall be responsible for equipping its office as required by the Operations Manual prior to opening.

8.3. Time to Open; Development of the Franchised Business. Franchisee acknowledges that time is of the essence in this Agreement. Subject to Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business within six (6) months after Franchisee has signed the Franchise Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. The date the Franchised Business commences operations shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) select a storage site and outfit Franchisee's office, (ii) satisfactorily complete Franchisor's Initial Training Program, as further set forth in Article 7, (iii) hire and train staff, if required, and (iv) obtain all required licenses to operate the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee (or an owner) agree to provide daily supervision of the Franchised Business during

the initial sixty (60) days of operation. Franchisee's failure to commence operations (i) in accordance with the foregoing and (ii) within six (6) months following the date of this Agreement shall be deemed a material event of default under this Agreement.

8.4. No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the Territory set forth in Attachment 2, and no other. Franchisee shall not relocate the Territory at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense, and subject to the following: (i) Franchisee shall pay to Franchisor a relocation fee equal to Two Thousand Five Hundred Dollars ($2,500) and (ii) Franchisor shall issue a revised Attachment 2, in accordance with section 8.1.2, to reflect the relocation territory.

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED LOCATION, ALSIES TRUCK AND SYSTEM

9.1. Maintenance of Franchised Business Assets. Franchisee shall maintain the Alsies Truck, any storage site or office location, all required Franchised Business equipment, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment and computer hardware, software and accessories, as Franchisor may direct.

9.2. Inspections. Franchisee shall operate and maintain the Alsies Truck in conformance with best practices for safety, in a manner that will ensure the highest rating possible for businesses of like kind from the governmental authorities that may inspect such businesses in the Territory (should such an inspection be required). Franchisee shall submit to Franchisor a copy of any inspection reports. It shall be a default of this Agreement if, upon inspection, Franchisee does not obtain such rating or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs and sanitation required by the System, and Franchisor may, at its option, terminate this Agreement.

9.3. Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment, including but not limited to, display and storage equipment, the Computer System, telecommunications hardware and software, payment processing systems, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.4. Trade Dress Modifications.

9.4.1. Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new designs, new Alsies Truck color schemes, new or modified marks, and new signage (collectively, "Trade Dress Modifications").

9.4.2. As a condition to renew this Agreement, Franchisee shall refurbish the Alsies Truck at Franchisee's sole expense, as required by Franchisor, but not more frequently than every five (5) years, to conform to Trade Dress Modifications. This includes, without limitation, structural changes, remodeling, redecoration, and modifications to existing improvements. Notwithstanding the foregoing restriction on the frequency of Trade Dress Modifications,

Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3. Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5. No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the modifications contemplated by this Article 9, including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

9.6. Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings. Invitation may be based on a franchisee's level of success, superior performance and profitability.

10. FRANCHISOR'S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

10.1. Territory Selection. Designate the boundaries of Franchisee's Territory by description or mapped boundaries and set forth same in Attachment 2.

10.2. Development. Provide to Franchisee criteria and specifications for an Alsies Franchised Business, including, but not necessarily limited to, required layout, design, equipment requirements, and signage for an Alsies Truck.

10.3. Manual. Provide Franchisee access to the Confidential Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.

10.4. Inspection. Inspection of the Franchised Business and evaluations of the products sold and services rendered therein whenever reasonably determined by Franchisor.

10.5. Pre-Opening Requirements. Provide a written list of equipment, fixtures, signage, supplies and/or products that will be required and/or recommended to open the Franchised Business for business.

10.6. Advertising Materials. Provide samples or camera-ready artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.7. List of Suppliers. Make available from time to time, and amend, as deemed appropriate by Franchisor, a list of approved and/or recommended suppliers of products and services for System franchisees.

10.8. Training. The training programs specified in Article 7 herein.

10.9. On-Site Assistance. If Franchisor determines it is necessary, on-site post-opening assistance at in accordance with the provisions of Article 7.

10.10. Brand Development Fund. Administer a Brand Development Fund in accordance with Section 13.3.

10.11. Notice. If Franchisee believes that Franchisor or any affiliate has failed to adequately perform any obligation pursuant to this Section 10, Franchisee shall notify Franchisor in writing within thirty (30) days of such failure. Without timely notice, Franchisee shall be deemed to conclusively acknowledge that all such assistance or services provided by Franchisor or its affiliates were sufficient and satisfactory.

11. FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1. Best Efforts. Franchisee, including each of Franchisee's Principals covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.2. Corporate Representations. If Franchisee is a corporation, partnership, limited liability company or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1. Franchisee is duly organized and validly exists under the state law of its formation;

11.2.2. Attachment 4 of this Agreement accurately reflects all individuals with an ownership interest, whether direct or beneficial, in the Franchisee entity;

11.2.3. Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Territory;

11.2.4. Franchisee entity's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.5. The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

11.2.6. Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, un-liquidated, absolute, contingent or otherwise, that are not reflected as liabilities; and

11.2.7. Designated Principal. The Principal designated on Attachment 4 has full authority to communicate to Franchisor decision-making on behalf of Franchisee, notwithstanding any deadlock or tie-breaking mechanism set forth in the Franchisee entity's organizational documents ("Designated Principal"). All communications to Franchisor by the Designated Principal shall be binding upon the Franchisee entity and all Principals and such communications may be relied upon by Franchisor, without the need for independent verification. Franchisee and all Principals shall indemnify and hold harmless Franchisor from any claims arising from Franchisor's reliance on communications of the Designated Principal.

11.3. Spousal Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 5 hereof.

11.4. Personal Supervision.

11.4.1. You (or your owner) must be an active operator and must provide daily personal supervision of the Franchised Business for a minimum of sixty (60) days following the opening date. Under certain circumstances, after the first sixty (60) days of operation, we may allow you to appoint a General Manager who has been approved by us to run the day-to-day operations of the Franchised Business.

11.4.2 Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual, including but not limited to, quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals, and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals.

11.4.3 Franchisee may also designate and retain at all times a general manager (the "General Manager") to direct the daily operation and management of the Franchised Business. The General Manager may be Franchisee, if Franchisee is an individual, or a Principal. If Franchisee elects to designate a General Manager, Franchisee shall do so prior to attending the Initial Training Program. The General Manager shall, during the entire period he or she serves as General Manager, meet the following qualifications:

11.4.3.1 Meet Franchisor's standards and criteria for such individual(s), as set forth in the Manual.

11.4.2.2 Shall devote his or her full time and best efforts to the daily operation of the Franchised Business, and may not engage in any other business activity without Franchisor's consent, which may be withheld in Franchisor's sole discretion.

11.4.2.3 Satisfy the training requirements set forth in Article 7.

11.4.4. If the General Manager is not able to continue to serve in such capacity, or no longer qualifies to act as such in accordance with this Agreement, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the General Manager, ceases to serve, such replacement being subject to the same qualifications required by this Agreement (including, but not limited to, completing all training and obtaining all certifications required by Franchisor). Until such replacement is designated, Franchisee shall provide for interim management of the Franchised Business, who shall act in accordance with the terms of this Agreement. Any failure to comply with the requirements of this Section shall be deemed a material event of default under this Agreement. Franchisor, in Franchisor's sole discretion, may provide interim management support and charge Franchisee the then-current interim management support fee until a replacement General Manager is properly trained or certified in accordance with Franchisor's requirements. Franchisee shall pay the interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, upon written demand. By Franchisor, or Franchisor may withdraw such amounts from Franchisee's designated bank account in accordance with Section 6.1.4. Franchisor may also require the temporary closure of the Franchise Business, in its sole discretion.

11.5. Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits; certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, fire and police department clearances, privacy laws, Anti-Terrorism Laws, Americans With Disability Act compliance, health permits, certificates of occupancy, any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.

11.6. Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business or Alsies Truck, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment on any broadcast medium, except as directed by Franchisor.

11.7. Assignment of Numbers and Listings. Franchisee shall execute such forms and documents, including the Internet Advertising, Social Media, Software, and Telephone Listing Agreement contained in Attachment 7 hereof, to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email and social media accounts used or created by Franchisee. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8. Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, Franchisee shall execute such forms and documents as Franchisor deems necessary, to appoint Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by Franchisee with any state or federal taxing authority.

11.9. Security Agreement. To secure payment of all sums owing to Franchisor from Franchisee, whether they be Royalty Fees, Brand Fund Contributions, and/or other fees, costs, damages, or reimbursements pursuant to this Agreement or any other agreement between Franchisor and Franchisee and/or Principal(s), Franchisee grants Franchisor a security interest in the Collateral (as hereafter defined) and further agrees:

11.9.1 The Collateral means all furniture, fixtures, equipment, signage, inventory, and supplies of the Franchised Business, wherever located, that are now owned or hereafter acquired, and any additions, substitutions, replacements, or products thereof or proceeds therefor.

11.9.2 This Agreement shall be deemed a security agreement, and Franchisor, in Franchisor's discretion, may file with applicable state agencies or offices this Agreement and/or one or more financing statements indicating Franchisor's secured interest in the Collateral. Franchisee shall cooperate with Franchisor and shall execute such documents as may be necessary for Franchisor to perfect its security interests.

11.9.3 Upon a default of this Agreement by Franchisee, all sums owing to Franchisor from Franchisee shall be immediately due and payable, and Franchisor shall have the immediate right to possession and use of the Collateral, which includes Franchisor right to enter upon any premises, without legal process, where the Collateral may be found. Franchisor further shall have all rights, options, duties, and remedies of a secured party pursuant to the Uniform Commercial Code, as adopted by the State where the Collateral is located, including the right to dispose of the Collateral in accordance therewith.

11.9.4 Franchisor's exercise of its rights with regard to the Collateral are in addition to and not exclusive of any other rights or remedies that Franchisor may have pursuant to this Agreement, at law, or in equity for Franchisee's breach of this Agreement.

11.10. Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

12. FRANCHISEE'S OPERATIONS

12.1. Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1. Use only those fixtures, trade dress, equipment, supplies, and signage that conform to Franchisor's specifications and/or which shall be purchased from only those vendors

designated and approved by Franchisor. Franchisee acknowledges and agrees that: (i) Franchisor and/or Franchisor's affiliate may be a designated supplier or sole approved supplier of any product or service that Franchisee is required to lease or purchase, (ii) Franchisor and/or Franchisor's affiliate may receive payment from supplier(s) related to Franchisee's required purchases or leases, and (iii) any payments so received are for Franchisor's benefit only and may be used or applied in any manner determined by Franchisor in Franchisor's sole and absolute discretion ;

12.1.2. Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations;

12.1.3. Conduct sales and service of customers using Franchisor's format, methods, forms, reports and software and otherwise in accordance with Franchisor's standards and specifications, including accepting all payment methods Franchisor requires and complying with then-current Payment Card Industry Data Security Standards or other standards Franchisor may reasonably specify;

12.1.4. Employ only qualified individuals who are trained in accordance with Franchisor's standards, including but not limited to the protection of Franchisor's confidential and proprietary information, and who will at all times enhance Franchisor's brand and conduct themselves in a competent and courteous manner in accordance with this Agreement and the image and reputation Franchisee shall use its best efforts to insure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to customers of the Franchised Business. Franchisee acknowledges and agrees that poorly trained employees, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement;

12.1.5. Permit Franchisor or its agents, to inspect the Franchised Business and any services, products or equipment to determine whether they meet Franchisor's then-current standards, specifications and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for Franchisor's inspection costs in connection with any item that does not conform to the System standards and specifications;

12.1.6. Maintain the Alsies Truck in good working order, cleanliness, and appearance. Franchisor reserves the right to set specifications and standards of condition, age and branding, as set forth in the Manual, of Alsies Trucks used in the Franchised Business and the replacement thereof.

