FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISEES

HANDEL'S ENTERPRISES, INC
An Ohio Corporation
3830 Starr Centre Drive
Canfield, Ohio 44406
330-702-8270
info@handelsicecream com

Received
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Department of
Business Oversight

The franchisee will operate a business selling homemade ice cream, sherbet, ices, sorbet, frozen yogurt and other ice cream products that principally involves the establishment and operation of an ice cream parlor

The total investment necessary to begin operation of a *Handel's* franchise is from $208,500 00 to $608,750 00 This includes $50,000 00 that must be paid to the franchisor or affiliate

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats contact James Brown at 3830 Starr Centre Drive, Canfield, Ohio 44406, 330-702-8270

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

The terms of your contract will govern your franchise relationship Don't rely on the disclosure document alone to understand your contract Read all of your contract carefully Show your contract and this disclosure document to an advisor, like a lawyer or 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 Ave , 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 3/31/2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administration listed in Exhibit A for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT DOES NOT CONTAIN ARBITRATION OR AN AGREEMENT TO ARBITRATE

2 THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW M AY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE

Effective Date May 24, 2016

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HANDEL'S ENTERPRISES, INC
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ITEM 1

The Franchisor, and any Parents, Predecessor and Affiliates

The Franchisor

Any reference to the word ("you") means the franchisee

HANDEL'S ENTERPRISES, INC ("we" or "us") was incorporated in the State of Ohio on March 1, 1998 and maintains its principal place of business at 3830 Starr Centre Drive, Canfield, Ohio 44406 We conduct all general business under our registered trade name, *Handel's* We do not have a parent entity and we do not maintain a sales office at any location other than our principal place of business, and do not retain the services of any sales organization, including a Franchise Broker

Since 1989, we and our predecessor have selectively offered franchises for the establishment of retail businesses which principally establish and operate ice cream parlors under the *Handel's* name We have only offered *Handel's* Franchises You must use all of our trademarks, service marks, trade names, advertising and other commercial symbols for your franchises, which we have designated in Schedule A to the Franchise Agreement, Exhibit H Our agents for service of process are listed in Exhibit B

Our Predecessors and Affiliates

Mer-Len, Inc Is the predecessor of Handel's Enterprises, Inc The company was incorporated in the State of Ohio in 1986 and maintains its principal place of business at 3830 Starr Centre Drive, Canfield, Ohio 44406 The Corporation was formed to own and operate *Handel's* ice cream parlors, and also to sell the initial *Handel's* franchises Upon the formation of Handel's Enterprises, Inc , all existing franchises were transferred to Handel's Enterprises, Inc By Mer-Len, Inc Under the terms of Item 17 01 of the Franchise Agreement, Exhibit H, for each franchise

We are affiliates of Handel's Inc , and Bub Inc , all entities which operate ice cream parlors under the name *Handel's* and have not conducted business in any other line of business and are owned or controlled substantially by the same individuals as us The affiliates of Handel's Enterprises Inc do not offer the sale of franchises Principal business address of the affiliates is 3830 Starr Centre Drive, Canfield, Ohio 44406 The affiliates have not offered franchises

The Franchise Offered

We will offer to individuals, partnerships, or corporations ("you") a franchise agreement (the "Franchise Agreement") which grants you the right to establish and operate a retail ice cream parlor business which will principally establish and operate an ice cream parlor under the *Handel's* name The Franchise is primarily operated from a free standing structure designed and constructed to our specifications and our unique trade dress, but other structures can be used Adequate parking facilities are important to the success of a *Handel's* Franchise The distinguishing characteristics of a *Handel's* Franchise include distinctive exterior and interior design, color scheme, fixtures and furnishings, menus, recipes, methods, uniform standards, procedures for management control, training

and assistance, and advertising and promotional programs, all of which may be changed, improved and further developed by us

There are other Franchise Opportunities which are similar to the *Handel's* Franchise There are also many individually owned ice cream parlors which would be similar to and competitive with us