12.1.7. Prominently display identifying elements of the System on the Alsies Truck of such nature, form, color, number, location, and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using in or upon Alsies Truck or elsewhere any sign or advertising media of any kind to which Franchisor reasonably objects, including signs and advertising media which are outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Alsies Truck or elsewhere and remove any objectionable or non-approved signs or advertising media and keep or destroy same without paying therefore or without being deemed guilty of trespass or any other tort.

12.1.8. Conduct all advertising programs in a manner consistent with Franchisor's standards and specification, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks and participate in market research and testing and product and service development programs required by Franchisor.

12.1.9 If Franchisee fails to follow any of the System standards, Franchisor may send a notice of violation and charge Franchisee a fee of One Thousand Dollars ($1,000) for the first violation and Five Thousand Dollars ($5,000) for the second and each additional violation. If Franchisee fails to comply with the System standard in the notice of violation within thirty (30) days of the date of Franchisor's notice, Franchisee shall be required to pay us an additional Five Thousand Dollars ($5,000). These fees are in addition to any and all remedies that Franchisor has available under this Agreement, including but not limited to termination.

12.2. Bookkeeping and Reports.

12.2.1. Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2. Within five (5) days after the close of each calendar month and within ninety (90) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practices. Franchisee's annual statements and balance sheets shall be prepared by an independent certified public accountant and certified to be correct.

12.2.3. The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4. Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.3. Computer Systems.

12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the computer hardware and software Franchisor requires for the operation of the Franchised Business (the "Computer System") and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems and web-based payment processing accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's

Computer System, other computer systems and web-based payment processing accounts, including, without limitation, information concerning Gross Revenue and GPS tracking information. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and web-based payment processing accounts.

12.3.3 Any and all customer data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4. Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

12.3.5. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall utilize the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other listing on the Internet except as provided and specifically permitted herein.

12.3.6. Franchisor has established a website that provides information about the System and the products and services offered by the Alsies System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include a listing on its Website linking Franchisee's Franchised Business. Franchisee has no ownership or other proprietary rights to Franchisor's website and Franchisee will lose all rights to such link to Franchisee's Franchised Business upon expiration or termination of this Agreement for any reason. If Franchisee is in default of any obligation under the Franchise Agreement or System, then Franchisor may temporarily remove references to the Franchised Business from the website until Franchisee fully cures the subject default(s)

12.3.7. In addition to Franchisee's obligations pursuant to Section 6.5 hereof, Franchisee shall pay all fees, whether to Franchisor or to third party vendor(s), and expenses for technology required by this Agreement for operation of the Franchised Business, including but not limited to, the costs of computer hardware and software and applications, installation costs and regularly recurring fees for software and digital menu displays, Internet access, license fees, help desk fees, and licensing or user-based fees.

12.3.8 Franchisor shall not be liable for any direct, indirect, incidental, consequential, or special damages arising from Franchisee's use of the proprietary software, including but not limited to data loss, business interruption, or financial loss. Franchisor disclaims any warranties related to the software, providing it "as is" and without any guarantee of fitness for a particular purpose. Franchisee shall indemnify and hold Franchisor harmless from any claims, damages, or liabilities arising from your use of the proprietary software.

12.4. Safety and Security of Premises. Franchisee is solely responsible for the safety and security of the Franchised Business premises for Franchisee, Franchisee's personnel, agents, customers, and the general public. Any suggestions by Franchisor on such matters are for guidance only and not binding on Franchisee. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims made against Franchisor regarding safety or security.

12.5. Prices. Subject to applicable law, Franchisor may set advertised and/or maximum prices for System services and products. Franchisee shall have the right to provide services and sell products at any price through promotional discounts. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering services or products at any particular price will enhance Franchisee's sales or profits.

12.6. Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to utilizing such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee a fee up equal to the actual cost and expense for inspection and testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within thirty (30) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.7. External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, mystery shop programs and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor and present to its customers any surveys or evaluation forms Franchisor periodically prescribes.

12.8. Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular site or circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

12.9 Customer Safety. Franchisee shall conduct a background review of every prospective employee's criminal history and other histories (such as motor vehicle, medical and/or credit histories) that Franchisor requires and that Franchisee determines to be necessary and appropriate, prior to hiring. Franchisee shall not hire any prospective employee if such prospective employee's background review indicates, in Franchisee's sole discretion, a propensity for violence, dishonesty, negligent, reckless or careless behavior, or conviction for any crime which suggests an unfitness for the position for which the prospective employee would be hired. Notwithstanding the foregoing, all matters of employment and the safety of Franchisee's customers and their clients are within Franchisee's discretion and control, regardless of whether Franchisee has received advice from Franchisor on such matters. Franchisee agrees that any direction received from Franchisor regarding employment policies shall be considered for example purposes only and that Franchisee is responsible for establishing and implementing its own policies and should do so in consultation with local legal counsel well-versed in employment law. Franchisor shall not be liable to Franchisee, any employee or prospective employee of Franchisee, or any third party for any act or omission of Franchisee or any employee or agent of Franchisee, and Franchisee's indemnification obligations set forth in Section 15.6 hereof shall apply to any claims, demands or actions against Franchisor arising from any act or omission of Franchisee or any employee or agent of Franchisee (including, without limitation, refusal to hire or discrimination claims or claims asserted by third parties for torts allegedly committed by any employee or agent of Franchisee).

13. ADVERTISING, PROMOTIONS AND RELATED FEES

13.1. Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2. Local Advertising.

13.2.1. In addition to the expenditures set forth in Section 13.2.4 below, Franchisee shall spend monthly, throughout the term of this Agreement, not less than one percent (1%) of Gross Revenue per month on marketing and advertising in the Territory ("Local Advertising"). Franchisor reserves the right to increase this minimum expenditure in its sole discretion. Franchisor may require Franchisee to allocate to an advertising cooperative, as described in Section 13.4, some or all of Franchisee's required Local Advertising expenditures. Such allocation will be in partial or full satisfaction of Franchisee's obligations pursuant to this Section 13.2.1. Franchisor reserves the right to collect some or all of Franchisee's Local Advertising expenditure and implement Local Advertising on Franchisee's behalf.

13.2.2. Within five (5) days after the close of each calendar month, Franchisee shall provide an expenditure report accurately reflecting Franchisee's Local Advertising expenditures for the preceding monthly period. The following costs and expenditures incurred by Franchisee shall ***not*** be included in Franchisee's expenditures on Local Advertising for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) research expenditures; (iii) salaries and expenses of any of Franchisee's personnel to attend advertising meetings, workshops

or other marketing activities; (iv) charitable, political or other contributions or donations. Franchisor reserves the right to collect some or all of Franchisee's grand opening funds and implement grand opening campaign activities on Franchisee's behalf.

13.2.3. In addition to the requirements of Sections 13.2.1, prior to the opening of the Franchised Business, Franchisee shall conduct a market introduction program in the Territory in which Franchisee must spend between Five Thousand Dollars ($5,000) and Seven Thousand Dollars ($7,000) on marketing, promotion and awareness-generating activities at the time and in the manner specified by Franchisor. Franchisor reserves the right to collect some or all of Franchisee's grand opening funds and implement grand opening campaign activities on Franchisee's behalf.

13.3. Brand Development Fund.

13.3.1. Franchisor has established a national fund on behalf of the System for national advertising, marketing, and brand development (the "Brand Development Fund"). Franchisee is required to contribute one percent (1%) of the Gross Revenue generated weekly by Franchisee's Franchised Business to the Brand Fund ("Brand Fund Contribution"). Payments will be made in the same manner as the Royalty Fees. If Franchisee fails to timely report Gross Revenue, then, in addition to a late fee and interest pursuant to Sections 6.2 and 6.3 hereof, Franchisor shall collect one hundred twenty percent (120%) of the last Brand Fund Contribution payable. Franchisor shall reconcile amounts when Gross Revenues are reported.

13.3.2. Franchisor shall direct the Brand Development Fund and shall have the right to direct all advertising and marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Development Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3. Franchisor may, but has no obligation to, contribute to the Brand Development Fund on the same basis as Franchisee with respect to Alsies outlets operated by Franchisor or Franchisor's affiliates.

13.3.4. Franchisor may use the Brand Development Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website; and personnel and other departmental costs for advertising that Franchisor internally administers or prepares).

13.3.5. The Brand Development Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Development Fund and such costs and expenses pursuant Section 13.3.4. The Brand Development Fund and its earnings shall not otherwise inure to Franchisor's benefit except

that any resulting technology and intellectual property shall be deemed the property of the Franchisor.

13.3.6. Franchisor will prepare an unaudited annual statement of the Brand Development Fund's operations and will make it available to Franchisee upon request. In administering the Brand Development Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7. Although the Brand Development Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4. Regional Advertising. Franchisor reserves the right to establish, in Franchisor's sole discretion, a regional advertising cooperative. If a regional cooperative is established during the term of this Agreement, Franchisee agrees to sign all documents Franchisor requests to become a member of the cooperative according to the terms of the documents. If Franchisor establishes a regional cooperative, Franchisee agrees to contribute amounts Franchisor requires, in addition to required Brand Development Fund Contributions.

13.5. Directory Listings and Social Media. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, X (Twitter), Bluesky, LinkedIn, YouTube, Instagram, TikTok, blogs, or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards .

13.6. Approval of Advertising. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Alsies brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

If Franchisee uses any advertising or promotional materials that are not approved by us (including materials that Franchisor previously approved and later disapprove) then, in addition to any other remedies under this Agreement, Franchisee shall pay an unauthorized advertising fee of Five Thousand Dollars ($5,000) per posting of the sale of your franchised business on your Alsies webpage or our official social media platforms.

14. INTELLECTUAL PROPERTY

14.1 Ownership.

14.1.1. Franchisee expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) are the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) claim copyrights on certain material used in the System, including but not limited to its website, documents, project designs, advertisements, photographs, social media content, promotional materials and the Manual, whether or not Franchisor has filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2. As between Franchisor and Franchisee, Franchisor and Franchisor's affiliate(s) are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2. No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor and/or Franchisor's affiliate(s)'s rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's and/or Franchisor's affiliate(s)'s service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only within the Territory or in approved advertising related to the Franchised Business.

14.3. Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and/or Franchisor's affiliate(s)'s, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4. Validity. Franchisee shall not contest the validity of, or Franchisor and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property.

14.5. Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor and/or Franchisor's affiliate(s)'s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor's affiliate(s) with all assignments, affidavits, documents, information and assistance Franchisor and/or Franchisor's affiliate(s) reasonably requests to fully vest in Franchisor and/or Franchisor's affiliate(s) all such rights, title and interest in and to the

Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor's affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.

14.6. Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7. Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Alsies" and design. Franchisee shall not use the Marks, or any portions, variations, or derivations thereof, as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of Alsies Franchising, LLC".

14.7.2. Franchisee shall identify itself as the owner of the Franchised Business and as an independent Alsies franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Business as Franchisor may designate in writing.

14.7.3. Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4. Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.7.5 Franchisee shall not use the Intellectual Property in association with the offer or sale of any product or service that is outside of the System or that is not approved by Franchisor.

14.8. Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable

in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9. Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10. Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

15. INSURANCE AND INDEMNIFICATION

15.1. Procurement. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, insurance policies protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds and certificate holders, as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing). Franchisor reserves the right to designate a specific broker that Franchisee must use to procure required insurance policies:

15.1.1. Liability. General Liability Insurance with minimums of One Million Dollars ($1,000,000) per occurrence, Two Million Dollars ($2,000,000) general and products/completed operations aggregate, One Million Dollars ($1,000,000) personal/advertising injury, Fifty Thousand Dollars ($50,000) rented premises damage, and Five Thousand Dollars ($5,000) medical expenses. The policy must include additional insured, waiver of subrogation, primary and noncontributory provisions, contractual liability, and be occurrence-based. It must be provided by an A- VII or higher AM Best-rated admitted carrier. Stop-gap coverage is required for applicable monopolistic states;

15.1.2. Automobile. Commercial Auto Insurance with a One Million Dollar ($1,000,000) combined single limit, covering uninsured/underinsured motorists, owned (when applicable) hired, and non-owned autos. Policies must include additional insured, waiver of subrogation, and primary/non-contributory provisions, provided by an A- VII or higher AM Best-rated carrier. The maximum deductible should not exceed Five Hundred Dollars ($500).

15.2. Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverage. Franchisee shall deliver the initial Certificate of Insurance no later than ten (10) days before Franchisee opens the Franchised Business. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.3. Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or

otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee equal to fifteen percent (15%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.4. Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements, as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.5. Additional Insured. All required insurance policies shall name Franchisor and their affiliates and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees, and all required insurance policies shall contain a waiver of subrogation in favor of the additional insureds .

15.6. Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS ALSIES FRANCHISING, LLC, ALSIES INTELLECTUAL PROPERTY LLC, AND ANY OF THESE COMPANIES' PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES, AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "FRANCHISOR PARTY INDEMNITEES") FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE OPERATION, CONDITION, OR ANY PART OF FRANCHISEE'S ALSIES FRANCHISE, THE FRANCHISED BUSINESS, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO FRANCHISEE'S FRANCHISED BUSINESS, WHETHER CAUSED BY FRANCHISEE, FRANCHISEE'S AGENTS OR EMPLOYEES, OR ARISING FROM FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE ALSIES INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE ALSIES INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE ALSIES INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE ALSIES INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE ALSIES INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE ALSIES INDEMNITEES.

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16. TRANSFERS

16.1. Transfers by Franchisor.

16.1.1. Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2. Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's locations). However, Franchisor represents that it will not convert any such acquired facilities that are operating within the Territory to an Alsies franchise during the Term of this Agreement.

16.1.3. If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the same line of business or to offer or sell any products or services to Franchisee.

16.2. Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principals of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3. Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer

restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1. The proposed transferee and all its principals must have the demeanor, and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2. The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3. The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

16.3.4. Franchisee has paid all amounts owed to Franchisor and third-party creditors;

16.3.5. The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6. Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;

16.3.7. Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor with all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer;

16.3.8. If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor; and

16.3.9. If consent is required, the lessor of the Franchised Business's premises consents to the assignment or further sublet of the premises to the transferee.

16.4. Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee ("Transfer Fee") equal to fifty percent (50%) of the then-current initial franchise fee; provided however, for transfers to an entity owned and controlled by Franchisee for convenience purposes or for transfers among owners that do not change management control, the transfer fee is waived, but Franchisee shall reimburse Franchisor's actual costs and expenses, if any. Franchisee shall

pay a non-refundable deposit of One Thousand Dollars ($1,000) upon requesting Franchisor's approval of the transfer.

16.5. Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6. Franchisor 's Right of First Refusal.

16.6.1. If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2. Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3. Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (vi) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4. If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7. Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator, or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this

Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee's Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management support and charge Franchisee the then-current interim management support fee pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8. Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee's Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9. Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee's interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee's initial investment, provided that the security interest is subordinate to Franchisee's obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee seeks and/or obtains financing whereby funding is provided with the assistance of the United States Small Business Administration ("SBA Financing"), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any Collateral Franchisee uses to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment 9 are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) Franchisor shall subordinate its security interest or other lien on Franchisee's Collateral to that of the lender of the SBA Financing and (iii) Franchisor waives the requirement of the written acknowledgement referenced in this Section.

17. DEFAULTS

17.1. Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2. Defaults With No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to equip and make operational the Alsies Truck, obtain all licenses and permits before opening, or commence operations of the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 has misrepresented or omitted material facts in applying for the Franchise;

17.2.3 ceases to operate the Franchised Business for a period of sixty (60) or more or informs Franchisor its desire to cease operation; provided, however, that this provision shall not apply if through no fault of Franchisee, the Alsies Truck is damaged or destroyed by a casualty.

17.2.4 fails to repair or replace the Alsies Truck within a reasonable period of time not to exceed fourteen (14) days from the date any casualty renders the Alsies Truck inoperable;

17.2.5 fails to comply with any federal, state or local law, rule or regulation applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;

17.2.6 defaults under any lease or sublease for the storage site for the Alsies Truck or defaults under any lease, sublease, or purchase agreement for any Alsies Truck;

17.2.7 understates Net Sales on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.8 fails to comply with the covenants in Article 15;

17.2.9 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.10 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.11 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything to harm the reputation of the System or the goodwill associated with the Marks;

17.2.12 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.13 makes or publishes any statement that Franchisee knows or reasonably believes to be false with the intention of harming Franchisor or any of Franchisor's principals, directors, officers, agents, employees, or affiliates, or making any similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.14 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.15 creates a threat or danger to public health or safety from the maintenance or operation of the Franchised Business or is cited by an authority for improper operation three (3) or more times during any twelve (12)-month period;

17.2.16 refuses to permit Franchisor to inspect the Franchised Business premises or audit Franchisee's books or records;

17.2.17 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.18 fails to comply with the non-competition covenants in Section 19.5;

17.2.19 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or has been given at least two (2) notices of default in any consecutive twelve (12)–month period, whether or not the defaults have been corrected;

17.2.20 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.21 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates or suppliers and does not cure such default within the time period provided in such other agreement; or

17.2.22 terminates this Agreement without cause.

17.3. Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1. fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Sections 17.2.18 and/or 17.2.19;

17.3.2. fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-

monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.18.

17.4. Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1. effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2. enter upon the Alsies Truck and exercise complete authority with respect to the operation thereof until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business or require the temporary closure of the Franchise Business until the default is cured. In addition to all other fees paid under this Agreement, Franchisee shall pay to Franchisor Franchisor's then-current interim management fee during the period of interim management, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5. Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee to direct suppliers to stop furnishing any and all products and supplies or to do so only on a "cash on delivery" or other basis until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Principal's Default. Franchisee and each Principal acknowledge and agree that a default event described in this Article 17 that is committed by any Principal is deemed a default by the Franchisee entity and all Principals, such that Franchisor may exercise its rights pursuant to this Article 17, whether or not the Franchisee entity or any other Principal had or has involvement or knowledge of the default event."

17.7 Security Interest. Franchisee grants to Franchisor a first priority lien and continuing security interest upon all Collateral (as hereinafter defined), now owned or hereafter acquired or arising in connection with Franchisee's Franchised Business, or otherwise, in accordance with the provisions of the Uniform Commercial Code as enacted in the state in which the Collateral will be located (the "UCC") such security interest is granted as security for the payment of all amounts due by Franchisee to Franchisor under this Agreement. Franchisee covenants and agrees to do any and all further acts, matters and things, and to make, execute, acknowledge and deliver any and all further documents, instruments, financing statements and agreements, as Franchisor shall reasonably require to perfect and protect Franchisor's security interest in the Collateral and to effectuate the delivery to Franchisor of all such certificates and assignments in form satisfactory to Franchisor. For purposes of this Section 17.6, "Collateral" is defined to include the Alsies Truck that Franchisee owns and operates as part of the Franchised Business pursuant to this Agreement, together with all related additions, devices and accessories incorporated therein or affixed thereto, all assets of Franchisee related to said Alsies Truck, now owned or possessed or hereafter acquired, wherever located, whether new or used, including, but not limited to, all accounts; accounts receivable; contract rights; leases; furnishings; equipment; fixtures; tools; accessories; movable trade fixtures; goods held for sale,

including all supplies, finished goods and all other items customarily classified as inventory; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions; and including the proceeds and products therefrom and any and all substitutions, replacements, additions and accessions thereto and any rebate/award program (or similar incentive programs) to which Franchisee may be entitled pursuant to this Agreement, as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of any Alsies Truck or loss or damage thereto).

18. POST-TERMINATION

18.1. Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal, if any, shall:

18.1.1. immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current Alsies owner, franchisee or licensee;

18.1.2. immediately and permanently (i) cease to use the Marks, any imitation of any Mark, Franchisor's designs, copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, (ii) cease to use any trade name, trade or service mark or other commercial symbol that suggests an association with Franchisor, Franchisor's affiliates, or the System and (iii) de-identify the Franchised Business premises. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles which display the Marks;

18.1.3. take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4. promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by Franchisee at the time of default;

18.1.5. pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6. immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, designs, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to customer lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic

copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law;

18.1.7. comply with the non-disclosure and non-competition covenants contained in Article 19; and

18.1.8 pay to Franchisor a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to the greater of Fifty Thousand Dollars ($50,000) and Brand Development Fund Contribution payable by Franchisee over the twelve (12) month period immediately prior to the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (i) twenty-four (24) months, or (ii) the number of months then remaining on the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 18.1.8 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement.

18.2. Right to Purchase.

18.2.1. Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the Alsies Trucks, equipment (including any computer systems), signs, fixtures, advertising materials, supplies, and inventory of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2. With respect to the options described in Sections 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3. Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3. Assignment of Telephone Numbers. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.6, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4. Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1. Manual.

19.1.1. Franchisor has provided to Franchisee, on loan, a copy of or access to the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) is provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2. Franchisee and any and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principals, if any, shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principals, and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those

authorized above, without Franchisor's prior written consent. While the Manual is designed to protect Franchisor's reputation and the goodwill associated with the Marks, it is not designed to control the day-to-day operation of the Franchised Business.

19.1.3. The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all time remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies, and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4. Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5. If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.

19.2. Confidential Information. Franchisee along with its Principals acknowledge and accept that during the term of this Agreement Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, designs, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without

Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3. Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4. New Concepts. If Franchisee or Principal(s) develops any new concept, process, product, design, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products, design or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and Principal(s) acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate. Franchisee acknowledges and agrees that nothing in this Section 19.4 permits Franchisee to test, introduce, provide, or otherwise offer any Improvement to customers, or use any Improvement in the operation of the Franchised Business, unless and until Franchisor consents to the use of the Improvement for such purpose.

19.5. Noncompetition Covenants. Franchisee and each Principal, if any, specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal, if any, will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's managers and employees. Franchisee and each Principal, if any, acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal, if any, are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal, if any, covenant that, except as otherwise approved in writing by Franchisor:

19.5.1. During the term of this Agreement, Franchisee and each Principal, if any, shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any ice cream business similar to the System ("Competitive Business"); (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Alsies franchisees or Franchisor-affiliated outlets.

19.5.2. Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals, if any, shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any ice cream business

within twenty-five (25) miles of the Territory or any other Alsies territory; (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Alsies franchisees.

19.6. Non-Disparagement. Neither Franchisee nor any Principal shall not make any negative, derogatory, or disparaging statement or communication regarding the Franchisor, parent, subsidiary, or any of their respective affiliates, officers, or employees with the intent to harm such person or entity. Notwithstanding the foregoing, however, Franchisee understands that neither Franchisee nor any Principal shall be prevented from making true and accurate statements or communications in connection with any disclosure that it or any of its affiliates reasonably believe is required pursuant to applicable law.

19.7 Reasonableness of Restrictions. Franchisee and each Principal, if any, acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principals, if any, since Franchisee or Principals, as the case may be, have other considerable skills, experience and education which afford Franchisee or Principals, as the case may be, the opportunity to derive income from other endeavors.

19.8 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.9 Injunctive Relief. Franchisee and each Principal, if any, acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal, if any, hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.10 No Defense. Franchisee and each Principal, if any, expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.11 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in Article 19 (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons that will have access to Franchisor's Confidential Information, and Franchisee shall provide Franchisor with executed versions thereof. Such covenants shall be substantially in the forms set forth in Attachment 6 as revised and updated from time to time and contained in the Manual. Franchisee shall indemnify and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of Franchisee's failure to obtain executed restricted covenants by employees, agents and third persons as required by this Section.

20. DISPUTE RESOLUTION

20.1. Agreement to Use Procedure. The parties have reached this Agreement in good faith and in the belief that it is mutually advantageous to them. In the same spirit of cooperation, they pledge to try to resolve any dispute without litigation or arbitration. Other than an action by Franchisor under Section 20.6 of this Agreement, the parties agree that if any dispute arises between them, before beginning any legal action or arbitration to interpret or enforce this Agreement, they will first follow the procedures described in this section. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any legal action or arbitration to interpret or enforce this Agreement.