A Franchisee may purchase additional franchises upon the company's approval and by executing the then current Franchise Agreement, Exhibit H, and the payment of our then current Franchise Fee

Industry-Specific Regulations

Most locations require a "Food Service License" and a "Vendor's License" in order to operate the business Most states require a food service license and other licenses for the preparation and sale of food and drink to the public, and these licenses must be maintained in good standing We are not presently aware of any other regulations or special permits required for you to operate your franchised business However, specific inquiry should be made with your state and local authorities

OSHA and health regulations as well as other state and local specific safety and workplace regulations may affect the types of safety devices and equipment you must make available to or be required to offer to your employees These can vary from jurisdiction to jurisdiction and specific inquiry should be made with your state and local authorities

ITEM 2
BUSINESS EXPERIENCE

Leonard Jerome Fisher
Leonard J Fisher has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since 1986 Leonard serves as *Handel's* President/CEO

James Jude Brown
James J Brown has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since November of 2000 James serves as *Handel's* Chief Operating Officer/Secretary

Jody Lee Nerone
Jody L Nerone has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since March of 1999 Jody serves as *Handel's* Marketing and Franchise Liaison

Sarah Alice Jackson
Sarah A Jackson has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since April of 1997 Sarah serves as *Handel's* Human Resource Director & Outside Sales Coordinator

Georgia Lynn Kusiowski
Georgia L Kusiowski began her current employment with Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since April of 2006 Georgia serves as *Handel's* Controller

Jeffrey Alan Scacchetti
Jeffrey A Scacchetti has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since April 2001 Jeffrey serves as *Handel's* Regional Sales Manager

Jennifer Elizabeth Cooley
Jennifer E Cooley has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, Ohio 44406 since March of 1999 Jennifer serves as *Handel's* District Manager

Katelyn Marie Salreno
Katelyn M Salreno has been a current employee of Handel's Enterprises Inc 3830 Starr Centre Drive Canfield, OH 44406 since March of 2008 Katelyn serves as *Handel's* Administrative Assistant

ITEM 3
LITIGATION

No disclosure is required to be made in this disclosure statement

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this franchise disclosure document

ITEM 5
INITIAL FEES

Upon execution of the Franchise Agreement, Exhibit H, in order to obtain or commence the Franchise operation, you must pay a non-reoccurring Franchise Fee in the amount of $50,000

The initial franchise fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by us in entering into the Franchise Agreement, Exhibit H, and for our lost or deferred opportunity to enter into the Franchise Agreement with others We offer no financing, direct or indirect, for the initial franchise fee

During our past fiscal year, the initial fee has been uniform and in the amount of $50,000 00 You will receive application forms, employee manuals, and will be loaned 1 supervisor manual, 1 supplier list, 1 product list, 1 starting inventory list, 1 Parlor Manual, and 1 Confidential Operations Manual You will receive up to one 40 hour week of on-site start-up help by one of our trainers Prior to your opening an off-site location will be provided to train your managers Your managers' travel and lodging will be at your expense Certain key employees will also be offered off-site training at our

discretion Additional training will be made reasonably available to you at our then current rates Each of your employees must successfully complete our training courses at your expense

If you desire to expand your primary area of responsibility, you are subject to the same initial Franchise Fee for each additional Franchise which is also non-refundable

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	Six Percent of Gross Revenue*	Monthly	Payable to Franchisor
Individual Advertising	One Percent of Gross Revenue*	Monthly	Payable to Various (t v , radio, print media)
Initial Advertising	$3,000	Prior to Opening	Payable to Various (t v , radio, print media)
Telephone Listing (one line required, one high speed internet dedicated to modem and credit card machine)	Varies	Monthly or Annually	Payable to Telephone Company
Transfer	50% of all of the costs incurred by us as a result of the transfer plus 50% of the then current Initial Franchise Fee	Upon Demand	Payable to Franchisor