20.2 Initiation of Procedures**.** The party that initiates these procedures ("Initiating Party") must give written notice to the other party, describing in general terms the nature of the dispute, specifying the Initiating Party's claim for relief including the damages sought, and identifying the persons with authority to settle the dispute for him, her, or the Party. The party receiving the notice ("Responding Party") has seven (7) days within which to designate by written notice to the Initiating Party one or more persons with authority to settle the dispute on the Responding Party's behalf (the "Authorized Persons").

20.3 Internal Dispute Resolution. The Authorized Persons may investigate the dispute as they consider appropriate but agree to meet in-person at a location designated by Franchisor within seven (7) days from the date of the designation of Authorized Persons to discuss resolution of the dispute. The Authorized Persons may meet at any times and places, and as often as they agree. If the dispute has not been resolved within ten (10) days after their initial meeting, either party may begin mediation procedures by giving written notice to the other party that it is doing so.

20.4 Mediation.

20.4.1 Selection of Mediator. The Authorized Persons will have seven (7) days from the date on which one party gives notice that he, she, or them is beginning mediation within which to submit to one another written lists of acceptable mediators who are not associated with either of the parties. Within seven (7) days from the date of receipt of any list, the Authorized Persons must rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these will be designated the mediator. If this process does not result in selection of a mediator, the parties agree jointly to request the arbitral organization designated in Section 20.5 to supply a list of qualified potential mediators. Within seven (7) days after receipt of the list, the parties must again rank the proposed mediators in numerical order of preference and must simultaneously exchange their lists. The mediator having the highest combined ranking shall be appointed as mediator. If the highest-ranking mediator is not available to serve, the parties must go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

20.4.2 Time and Place for Mediation. In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for in-person mediation, to be conducted within twenty-five (25) miles of Franchisor's principal address. Unless circumstances make it impossible, the time may not be later than thirty (30) days after selection of the mediator.

20.4.3 Exchange of Information. If either party to this Agreement believes he, she, or them needs information in the possession of another party to this Agreement to prepare for the mediation,

all parties must attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator, if required.

20.4.4 Summary of Views. At least seven (7) days before the first scheduled mediation session, each party must deliver to the mediator, and to the other party, a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

20.4.5 Representatives. In the mediation, each party must be represented by an Authorized Person, who must physically attend mediation, and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her, or them any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

20.4.6 Conduct of Mediation. The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful, after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties.

All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

20.4.7 Termination of Procedure. The parties agree to participate in the mediation procedure to its conclusion as set forth in this section. The mediation may be concluded (1) by the signing of a settlement agreement by the parties, (2) by the mediator's declaration that the mediation is terminated, or (3) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

20.4.8 Fees of Mediator, Disqualification. The fees and expenses of the mediator must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute, or any related or similar matter in which either of the parties is involved.

20.4.9 Confidentiality. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator, is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment,

in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

20.5. Arbitration. Except as provided in Section 20.6, and if not resolved by the negotiation and mediation procedures described in Section 20.4 above, any dispute, controversy, or claim between you and/or any of your Related Parties, on the one hand, and Franchisor and/or any of Franchisor's Related Parties, on the other hand, including, without limitation, any dispute, controversy, or claim arising under, out of, in connection with, or related to: (a) this Agreement; (b) the relationship of the parties; (c) the events leading up to the execution of this Agreement; (d) any loan or other finance arrangement between you and Franchisor or its Related Parties; (e) the parties' relationship; (f) any System standard; (g) any claim based in tort or any theory of negligence; and/or (j) the scope or validity of the arbitration obligation under this Agreement, shall be determined in Chapel Hill, North Carolina, by the American Arbitration Association ("AAA"). This arbitration clause will not deprive Franchisor of any right it may otherwise have to seek provisional injunctive relief from a court of competent jurisdiction.

20.5.1 The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one (1) arbitrator. The arbitrator shall be an attorney with substantial experience in franchise law. If proper notice of any hearing has been given, the arbitrator will have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear.

20.5.2 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred.

20.5.3 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third-parties. If a court or arbitrator determines that this limitation on joinder of, or class action certification of claims is unenforceable then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts in accordance with Section 20.5. The arbitration must take place in Orange County, North Carolina, or at such other location as Franchisor designates.

20.5.4 The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Franchisor. The arbitrator may not, under any circumstance, (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement, or any reasonable standard of business performance that Franchisor sets. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to, any decision as to whether Section 20.5 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

20.5.5 The arbitrator can issue summary orders disposing of all or part of a claim, and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

20.5.6 The arbitrator will have subpoena powers limited only by the laws of the State of North Carolina.

20.5.7 The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute will otherwise have the same discovery rights as are available in civil actions under the laws of the State of North Carolina.

20.5.8 All other procedural matters will be determined by applying the statutory common laws and rules of procedure that control a court of competent jurisdiction in the State of North Carolina.

20.5.9 Other than as may be required by law, the entire arbitration proceedings (including but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

20.5.10 The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

20.5.11 Franchisor reserves the right, but has no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished Franchisor's right to seek recovery of those costs against you.

20.5.12 The Arbitrator shall render a reasoned award unless otherwise requested by the parties. If Franchisor requests a more detailed award, i.e. "findings of fact and conclusions of law," the parties shall evenly split the excess cost above the cost required for a reasoned award. However, if You request an award more detailed than a reasoned award, i.e. "findings of facts and conclusions of law," You shall bear the entire additional cost required for such award, which cost is above the cost for a reasoned award.

20.5.13 Should Franchisor prevail in any arbitration, the Arbitrator shall require You to pay all expenses of Arbitration, as well as Franchisor's attorneys' fees and costs.

20.6 Exceptions to Arbitration and Mediation

20.6.1 Notwithstanding the provisions of Sections 20.4 and 20.5 of this Agreement, Franchisor shall be entitled, with a bond of not more than $1,000, to the entry of temporary, preliminary and permanent injunctions, and orders of specific performance, enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) Your, and/or any of Your Related Party's, use of the Marks; (b) Your confidentiality and non-competition covenants; (c) Your obligations upon termination or expiration of the franchise; or (d) Transfer or assignment by You. If Franchisor secures any such injunction (i.e. temporary restraining order, preliminary injunction, or permanent injunction) or order of specific performance, you agree to pay to Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief including, without limitation, reasonable attorneys' fees, costs of investigation

and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any such provision.

20.6.2 Further, at the election of Franchisor or its affiliate, the mediation and arbitration provisions of Sections 20.4 and 20.5, inclusive of all subparts, shall not apply to: (a) any claim by Franchisor relating to your failure to pay any fee due to Franchisor under this Agreement; and/or (b) any claim by Franchisor or its affiliate relating to use of the Proprietary Marks and/or the System, including, without limitation, claims for violations of the Lanham Act; and/or (c) any claim by Franchisor relating to a breach of your confidentiality and/or non-competition obligations under this Agreement.

20.7 Individual Dispute Resolution – No Class Action or Multi-Party Actions. Any legal action between or among the parties to this Agreement and any of their Related Parties shall be conducted on an individual basis and not on a consolidated or class-wide basis.

20.8. Waiver of Rights

THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

20.8.1 Jury Trial. The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 20.5 is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

20.8.2 Damages Waiver. The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES, *except that* this waiver and limitation shall not apply with respect to (a) your obligation to indemnify Franchisor pursuant to any provision of this Agreement, and/or (b) any claims Franchisor brings against you and/or your guarantors for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of the non-competition covenant and any other cause of action under the Lanham Act and Franchisor shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

20.8.3 The parties hereto and each of them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES,

except that Franchisor may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

20.8.4 You hereby expressly waive any and all rights, actions or claims for relief under the Federal Act entitled "Racketeer Influenced and Corrupt Organizations," 18 U.S.C. § 1961, *et seq.* ("RICO").

20.8.5 You hereby expressly agree that the existence of any claims You may have against Franchisor or its Related Parties, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants contained in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of any covenant contained in this Agreement.

20.9. Governing Law and Venue. This Agreement is made in and shall be substantially performed in the state of North Carolina. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the state of North Carolina. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in the state of North Carolina. Franchisee and its Principals, hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.10. Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.9 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principals, if any, and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.11. Injunctive Relief. You recognize that You are a member of a Franchise Network and that Your acts and omissions may have a positive or negative effect on the success of other businesses operating under Franchisor's Trade Name and in association with its Marks. Failure on the part of a single franchisee to comply with the terms of its Franchise Agreement is likely to cause irreparable damage to Franchisor and to some or all of the other franchisees of Franchisor. For this reason, You agree that if Franchisor can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Your breach or threatened breach of any of the terms of this Agreement, Franchisor will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage and without the necessity of posting bond or other security, any bond or other security being waived hereby. Franchisor has the exclusive right to seek relief pursuant to this section in a court of competent jurisdiction as defined in section 20.6.1 of this Agreement or any other court of competent jurisdiction. Notwithstanding, if any Court of competent jurisdiction, as described herein, determines that a bond or other security is required, You agree that you will not seek bond or security in excess of $10,000 and, in fact, will oppose any effort by a Court to impose a bond or security in excess of $10,000.

20.12. Limitations of Claims. You may not maintain an arbitration against the Franchisor or its Related Parties unless: (a) You deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to You, or when you should have known of said event had you been reasonably diligent; (b) thereafter, You must follow the negotiation and mediation procedures described above; and (c) You file an arbitration within one

(1) year after the notice is delivered. While this Section 20.12 may limit the applicable statute of limitations, it is not intended to extend any applicable statute of limitation in any way. The limitations set forth in this Section 20.12 shall not apply to Franchisor, its affiliates or its Related Parties.

20.13. Attorneys' Fees and Costs. If legal action or arbitration is necessary, including any motion to compel arbitration, or action on appeal, to enforce the terms and conditions of this Agreement, or for violation of this Agreement, Franchisor will be entitled to recover reasonable compensation for preparation, investigation costs, court costs, arbitral costs, and reasonable accountants, attorneys, attorneys' assistants, and expert witness fees incurred by Franchisor. Further, if Franchisor is required to engage legal counsel in connection with any failure by You to comply with this Agreement, You shall reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor, regardless of whether Franchisor files or compels mediation, arbitration or litigation.

20.14. Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL

21.1. Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, independent contractor or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation or advertise in any manner that may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorney's fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of any allegation of an agent, partner or employment relationship. Upon Franchisor's request, Franchisee and each employee will sign an employment relationship acknowledgment form within seven days stating that Franchisee alone is the employer and operator of the Franchised Business.

21.2. No Personal Liability. You agree that fulfillment of any and all of our obligations written in this Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to You for any reason.

21.3. Execution of Agreements. Each of the undersigned parties warrants that it has the full authority to sign this Agreement. If You are a partnership, limited liability company or corporation, the person executing this agreement on behalf of such partnership, limited liability company or corporation warrants to us, both individually and in his capacity as partner member, manager or officer, that all of the partners of the partnership all of the members or managers of the limited liability company, or all of the shareholders of the corporation, as applicable, have read and approved this Agreement, including any restrictions which this Agreement places upon rights to transfer their interest in the partnership limited liability company or corporation.

21.4. Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including

the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals, if any, in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.5. Invalidity of Part of Agreement. Except as expressly provided to the contrary herein, each portion, section, part term, and/or provision of this Agreement shall be considered severable, and if for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of or have any other effect upon, such other portions sections parts terms, and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

21.6. Entire Agreement. This Agreement and all exhibits to this Agreement, constitute the entire agreement between the parties. This Agreement supersedes any and all prior negotiations, understandings, representations, and agreements. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

21.7. Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principals shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.8. Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.9. Notices. The parties to this Agreement shall direct any notices to the other party at the Delivery Address specified below that party's name on the final page of this Agreement, or at another address if advised in writing that the address has been changed. The parties shall notify each other in writing of any Delivery Address changes. Notices may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), by electronic mail (with simultaneous mailing of a copy by certified mail), courier, federal express, or first-class mail. Notice by facsimile and electronic mail will be considered delivered upon submission, by courier, upon delivery, and by certified mail three days after posting. Any notice by a means which affords the sender evidence of delivery or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

21.10. Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than within the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.

21.11. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions, and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor shall use its judgment in exercising the discretion based on its assessment of its own interests and balancing those interests against the interests of its franchisees generally (including Franchisor and its affiliates if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (iii) Franchisor shall have no liability to Franchisee for the exercise of its discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

21.12. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Article 17 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.13. Consent to Do Business Electronically. This agreement is made in the State of North Carolina. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of North Carolina, the parties hereby affirm to each other that they agree with the terms of the Franchisee Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.14. Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.15. Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

Signature Page to Follow

The parties hereto have executed this Franchise Agreement the day and year first above written.

FRANCHISOR:
ALSIES FRANCHISING, LLC

By:_____

Travis Kososki , CEO
(Print Name, Title)

FRANCHISEE:

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

ATTACHMENT 1

TRADEMARKS

Marks –

ALSIES

ATTACHMENT 2

TERRITORY

Territory (insert map and/or define by Zip Codes:

Alsies Truck Storage Address:

_____

_____

ATTACHMENT 3

GENERAL RELEASE

_____ ("Franchisee") and its principal(s):

_____

_____

_____

_____

(a) Franchisee and Franchisee's Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the "Released Franchisor Party"), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee's Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee's Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee's Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys' fees and costs.

(b) Franchisee and Franchisee's Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee's Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee's Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

(c) THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.

(d) Franchisee and Franchisee's Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this

General Release is executed without reliance on any statements or any representations not contained herein. Franchisee and Franchisee's Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee's Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.

Executed as of _____.

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

ATTACHMENT 4

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE

Name	**Percentage of Ownership**

Pursuant to Section 11.2.7 of the Franchise Agreement, the Designated Principal is: _____

ATTACHMENT 5

SPOUSAL GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on _____ to Alsies Franchising, LLC, a North Carolina limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the "Franchisee Agreement") with _____ _____, a(n) _____, _____ _____ and _____ (collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

IN WITNESS WHEREOF, Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

_____

Print Name: _____

Address: _____

_____

ATTACHMENT 6

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this day of_____, by _____ _____, a(n) _____ _____ ("Franchisee"), a franchisee of Alsies Franchising, LLC a North Carolina limited liability company ("Franchisor"), and _____, an individual ("Covenantor") in connection with an Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____ _____ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the trademark "Alsies" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of Franchised Business outlets;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Alsies operations Manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Alsies system or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any ice cream business substantially similar to the System.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the Alsies System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational or supervisory capacity in any ice cream business within twenty (20) miles of Franchisee's Territory or any other Alsies territory.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE FRANCHISED BUSINESS IS LOCATED, WITHOUT REFERENCE TO CHOICE OF LAW PRINCIPLES. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE WHERE THE FRANCHISED BUSINESS IS LCOATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF THE STATE WHERE THE FRANCHISED BUSINESS IS LOCATED. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE STATE WHERE THE FRANCHISED BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. Only a duly authorized writing executed by all parties may modify this Agreement.

i. All notices and demands required hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

_____

_____

If directed to Covenantor:

_____

_____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____

COVENANTOR:

_____

Name: _____

ATTACHMENT 7

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date") by and between Alsies Franchising, LLC, a North Carolina limited liability company (the "Franchisor"), and _____ , a _____ _____, with its principal place of business located at _____ and _____ _____'s principal(s) _____, an individual residing at _____ _____ and _____, an individual residing at _____ _____ ("Principal(s)"). _____ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an Alsies business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the Alsies brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Websites, Social Media Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee's interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly

accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of North Carolina, without regard to the application of North Carolina conflict of law rules.

Signature Page to Follow

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:
ALSIES FRANCHISING, LLC

By:_____

Travis Kososki , CEO
(Print Name, Title)

FRANCHISEE:

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

ATTACHMENT 8

AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **Alsies Franchising, LLC**

I (We) hereby authorize Alsies Franchising, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name:_____Branch: _____

City:_____State:_____Zip:_____Phone: _____

ACH/Routing Number:_____Account Number: _____
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 6 and 18 of the Franchise Agreement.

Print Franchisee / Account Holder Name	Print Franchisee/Co-Account Holder Name
Franchisee/ Account Holder Signature-Date	Franchisee/Co-Account Holder Signature-Date
Daytime Phone Number	Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to: Alsies Franchising, LLC
1426 East Highway 54, Durham,
North Carolina 27713

ATTACHMENT 9

PROVISIONS APPLICABLE TO SBA FINANCING

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

i. Approve the annual budget of the Franchised Business;
ii. Have control over the bank accounts of the Franchised Business; AND
iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

Between

ALSIES FRANCHISING, LLC

And

_____

DEVELOPER

ALSIES FRANCHISING, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

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MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "Agreement") is being entered into this day of _____, (the "Effective Date") by and between Alsies Franchising, LLC, a North Carolina limited liability company with a principal business address of 11312 US 15-501 N., STE 107 #212, Chapel Hill, North Carolina 27517 (herein "Franchisor") and _____, an individual residing at _____ and _____, an individual residing at _____ (herein "Developer").

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established unique modern ice cream truck businesses under the Alsies trademarks, and using Franchisor's confidential operations manual ("Manual") of business practices and policies, and Franchisor's distinctive trade dress, proprietary software platform, designs and techniques, operations methods, inventory, procedures for management control and training, assistance, advertising, and promotional programs, all of which may be changed, improved or further developed by Franchisor at any time (taken together herein the "System").

The System is identified by certain trade names, service marks**,** trademarks, logos, emblems, and indicia of origin, including but not limited to the Alsies service mark, as set forth in Attachment 2, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Pursuant to franchise agreements, Franchisor licenses to others the right to operate Alsies outlets, using the Marks and System, in strict conformity therewith, which may be changed, improved, and further developed by Franchisor from time to time (each a "Franchise Agreement").

Developer understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating franchised businesses of the System in conformity with Franchisor's standards and specifications.

Developer desires to obtain the right to further develop and expand the System in accordance with the development schedule described in Section 5.2 hereof (the "Mandatory Development Schedule") within the development area described in Attachment 3 (the "Development Area"), under the System and Marks, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. RECITATIONS

The Recitations set out above form part of this Agreement.

2. GRANT OF DEVELOPMENT RIGHTS.

2.1 Grant. Franchisor hereby grants to Developer, and the Developer hereby accepts from the Franchisor, on the terms and conditions set forth in this Agreement, which includes, but is not limited to, the execution of a Franchise Agreement pursuant to Section 4.1 hereof, the right to develop, construct, open and operate one (1) Alsies outlet within the Development Area set forth in Attachment 2. Developer shall be granted rights to establish additional Alsies outlets in the Development Area, up to the total number of outlets set forth in the Mandatory Development Schedule set forth in Section 5.2 hereof, subject to Developer's full compliance with all conditions precedent to the grant of such rights outlined below, which rights shall be exercised in accordance with Section 4.1 hereof.

2.2 Reservation of Rights. Notwithstanding the provisions of Section 2.1 above, Developer understands and agrees Franchisor fully reserves all other rights, other than as specified in this Agreement, for sales, solicitation, and distribution of Alsies products and services within or outside of the Development Area. This reservation of Franchisor's rights includes, but is not limited to, Franchisor's right to the rights to offer (i) other products or services not offered under the Marks, (ii) other food or ice cream concepts under the Marks or other trademarks, and (iii) products or services through any channel in the Development Area other than a dedicated Alsies outlet such as distribution through retail outlets, including but not limited to, grocery stores; co-branding within other food outlets; in captive market locations, such as airports and malls; and the Internet.

2.3 No License to System and Marks. Developer expressly acknowledges that this Agreement is not a Franchise Agreement and does not grant to Developer any right or license to operate an Alsies outlet, distribute any product or service, or use the Marks. This Agreement sets forth conditions which, if fully satisfied, confer upon Developer the rights to enter a Franchise Agreement with Franchisor to establish one or more Alsies outlets in the Development Area only. Developer's rights to open and operate an Alsies outlet and use the System and Marks shall be derived only through the execution of a Franchise Agreement for each Alsies outlet to be established in the Development Area.

3. TERM

Unless sooner terminated in accordance with this Agreement, the term of this Agreement and all rights granted by Franchisor under this Agreement shall expire on the date on which Developer successfully and in a timely manner has complied with all of Developer's obligations hereunder and has completed the development obligations in accordance with the Development Schedule.

4. DEVELOPMENT AND FRANCHISE FEES.

4.1 Multi-Unit Development Fee. In consideration of the rights granted under this Agreement, Developer shall pay Franchisor a development fee (the "Development Fee") in the following amount:

Number of Outlets to Develop	Development Fee per Outlet	Total Development Fee
2	$39,500	$89,000

3	$34,500	$123,500
4	$29,500	$153,000
5 or more	$24,500 (each additional)	Variable, depending on total

The Development Fee is fully earned at the time this Multi-Unit Development Agreement is signed and is not refundable under any circumstances. Developer shall pay the full amount of the Development Fee to Franchisor upon Developer's execution of this Agreement.

4.2 Application of Development Fee. Contemporaneous with the execution of this Agreement, Developer shall execute the initial Franchise Agreement for the first Alsies outlet to be established pursuant to the Mandatory Development Schedule. Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the Initial Franchise Fee due under the initial Franchise Agreement. Upon the execution of each of additional Franchise Agreement for outlets to be developed hereunder, Developer shall receive a corresponding credit from the Development Fee, which shall be applicable to the Initial Franchise Fee payable pursuant to each such additional Franchise Agreement. Upon Franchisor's approval, Developer may enter into the initial Franchise Agreement or any subsequent Franchise Agreement as required under this Agreement using a newly formed entity, such as a limited liability company, corporation, or partnership, for the sole purpose of entering into a Franchise Agreement and operating the Alsies outlet pursuant thereto, provided that Developer shall also personally sign such Franchise Agreement as a principal.

5. EXERCISE OF DEVELOPMENT RIGHTS.

5.1 Valid Exercise. Developer shall exercise the development rights granted hereunder only by entering into a separate Franchise Agreement with Franchisor for each Alsies outlet for which a development right is granted. Developer shall execute and deliver to Franchisor, concurrently with the execution and delivery of this Agreement, Franchisor's current form of Franchise Agreement for the first Alsies outlet to be established by Developer pursuant to the Mandatory Development Schedule. For each subsequent Alsies outlet to be established hereunder, Developer shall execute and deliver to Franchisor Franchisor's then-current form of Franchise Agreement, which shall be presented to Developer together with Franchisor's then-current Franchise Disclosure Document. The then-current form of Franchise Agreement may differ from the current form of Franchise Agreement; provided however, the initial franchise fee for each additional outlet shall be the applicable amount set forth in in Section 4.1 hereof. Further, Developer acknowledges and agrees that Developer shall not receive any initial training related to each additional Alsies outlet. Developer hereby waives all obligations by Franchisor to provide any training to Developer contained in each Franchise Agreement, other than the initial Franchise Agreement executed concurrently with this Agreement, by and between Franchisor and Developer. Developer hereby acknowledges and agrees that the training Developer receives pursuant to the initial Franchise Agreement executed concurrently with this Agreement is sufficient to allow Developer to construct, equip, open, and operate each of Developer's Alsies outlets in the Development Area.