Type of Fee	Amount	Due Date	Remarks
Accounting	Cost of Audit plus 10% interest on underpayment	N/A	Only if Audit reveals underpayment of 3% of gross revenue for any month
Interest	Lesser of 2% above prime or maximum rate permitted by law	N/A	Payable on overdue accounts
Equipment	Varies See Item 7	For leased items	See Items 7 and 10

All fees that are imposed by and payable to us are non-refundable

*Gross Revenue – includes all revenues from the franchise location
*Gross Sales – does not include sales tax or use tax

ITEM 7
ESTIMATED INITITAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount *	Method of Payment	When Due	To Whom Payment Made
Initial Franchise Fee and Expenses[1]	$50,000	Lump Sum	Execution	Us
Real Property[2]	$0 to $15,000 (total for 3 months)	Monthly for Lease	As Arranged	Lessor
Construction Costs[2] Attach C	$0 to $300,000	Progress Payments	As Arranged	Contractor
Signage[4]	$20,000 to $35,000	As Arranged	As Arranged	Suppliers
Equipment[3]	$120,000 to $180,000	As Arranged	As Incurred	Suppliers
Opening Advertising[5]	$1,000 to $5,000	As Arranged	As Incurred	Suppliers
Pre-Opening Salaries, Travel and Initial Training[6]	$2,000 to $3,000	As Arranged	As Arranged	Suppliers of transportatio n food, lodging
Start-up Supplies[7]	$15,000 to $19,000	As Arranged	As Incurred	Suppliers
Insurance[8]	$500 to $1750	As Arranged	As Incurred	Insurers
Zoning Expenses[9]	-0-			

Type of Expenditure	Amount *	Method of Payment	When Due	To Whom Payment Made
Utility Deposits[10]	$1000 to $15,000	As Arranged	As Incurred	Lessor, Utility Companies
Architect Design[11]	$3,000 to $6,000	As Arranged	As Incurred	Architect
Professional Fees[12]	$2,000 to $5,000	As Arranged	As Incurred	Professionals
Additional Funds[13]	$10,000 to $20,000			
TOTAL[14]	$208,500 to $608,750			

NOTES

* All fees with the exception of any zoning expenses are non-refundable

(1) The initial franchise fee and certain expenses are discussed in detail in Item 5 *Handel's* does not provide direct or indirect financing

(2) Our estimate of the Franchisee's initial investment assumes that you are leasing a location and that you are not capitalizing your lease That is, you are not adding your lease or rent payments to your initial investment If you purchase land that we approve, and build to our specifications, your initial investment will increase by the land cost and at least an additional $300,000 00 for land improvements and building costs For additional construction information see Exhibit C Also, costs are based on a 1500 to a 1600 square foot facility If you require a larger facility, your cost may increase accordingly Local zoning may restrict your ability to operate a business from certain locations You should make a specific inquiry The cost will vary depending on the condition of the Premises You will also need to install indoor and outdoor signage See Item 10

(3) You must lease or purchase the furniture, fixtures and equipment identified on the attached schedule captioned "Necessary Start-up Furniture, Fixtures and Equipment" or comparable equipment, in order to conduct your business The cost to purchase the furniture, fixtures and equipment is estimated at $120,000 to $160,000 depending upon make, model and whether new or used equipment is required, also the size, age and layout of your building is a significant factor in your cost analysis You will need

to install fixtures, furnishings and items which comply with our specifications You must purchase or lease certain items of equipment, including specific batch freezers, phone hook-ups, sinks and cooler space See Item 10 for a description of financing that may be available for such items

(4) You will need to install indoor and outdoor signage

(5) Prior to opening the Franchised Business, the advertising which you will need may include media buys and promotional items

(6) You will incur salary, travel and lodging expenses You will also incur expenses associated with our initial training program For this training program, we provide instructors and instructional materials, but you will need to arrange for transportation, lodging and food for yourself and employees and for any wages for the employees The cost will depend on the distance you must travel and the type of accommodations you choose The amounts on the chart cover the three-month period following the opening of the Franchised Business