5.2 Mandatory Development Schedule. Subsequent to Developer's signing of this Agreement and the initial Franchise Agreement, and provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the purchase of the truck for Developer's first Alsies outlet, Developer shall execute an additional Franchise Agreement for the development of the second Alsies outlet to be opened under the Mandatory Development Schedule. Provided that all conditions in Section 5.4 hereof are satisfied or waived, upon the purchase of the truck for each subsequent Alsies outlet to be developed by Developer, Developer shall execute an additional Franchise Agreement for the development of the next Alsies outlet to be opened under the Mandatory Development Schedule. Notwithstanding the foregoing, Developer shall open the Alsies outlets in accordance with the following schedule:

Outlet for Development	**Mandatory Open Date**
1	6 months following the Effective Date
2	18 months following the Effective Date
3 (if applicable)	24 months following the Effective Date
4 (if applicable)	30 months following the Effective Date
5 (if applicable)	36 months following the Effective Date
6 (if applicable)	42 months following the Effective Date
7 (if applicable)	48 months following the Effective Date
8 (if applicable)	54 months following the Effective Date
9 (if applicable)	60 months following the Effective Date
10 (if applicable)	66 months following the Effective Date

Developer acknowledges and agrees that the terms of the Mandatory Development Schedule are reasonable and viable based upon Developer's independent investigation and analysis. Failure by Developer to adhere to the Mandatory Development Schedule (including any extensions thereof approved by Franchisor in writing pursuant to Section 5.3 below) shall constitute a material event of default under this Agreement.

5.3 Extension of Mandatory Development Schedule. If Developer is unable to meet the Mandatory Development Schedule for any outlet, Developer may seek a reasonable extension from Franchisor. Any request for an extension must be in writing and submitted to Franchisor at least sixty (60) days prior to the Mandatory Open Date for such outlet. Franchisor shall not unreasonably withhold consent for such reasonable extension provided that Developer has (i) submitted its extension request in a timely manner; (ii) demonstrated diligent efforts to meet the original Mandatory Open Date; and (iii) has at all times acted in good faith and is otherwise fulfilling its obligations under this Agreement.

5.4 Conditions to Exercise Developer's Rights. All of the following conditions must be satisfied or waived, in Franchisor's sole discretion, before Franchisor grants Developer the right to develop an additional Alsies outlet in accordance with Section 4.1 hereof and pursuant to a Franchise Agreement:

5.4.1 Developer shall (i) request Franchisor's then-current Franchise Disclosure Document, (ii) submit to Franchisor all information and other documents requested by Franchisor prior to and as a basis for the issuance of Franchise Agreements in the System, (iii) submit to Franchisor all financial statements reasonably requested

by Franchisor, and (iv) satisfy Franchisor's then-current financial criteria.

5.4.2 Developer shall be in full compliance with this Agreement, the Mandatory Development Schedule, and all Franchise Agreements with Franchisor and any other agreement with Franchisor or Franchisor's affiliates;

5.4.3 Developer has demonstrated the management skills necessary for competent operation, organization, customer service and record keeping of an additional Alsies outlet as determined by Franchisor, in Franchisor's sole discretion.

5.5 Termination for Failure of Condition. Notwithstanding anything to the contrary contained herein, in the event that Franchisor determines, in Franchisor's sole and absolute discretion, that any condition set forth in Section 5.4 hereof cannot be satisfied, Franchisor may terminate this Agreement upon written notice to Developer. Termination of this Agreement in accordance with this Section 5.5 shall have no effect on the validity of any other agreement between Franchisor and Developer, provided that Developer is in full compliance therewith.

6. TRANSFER

6.1 Transfers by Franchisor.

6.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation, or other entity, without Developer's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Developer expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

6.1.2 Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Developer acknowledges may be within the Development Area, proximate thereto, or proximate to any of Developer's locations).

6.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor or any of its affiliates to remain in any line of business or to offer or sell any products or services to Developer.

6.2 Restrictions on Transfers by Developer. Developer's rights and duties under this Agreement are personal to Developer, and Franchisor has made this Agreement with Developer in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Developer. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

6.3 Transfers by Developer. Developer shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right granted or interest herein or hereunder (a "Transfer") or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless Developer first obtains the written consent of Franchisor, which Franchisor may or may not grant in Franchisor's sole discretion, and subject to the following:

6.3.1 The proposed transferee must be an individual of good moral character and otherwise meet Franchisor's then-applicable standards for multi-unit franchisees;

6.3.2 The transferee must have sufficient business experience, aptitude, and financial resources to operate multiple Alsies outlets and to comply with this Agreement;

6.3.3 The transferee has agreed to complete Franchisor's Initial Training Program to Franchisor's satisfaction;

6.3.4 Developer has paid all amounts owed to (i) Franchisor pursuant to this Agreement and all Franchise Agreements and other agreements between Franchisor and/or Franchisor's affiliates and Developer and (ii) third-party creditors;

6.3.5 The transferee has executed Franchisor's then-standard form of Multi-Unit Development Agreement, which may have terms and conditions different from this Agreement, for a term no less than the unexpired term of future development obligations due pursuant to the Mandatory Development Schedule of this Agreement;

6.3.6 Developer and the transferee shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances. Developer agrees to subordinate any claims Developer may have against the transferee to Franchisor and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

6.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not

adversely affect the transferee's development obligations. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Developer's development rights on such terms and conditions. Developer shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

6.3.8 If Developer, through Developer or any entity, finances any part of the sale price of the Transfer, Developer agrees that all obligations of the transferee under any notes, agreements or security interests to Developer or Developer's entity will be subordinate to the transferee's obligations to Franchisor.

6.4 Transfer Fee. As a condition to any Transfer, Developer shall pay Franchisor a transfer fee equal to fifty percent (50%) of the then-current initial franchise fee; provided however, for transfers to an entity owned and controlled by Developer for convenience purposes or for transfers among owners that do not change management control, the transfer fee is waived, but Developer shall reimburse Franchisor's actual costs and expenses, if any. Developer shall pay a non-refundable deposit of One Thousand Dollars ($1,000) upon requesting Franchisor's approval of the transfer.

6.5 Franchisor 's Right of First Refusal.

6.5.1 If Developer wishes to transfer all or part of his or her interest in this Agreement pursuant to any bona fide offer received from a third party to purchase such interest, then Developer shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

6.5.2 Franchisor has the right, exercisable by written notice to Developer within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement for the price and on the terms and conditions contained in the offer.

6.5.3 Developer further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the third-party offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from Developer all customary representations and warranties given by a seller of franchise development rights.

6.5.4 If Franchisor does not exercise its right to buy within thirty (30) days, Developer may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor 's prior written approval pursuant to Section 6.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

6.6 Death or Permanent Disability. The grant of rights under this Agreement is personal to Developer, and on the death or permanent disability of Developer, the executor, administrator, conservator, or other personal representative of Developer shall be required to transfer Developer's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and all that is granted by this Agreement will terminate. A transfer under this Section 6.6, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 6 and unless transferred by gift, devise, or inheritance, subject to the terms of Section 6.5 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Developer's Alsies outlet(s) and remaining development schedule during the six (6)-month period from its onset.

7. DEFAULT AND TERMINATION.

7.1 Default and Automatic Termination. Developer shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if Developer files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing his or her inability to pay debts when due; or if Developer is adjudicated a bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against any of Developer's Alsies outlet premises or equipment is instituted against Developer and not dismissed within thirty (30) days.

7.2 Defaults with No Opportunity to Cure. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon notice to Developer, if Developer:

7.2.1 has misrepresented or omitted material facts in applying for the development rights granted hereunder;

7.2.2 falsifies any report required to be furnished Franchisor hereunder;

7.2.3 fails to comply with any federal, state, or local law, rule, or regulation, applicable to the development and operations of Developer's Alsies outlets, including, but not limited to, the failure to pay taxes;

7.2.4 fails to develop the Alsies outlets in accordance with the Mandatory Development Schedule.

7.2.5 attempts a Transfer in violation of the provisions of Article 6 of this Agreement;

7.2.6 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that may harm the reputation of the System or the goodwill associated with the Marks;

7.2.7 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

7.2.8 fails to comply with the non-disclosure and non-competition covenants in Article 8 hereof;

7.2.9 defaults, or an affiliate of Developer defaults, under any other agreement, including any Franchise Agreement, with Franchisor or any of its affiliates, suppliers or landlord and does not cure such default within the time period provided in such other agreement; or

7.2.10 terminates this Agreement without cause.

7.3 Curable Defaults. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if Developer fails to cure the default within the time period set forth in this Section 7.3, effective immediately upon notice to Developer, if Developer:

7.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Section 7.2;

7.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 7.1 and 7.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5) - day period, then if it is not corrected within such additional time as may be reasonably required assuming Developer proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12) – month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 7.2.

7.4. Post-Termination Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Developer shall immediately terminate and Developer shall (i) immediately cease all development operations pursuant to this Agreement; and (ii) comply with the non-disclosure and non-competition covenants contained in Article 8.

8. NON-DISCLOSURE AND NON-COMPETITION COVENANTS.

8.1 Confidential Information. Developer acknowledges and accepts that during the term of this Agreement, Developer will have access to Franchisor's trade secrets, including, but not limited to, recipes, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, financial information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Developer shall not, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for Developer's own benefit, any Confidential Information that may be communicated to Developer or of which Developer may be apprised in connection with the development of Alsies outlets under the terms of this Agreement. Developer shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person, without Franchisor's prior written consent. The covenant in this Section 8.1 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer.

8.2 Protection of Information. Developer shall take all steps necessary, at Developer's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Developer finds that any Confidential Information has been divulged in violation of this Agreement.

8.3 Noncompetition Covenants. Developer acknowledges that, pursuant to this Agreement and the Franchise Agreement, Developer will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training, and experience of Developer. Developer acknowledges that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to him or her in the development and operation of Alsies outlets, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Developer is entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Developer covenants that, except as otherwise approved in writing by Franchisor:

8.3.1 During the term of this Agreement, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business or customer of the Developer's Alsies outlets or of other developers or franchisees in the System to any competitor,

by direct or indirect inducement or otherwise; (ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any ice cream business similar to the System; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Alsies developers or franchisees or Franchisor-affiliated outlets.

8.3.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Developer shall not, either directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business or customer of Developer's Alsies outlets or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any ice cream business within twenty five (25) miles of the Development Area or any Alsies location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System; or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Alsies developers or franchisees.

8.4 Reasonableness of Restrictions. Developer acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Developer since Developer has other considerable skills, experience and education which afford Developer the opportunity to derive income from other endeavors.

8.5 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Article 8 or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof, and Developer agrees to forthwith comply with any covenant as so modified.

8.6 Injunctive Relief. Developer acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of an injunction prohibiting any conduct by Developer in violation of the terms of the covenants not to compete set forth in this Agreement.

8.7 No Defense. Developer expressly agrees that the existence of any claims he or she may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

9. INDEMNIFICATION.

TO THE FULLEST EXTENT PERMITTED BY LAW, DEVELOPER AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS ALSIES FRANCHISING, LLC, ALSIES INTELLECTUAL PROPERTY, LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES (COLLECTIVELY REFERRED TO AS THE "ALSIES INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO THE DEVELOPMENT, OPERATION, CONDITION, OR ANY PART OF ANY OF DEVELOPER'S ALSIES OUTLETS TO BE DEVELOPED HEREUNDER, THE PRODUCTS, THE PREMISES, OR ANY ASPECT OF THE REAL ESTATE CONNECTED TO ANY OF SUCH ALSIES OUTLETS, WHETHER CAUSED BY DEVELOPER'S AGENTS OR EMPLOYEES, OR ARISING FROM DEVELOPER'S ADVERTISING OR BUSINESS PRACTICES. DEVELOPER AGREES TO PAY FOR ALL THE ALSIES INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY DEVELOPER HEREUNDER. THE ALSIES INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE ALSIES INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. DEVELOPER AGREES THAT TO HOLD THE ALSIES INDEMNITEES HARMLESS, DEVELOPER WILL REIMBURSE THE ALSIES INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE ALSIES INDEMNITEES.