(7) We estimate that the range given will be sufficient to cover supplies of ice cream mix and products, and cleaning, office and general supplies for a ten day period following the opening of the Franchised Business Except as described below, we will not offer, directly or indirectly, any arrangements for financing your initial investment or the operation of your business

(8) The figures in the chart are annual expenses of $500 to $750, calculated quarterly In rare cases, you will be required to pay the entire annual premium initially

(9) Unless you must obtain a variance, waiver, or otherwise alter current zoning conditions, you are not expected to incur zoning expenses

(10) You will need to provide deposits for utilities The amount of such deposits will vary depending upon the practices of the utility companies

(11) You will need to employ a qualified architect or engineer to prepare preliminary and final architectural and engineering drawings for the Premises in accordance with our standard plans

(12) You will need to employ an attorney, accountant and other consultants

(13) You will need capital to support ongoing expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenues New businesses often generate a negative cash flow We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after

(14) We relied upon our thirty years' experience in the industry when preparing these figures

(15) We offer no financing, direct, or indirect

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We negotiate purchase arrangements with suppliers of some equipment and supplies for the benefit of franchisees

Specifications and standards of our supplies and equipment are not issued to franchisees, but they are issued to our suppliers Supplier approval criteria are not available to franchisees

Handel's Enterprises Inc , and its officers do not have any ownership or interest in any of our approved suppliers

The Franchisor is entitled to the cost plus 20% overhead markup for the products/services that go into the production of ice cream There are no provisions made on income for any lease agreements The Franchisor or its affiliates have not received any consideration from any purchase agreements

You must purchase and install, at your expense, our trade dress, all service mark decals, equipment (including food service equipment and specific batch freezers) as we may reasonably direct periodically You must not install or permit to be installed on any of the public areas of your business, letterhead or advertising, without our prior written consent, any signs, or other items not previously approved as meeting our standards and specifications

Except as provided in the Franchise Agreement, Exhibit H, all products sold or offered for sale at the Business must meet our then-current standards and specifications, as established in our Confidential Operations Manual and Parlor Manual (the "Manuals") or otherwise in writing You must purchase all products solely from suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manuals or otherwise in writing At different times of the year, suppliers may or may not offer a rebate program to the Franchisor/Franchisee (i e Hershey Foodservice) Each franchisee purchases products from the same supplier as Franchisor Thus benefiting from our volume buying All purchases are made through one distribution channel

If you desire to purchase products from other than approved suppliers, you must submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us A charge not to exceed the reasonable cost of the evaluation and testing must be paid by you Our criteria for supplier approval are contained in the Manuals We will, within 30 days after our receipt of the

completed request and completion of the evaluation and testing (if required by us), notify you in writing of our approval or disapproval of the proposed supplier Approval will not be unreasonably withheld

You must not sell or offer for sale any products of the proposed supplier until our written approval of the proposed supplier is received We may periodically revoke our approval of particular products or suppliers when we determine, in our sole discretion, that the products or suppliers no longer meet our standards Upon receipt of written notice of this revocation, you must cease to sell any disapproved products and cease to purchase from any disapproved supplier You must use products purchased from approved suppliers solely for the purpose of operating the Franchised Business and not for any other purpose

(i) Handel's Enterprises Inc 's total revenue is $1,471,090
(ii) In 2016 Handel's Enterprises Inc 's revenue from all required purchases and leases of products and services is $891,177
(iii) 60 6% of total revenues for Handel's Enterprises Inc are derived from required purchases or leases

Handel's Enterprises Inc , does not provide material benefits to a franchisee based on a franchisee's use of designated or approved sources

We are an approved supplier of liquid flavorings for flavors of ice cream We reserve the right to derive a profit from the sale of all such products There are no purchasing or distribution cooperatives for any of the items described above