_____
Initial

10. DISPUTE RESOLUTION

10.1 Internal Dispute Resolution. Developer shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Exhibits hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution by providing notice as set forth in Section 12.7 below. Developer must exhaust this internal dispute resolution procedure before Developer may bring Developer's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

10.2 Mediation. At Franchisor's option, any claim, controversy, or dispute that is not resolved pursuant to Section 10.1 hereof shall be submitted to non-binding mediation. Developer shall provide Franchisor with written notice of Developer's intent to pursue any unresolved claim, controversy, or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Developer's notice to exercise Franchisor's option to submit such claim, controversy, or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current

location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

10.3 Arbitration.

10.3.1 Except disputes not subject to alternative dispute resolution as set forth in Section 10.4, any dispute between Franchisor and Developer arising out of or relating to this Agreement, the Attachments hereto or any breach thereof, including any claim that this Agreement or any of its parts, is invalid, illegal or otherwise voidable or void, which has not been resolved in accordance with Sections 10.1 or 10.2, will be resolved by submission to the American Arbitration Association or its successor organization to be settled by a single arbitrator in accordance with the Commercial Arbitration Rules then in effect for such Association or successor organization.

10.3.2 All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained in this Article 10 will be governed by the Federal Arbitration Act (9 U.S.C. §1 *et seq*.) and the federal common law of arbitration. All hearings and other proceedings will take place in Chapel Hill, North Carolina or the offices of the American Arbitration Association, or, if Franchisor so elects, in the county where the principal place of business of Developer is then located.

10.3.3 This arbitration provision is self-executing and will remain in full force and effect after expiration or termination of this Agreement. Any arbitration will be conducted on an individual, and not a class-wide or multiple plaintiffs, basis. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against the party by default or otherwise, notwithstanding the failure to appear. Judgment upon an arbitration award may be entered in any court having jurisdiction and will be binding, final and not subject to appeal. No punitive or exemplary damages will be awarded against Franchisor, Developer, or entities related to either of them, in an arbitration proceeding or otherwise, and are hereby waived.

10.3.4 The provisions of this Section 10.3 are independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law.

10.3.5 In proceeding with arbitration and in making determinations hereunder, no arbitrator shall extend, modify, or suspend any terms of this Agreement or the reasonable standards of business performance and operation established by Franchisor in good faith. No notice, request or demand for arbitration shall stay, postpone, or rescind the effectiveness of any termination of this Agreement.

10.3.6 Except as expressly required by law, Franchisor and Developer shall keep all aspects of any mediation and/or arbitration proceeding in confidence and shall not disclose

any information about the proceeding to any third party other than legal counsel who shall be required to maintain the confidentiality of such information.

10.4 Exceptions. Notwithstanding the requirements of Sections 10.2 or 10.3, the following claims shall not be subject to mediation or arbitration:

10.4.1 Franchisor's claims for injunctive or other extraordinary relief;

10.4.2 disputes and controversies arising from the Sherman Act, the Clayton Act or any other federal or state antitrust law;

10.4.3 disputes and controversies based upon or arising under the Lanham Act, as now or hereafter amended, relating to the ownership or validity of the Marks; and

10.4.4 enforcement of Developer's post-termination obligations, including but not limited to, Developer's non-competition covenants.

10.5 Governing Law and Venue. This Agreement is made in, and shall be substantially performed in, the State of North Carolina. Any claims, controversies, disputes, or actions arising out of this Agreement shall be governed, enforced, and interpreted pursuant to the laws of the State of North Carolina. Developer, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in North Carolina. Developer hereby waives all questions of personal jurisdiction for the purpose of carrying out this provision.

10.6 Mutual Benefit. Developer and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 10.5 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Developer and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

10.7 Waiver of Jury Trial and Certain Damages. Developer hereby waives, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Developer agrees that in the event of a dispute, Developer shall be limited to the recovery of any actual damages sustained.

10.8 Limitations of Claims. Any and all claims asserted by Developer arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which Developer knew or should have known of the facts giving rise to such claims.

10.9 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Developer concerning the operation, enforcement, construction or interpretation of this

Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and court costs incurred.

10.10 Survival. The provisions of this Article 10 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Developer of his/her respective interests in this Agreement.

11. GENERAL

11.1 Independent Licensee. Developer is and shall be an independent licensee under this Agreement, and no partnership shall exist between Developer and Franchisor. This Agreement does not constitute Developer as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Developer agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other developers or franchisees of Franchisor. Pursuant to the above, Developer agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs or judgments against Franchisor arising out of the relationship hereby established which specifically, but not exclusively, includes costs, losses, expenses, attorneys fees relative to assignment or the transfer of right to develop and transactional costs relative thereto, defaults under any leases, subleases, notes, receipt of revenues or any other relationships arising directly or indirectly out of the development and operation of the Alsies outlets.

11.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Developer and his or her respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Developer in this Agreement, except in accordance with Article 6 hereof.

11.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

11.4 Entire Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

11.5 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements, and obligations of each of the persons named as Developer, if more than one person is so named.

11.6 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

11.7 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as first above written, or at such other address or addresses as the parties may from time to time designate in writing.

11.8 Effect of Waivers. No waiver, delay, omission, or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind.

11.9 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights pursuant to Article 7 shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement.

11.10 Consent to Do Business Electronically. The parties to this Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of North Carolina, the parties hereby affirm to each other that they agree with the terms of this Agreement, and by attaching their signature electronically to this Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on an electronic signature as the respective party's signature.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

11.12 Survival. Any obligation of Developer that contemplates performance of such obligation after termination, expiration or transfer of this Agreement shall be deemed to survive such termination, expiration or transfer.

The parties hereto have executed this Multi-Unit Development Agreement in on the day and year first above written.

FRANCHISOR:

ALSIES FRANCHISING, LLC

By:_____

_____,_____
(Print Name, Title)

DEVELOPER:

_____

_____
(Print Name)

DEVELOPER:

_____

_____
(Print Name)

ATTACHMENT 1

TRADEMARKS

Service Mark:

ALSIES

ATTACHMENT 2

DEVELOPMENT AREA

(insert map and/or define by zip codes):

EXHIBIT D

FINANCIAL STATEMENTS

Alsies Franchising, LLC

(A North Carolina Limited Liability Company)

Financial Statements with Report of Independent Auditors
December 31, 2025 and Balance Sheet as of December 31, 2024

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DA ADVISORY GROUP
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Member of
Alsies Franchising, LLC:

Opinion
We have audited the accompanying financial statement of Alsies Franchising, LLC (the Company), a North Carolina limited liability company, which comprise the balance sheets as of December 31, 2025, and December 31, 2024, and the related statements of operations, changes in member's equity and cash flow for the year December 31, 2025 and the related notes to the financial statements.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and December 31, 2024, and the results of its operations and its cashflows for the year ended December 31, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 for one year after April 11, 2026.

Auditors' Responsibilities for the Audit 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 and auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstance, 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.

DA Advisory Group PLLC

Troy, MI
April 11, 2026

Alsies Franchising, LLC
BALANCE SHEETS
As of December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 97,578	$ 12,875
Accounts receivable	187,143	-
Related party receivable	237,467	196,500
Deferred franchise acquisition costs - current	94,140	-
Other current assets	161	-
Total current assets	616,489	209,375
Noncurrent assets:		
Deferred franchise acquisition costs - net of current	524,772	80,000
Total noncurrent assets	524,772	80,000
Total assets	$ 1,141,261	$ 289,375
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,140	$ -
Credit cards	19,721	-
Other accrued expenses	16,499	-
Payroll liabilities	13,490	-
Deferred franchise fee income - current	244,733	-
Total current liabilities	297,583	-
Noncurrent liabilities:		
Deferred franchise fee income - noncurrent	1,217,073	86,500
Total noncurrent liabilities	1,217,073	86,500
Total liabilities	1,514,656	86,500
Member's equity	(373,395)	202,875
Total liabilities and member's equity	$ 1,141,261	$ 289,375

see accompanying notes

Alsies Franchising, LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2025

	2025
REVENUE	
Territory fees	$ 455,269
Royalties	182,926
Product sales	53,326
Franchise fees	52,245
Technology fees	17,022
Brand development fees	10,474
Other income	-
Total revenue	771,262
OPERATING EXPENSES	
Selling and administrative expenses	1,352,532
Total operating expenses	1,352,532
Net loss	$ (581,270)

see accompanying notes

Alsies Franchising, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2025

	Total Members' Equity
BALANCE, DECEMBER 31, 2024	$ 202,875
Member contributions	5,000
Member distributions	-
Net loss	(581,270)
BALANCE, DECEMBER 31, 2025	$ (373,395)

see accompanying notes

Alsies Franchising, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025

		2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$	(581,270)
Change in:		
Accounts receivable		(187,143)
Related party receivable		(40,967)
Other current assets		(161)
Deferred franchise acquisition costs		(538,912)
Accounts payable		3,140
Credit cards		19,721
Other accrued expenses		16,499
Payroll liabilities		13,490
Deferred franchise fee income		1,375,306
Net cash provided by operating activities		79,703
CASH FLOWS FROM FINANCING ACTIVITIES		
Members capital contributions		5,000
Members capital distributions		-
Net cash provided by financing activities		5,000
Net change in cash and cash equivalents	$	84,703
Cash and cash equivalents at beginning of year		12,875
Cash and cash equivalents at end of year	$	97,578
Total cash and cash equivalents	$	97,578

see accompanying notes

Alsies Franchising, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025 and 2024

1. Organization

Alsies Franchising, LLC ("The Company") was organized on November 29, 2023, in the State of North Carolina. The Company offers franchise opportunities in the ice cream industry. As a franchisor, the Company is subject to all the laws, rules, and regulations of each state. Some states have more stringent regulations than others.

For the periods ended December 31, 2025 and December 31, 2024, total capital contributions were $5,000 and $200,000 and member withdrawals were $0 and $0, respectively.

2. Summary of significant accounting policies and nature of operations

Basis of accounting
The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which could exceed federally insured limits. As of December 31, 2025 and December 31, 2024, the cash balance did not exceed the insured limit.

Concentration of credit risk
The Company is subject to credit risk related to amounts due from franchisees. The financial condition of the franchisees is largely dependent upon the underlying business trends of the brands and market conditions within the industries represented. The concentration of risk is mitigated by the number of franchisees and the short-term nature of the receivables from the franchisees.

Accounts receivable
Accounts receivable arise in the normal course of business through franchise sales and royalties earned. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing.

Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions. Accounts receivable had a balance of $187,143 and $0 as of December 31, 2025 and December 31, 2024, respectively.

2. Summary of significant accounting policies and nature of operations (continued)

Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company recognized $0 of bad debt expense for the years ended December 31, 2025 and December 31, 2024.

Revenue and expenses

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606") which outlines a single, comprehensive model for accounting for revenue from contracts with customers.

Under ASC 606, revenue is recognized in accordance with a five-step model, as follows: identifying the contract with the customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when (or as) the Company satisfies a performance obligation.

The Company derives its revenues primarily from franchisees in accordance with contractual agreements.

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee.

The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract with each franchisee.

Expenses are recognized in the month incurred and accrued as necessary per accrual basis reporting.

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises which are amortized over the term of the franchise agreements and MUDAs. In the case of costs paid related to MUDAs, for which no signed franchise agreement has been signed, these costs are deferred until the signed franchise agreement is received.

Fair value of financial instruments

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Codification establishes a framework for measuring fair value that is based on the inputs market participants use to determine fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs.

The accounting guidance describes a hierarchy of three levels of input that may be used to measure fair value:

2. Summary of significant accounting policies and nature of operations (continued)

Level 1 Inputs based on quote prices in active markets for identical assets and liabilities.
Level 2 Inputs other than Level 1 quoted prices, such as quoted prices for similar assets and
Level 3 Unobservable inputs based on little market or no market activity which are significant to the fair value of the assets and liabilities.

The Company's material financial instruments consist of primarily cash and cash equivalents. The fair values of these instruments is equal to their carrying values based on liquidity. The fair value measurement of these assets is categorized as Level 1.

Income taxes
Income taxes on Company income are levied on the Member at the member level. Accordingly, all profits and losses of the Company are recognized on the Member's individual tax return.

Advertising
Advertising costs are expensed as incurred. For the year ended December 31, 2025, the Company incurred $36,800 in advertising costs.

Disaggregation of revenues

The Company disaggregates revenue from contracts with customers by the timing of revenue recognition by type of revenues, as it believes this best depicts how nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by timing of recognition were as follows:

	2025
Point in time:	
Royalties, marketing and other revenue	$ 352,868
Franchise fees	360,000
Total point in time	712,868
Over time:	
Royalties, marketing, and other revenue	-
Franchise fees	58,394
Total over time	58,394
Total revenue	$ 771,262

3. Contract balances

The Company recorded an asset for acquisition costs incurred to obtain franchise agreements and a liability for unearned revenue associated with the performance obligation of the Company's franchise agreements. Recognition begins upon opening of each franchise location.

A summary of acquisition costs incurred as of December 31, 2025 and December 31, 2024 is as follows:

	2025	2024
Deferred acquisition costs - beginning	$ 80,000	$ -
Additional costs incurred	726,000	80,000
Deferred acquisition costs recognized	(187,088)	-
Deferred acquisition costs - ending	$ 618,912	$ 80,000

Deferred acquisition costs are expected to be amortized over the remaining term of the associated franchise agreement as follows:

Year ending December 31, 2025	
2026	$ 94,140
2027	61,101
2028	61,101
2029	61,101
2030	61,101
Thereafter	280,368
Total	$ 618,912

Year ending December 31, 2024	
2025	$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	80,000
Total	$ 80,000

4. Deferred revenue

A summary of deferred franchise revenue as of December 31, 2025, and December 31, 2024:

	2025	2024
Deferred revenue - beginning	$ 86,500	$ -
Franchise fees	1,830,575	86,500
Franchise fees recognized and prior adj	(455,269)	-
Deferred revenue - ending	$ 1,461,806	$ 86,500

Deferred franchise fee revenue is expected to be amortized over the remaining term of the associated franchise agreement as follows:

Year ending December 31, 2025	
2026	$ 244,733
2027	141,520
2028	141,520
2029	141,520
2030	141,520
Thereafter	650,993
Total	$ 1,461,806

Year ending December 31, 2024	
2025	$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	86,500
Total	$ 86,500

5. Related party transactions

The Company has evaluated its relationships and transactions with related parties in accordance with ASC 850, Related Party Disclosures. In 2025 and 2024, contract funds were paid directly to and receivable from a related party. These receivables bear no interest and have no due date. As of December 31, 2025 and December 31, 2024, the balance of related party receivable was $237,467 and $196,500, respectively. In addition, the office rent is a shared space with a related party who is named on the lease. Expenses paid for rent are contained in rent expense and the Due To/From account.

6. Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company. The Company has evaluated contingencies as of December 31, 2025 and December 31, 2024 and noted none to disclose.

7. Subsequent events

Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of Alsies Franchising, LLC through April 11, 2026 (the date the financial statements were available to be issued) and concluded that no events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

EXHIBIT E

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EXHIBIT F

FRANCHISED OUTLETS

OUTLETS AS OF December 31, 2025

Franchised Outlets:

Franchisee	Individual Contact	Address	City/State	Phone	Date FA Signed	No. of Units
Fifteen Smiles Ice Cream LLC	Robert L Tibbs IV	4267 Abbotts Way	Hoover, AL 35226	205-210-8844	2/14/2025	1
HRIDAM LLC	Hardik Jambusaria; Dimple Doshi	3101 North Central Avenue, Suite 183	Phoenix, AZ 85012	480-269-2220	1/16/2025	1
CJA Ventures, LLC	Ashish Bhutiani	131 Continental Drive, Suite 305	Newark, DE 19713	844-425-7437	1/27/2025	2
Melisha Christian	Melisha Christian	11348 Tiburon Drive	Jacksonville, FL 32221	904-203-8579	7/8/2025	1
Decisive Investments LLC	Dawn Inglett; David Inglett	101 Lynes Trail	Appling, GA 30802	706-901-2186	8/22/2025	1
Ron/Michelle Bain	Ron Bain; Michelle Bain	3935 River Club Drive	Cumming, GA 30041	470-203-6449	3/28/2025	1
Alsies of PTC LLC	Stuart Tracy; Taylor Ruby	862 Richmond Circle	Peachtree City, GA 30269	678-203-8345	4/14/2025	1
JMC Event Rentals LLC	Mary Cave; John Cave	230 Catherin View	Richmond Hill, GA 31324	912-349-9733	6/9/2025	1
Kombu, LLC	Jaewon Hur; Nicole Jina Yang	3523 East Tusa Court	Meridian, ID 83642	208-261-2085	1/7/2025	1
Seth Jenkins	Seth Jenkins	8628 Ducksbill Drive	Charlotte, NC 28277	704-268-9229	3/4/2025	1
Proctor Hines Technology LLC	Natasha Allen	732 South 6th Street, Suite R	Las Vegas, NV 89101	561-223-9983	6/30/2025	1
Rajeev Sharma	Rajeev Sharma	2412 Chatfield Drive	Las Vegas, NV 89128	609-200-5746	2/6/2025	1
JLMS Enterprises LLC	Scott Shapiro	18 Marina Drive	Camp Hill, PA 17011	717-219-4090	9/20/2024	2
Shoemaker, LLC	Nathan Shoemaker	430 Limekiln Drive	Chambersburg, PA 17201	717-500-1009	8/26/2025	1
CLB Ice Cream for 3 LLC	Kellie Haenn; Tim Haenn	114 Lake Drive	Downingtown, PA 19335	484-222-0881	8/22/2025	1
Thomas / Emily Hesch	Thomas James Hesch	2016 Foxwood Drive	Erie, PA 16510	814-201-6677	2/10/2025	2
Steven Kreck	Steven Krecek	10058 Oakridge Drive	Wexford, PA 15090	336-338-7997	2/25/2025	2
Melissa Schramm	Melissa Schramm; Justin Schramm	1300 Rockdale Boulevard	Sumter, SC 29154	803-200-2089	2/11/2025	2
Lonestar Treats of Texas LLC	Matthew Steele; Bradley Allen	5900 Balconies Drive, Suite 100	Austin, TX 78731	281-219-8008	8/5/2025	1
M4 Flavors LLC	Milton Miranda; Manelys Acosta	135 Champions Bend	San Antonio, TX 78258	210-400-5799	8/2/2025	1
FrostBite5 LLC	Lauren McConaghy	704 Castle Rock Drive	Southlake, TX 76092	817-330-9795	10/21/2024	2

9 Two 3 Investments LLC	Daniel White; Kristina White	6100 Turtle Creek Road	Midland, TX 79707	432-201-2607	10/30/2024	1

Franchise Agreements Signed But Outlet Not Open as of December 31, 2025:

Entity Name	Individual Contact	Territory	Contact Address	Contact Phone/Email	Date FA Signed
Emerald Coast Treats, LLC	Alina Behrens; Matthew Behrens	Destin FL	7901 4th Street North, Suite 300, St. Petersburg, FL 33702	850-273-6377	8/27/2025
The ABK Company, Inc	Bijesh Pravin Kanani	Jupiter FL	72 Pinehill Trail West, Tequesta, FL 33469	561-223-9530	10/5/2025
Angieta & Sons, Inc	Angela C. Sanita-Soto	Montclair NJ	135 Gold Street, North Arlington, NJ 07031	201-477-8558	10/3/2025
Solether Treatyoself, LLC	Jay Dee Solether; Lauren Jaye Solether	Dayton OH	2142 Silver Linden Drive, Tipp City, OH 45371	937-204-3991	7/14/2025
Dena M. Anderson	Jeffrey T. Anderson; Dena M. Anderson	Frisco TX	1651 Remington Road, Prosper, TX 75078	469-631-3000	7/28/2025
Nar Sardul Corporation	Venkata Naga Ravi Kumar Choragudi	Austin TX	804 Whitcomb Way, Austin, TX 78738		11/5/2025
Frost Theory Collective LLC	Niome Nwaneri; Omotayo Daib	McKinney TX	2600 Fiddler Way, McKinney, TX 75071	469-422-0258	8/8/2025
Steven Monroe Johns Jr	Steven Monroe Johns Jr	Schertz TX	17331 IH-35 N, Schertz, TX 78154	210-790-3353	10/31/2025

Former Franchisees as of December 31, 2025:

Entity Name	Individual Contact	Contact Address	Contact Phone/Email
None reported.			

EXHIBIT G

STATE ADDENDA

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. Illinois law governs the Franchise Disclosure Document.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. If the population of your Territory **increases by 50%**, you are **obligated** to **purchase another Alsies truck** to operate within the Territory.

ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. If the population of your Territory **increases by 50%,** you are **obligated** to **purchase another Alsies truck** to operate within the Territory.

ILLINOIS ADDENDUM TO THE MULTI-UNIT OPERATOR AGREEMENT

1. Illinois law governs the Multi-Unit Development Agreement

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled. (N.C.G.S. §66-95)

Effective Date: _____

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISEE:
_____

By:_____
Name: _____
Title: _____

FRANCHISOR:
ALSIES FRANCHISING, LLC

By:_____
Name: Travis Kososki
Title: CEO

PRINCIPAL:

_____
Name:

DISCLOSURES REQUIRED BY SOUTH CAROLINA LAW

If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

In accordance with South Carolina Code of Laws, Chapter 57, Section 39-57-70(b)(3), South Carolina franchisees are on notice that Franchisor's Registered Agent for Service of Process is:

_____
_____
_____
_____

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of _____.

FRANCHISOR:
ALSIES FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE (Entity):
_____

By:_____
Name:_____
Title:_____

FRANCHISEE (Principal):

_____
Name:_____

FRANCHISEE (Principal):

_____
Name:_____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

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

*NOT FOR USE IN CALIFORNIA, WASHINGTON, OR MARYLAND

EXHIBIT H

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

_____
Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

_____
Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated

herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

_____
Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

_____
Initial

6. Franchisee acknowledges that it has received the Alsies Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

_____
Initial

7. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

_____
Initial

8. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

_____
Initial

9. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

_____
Initial

10. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____
Initial

11. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE ALSIES FRANCHISING, LLC, AND ANY PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

_____
Initial

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

Date:_____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date states below:

State	Effective Date
Illinois	*Pending*
Indiana	*Pending*
Maryland	*Pending*
New York	*Pending*
Virginia	*Pending*

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF ALSIES FRANCHISING, LLC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Alsies Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Alsies Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Travis Kososki 1426 East Highway 54 Durham, North Carolina 27713 919-360-8033	Walker Petersen 1426 East Highway 54 Durham, North Carolina 27713 919-360-8033

Issuance Date: April 30, 2026

I received a Disclosure Document dated _____, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement
EXHIBIT C: Multi-Unit Development Agreement
EXHIBIT D: Financial Statements
EXHIBIT E: Operations Manual Table of Contents
EXHIBIT F: Franchised Outlets
EXHIBIT G: State Addenda
EXHIBIT H: Franchisee Acknowledgment Statement
State Effective Dates
Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

_____
(Signature of recipient)

Please return signed receipt to Alsies Franchising, LLC,
1426 East Highway 54
Durham, North Carolina 27713

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF ALSIES FRANCHISING, LLC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Alsies Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Alsies Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Travis Kososki 1426 East Highway 54 Durham, North Carolina 27713 919-360-8033	Walker Petersen 1426 East Highway 54 Durham, North Carolina 27713 919-360-8033

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(Signature of recipient)

KEEP FOR YOUR RECORDS