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 OFFERING CIRCULAR

Obligations	Section in agreement	Disclosure document item
A Site selection and acquisition/lease	Article II	Item 11
B Pre-opening purchase/leases	Article III	Item 7
C Site development and other pre-opening requirements	Article IV	Item 11
D Initial and ongoing training	Article IV	Item 11
E Opening	Article IV	Item 11
F Fees	Articles VIII, IX & X	Items 5 and 6
G Compliance with standards and policies/Confidential Operations Manual and Parlor Manual	Article V	Items 11 and 15
H Trademarks and proprietary information	Article VII and Schedule "A"	Items 13 and 14
I Restrictions on products/services offered	Article V	Item 16
J Warranty and customer service requirements	None	None
K Territorial development and sales quotas	None	None
L Ongoing product/service purchases	Article V	Item 8
M Maintenance, appearance and remodeling requirements	Article V	Item 8
N Insurance	Article VI	None

Obligations	Section in agreement	Disclosure document item
O Advertising	Article X	Item 11
P Indemnification	Article XVIII	None
Q Owner's participation/ management/staffing	None	None
R Records/reports	Article XI	None
S Inspections/audits	Article XII	None
T Transfer	Article XVII	Item 17
U Renewal	Article I	Item 17
V Post-termination obligations	Article XVI & XVII	Item 17
W Non-competition covenants	Article XVI and Schedule "C"	Item 17
X Dispute resolution	None	Item 17

ITEM 10
FINANCING

Except as described below, we will not offer, directly or indirectly, any arrangements for financing your initial investment or the operation of your business We have worked with unaffiliated third parties who have constructed and leased to our franchisees buildings constructed to our specifications on a "lease back" basis We are unable to estimate whether you will be able to obtain financing for all or any part of your investment and, if you are able to obtain financing, we cannot predict the terms of the financing We do not receive payment from any person or persons for obtaining or placing financing

We may in the future agree to repurchase equipment repossessed from our franchisees by their lenders, in order to assist our franchisees in obtaining financing We are currently unaware of whether requests will be made, whether, if made, we will honor these requests, and of the terms and conditions of the financing

We do not have any past or present practice or intent to transfer, assign, discount, or sell to a third party, in whole or in part, any note, contract, or other instrument executed by any franchisee, but we reserve the right to do so in the future

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

Except as listed below *Handel's*, we need not provide any assistance to you

Continuing Obligations

During the ongoing operation of the Franchised Business, we (or our designee) are required by the Franchise Agreement, Exhibit H, to provide the following assistance and services to you

1 Refer to Franchise Agreement, Exhibit H, Article 4 01-4 09 for pre-opening and post opening obligations

2 We will provide to you periodically, as we deem appropriate, advice and written materials concerning techniques of managing and operating the Franchised Business, including required and suggested recipes, serving methods, portion control, sales methods, new developments and improvements in equipment, services and marketing techniques Refer to Franchise Agreement, Exhibit H, Articles 4 09, 5 05, and 10 1-10 2

3 We will conduct, as we deem advisable, inspections of your operation of the Franchised Business Refer to Franchise Agreement, Exhibit H, Article 12 01

4 We will make available to you, for sale on such terms and conditions as we deem appropriate, equipment, supplies, forms, and signs and decals We provide these items directly, or through our affiliates (including the Affiliate) We or our affiliates will deliver these items See Item 8 for a description of equipment and products for which we provide specifications Refer to Franchise Agreement, Exhibit H, Articles 4 07, 10 01, and 11 02

5 We will make available to you occasionally, at your expense, advertising plans and promotional materials, including newspaper, coupons, merchandising materials, sales aids, special promotions, direct mail materials, and similar advertising and promotional materials Refer to Franchise Agreement, Exhibit H, Article 10 01

6 During the first week of operation, we will furnish to you, at your request and at our expense, one (1) of our representatives for the purpose of facilitating the opening of your *Handel's* franchise That representative will also assist you in establishing and standardizing procedures and techniques essential to the operation of your distinctive *Handel's* Franchise, and, if necessary and requested by you, will assist in hiring and training your personnel Refer to Franchise Agreement, Exhibit H, Article 4 04

7 We will also provide a continuing telephone advisory service which will include, but not be limited to, consultation on technical, business or operational problems, all at your expense Refer to Franchise Agreement, Exhibit H, Article 4 07

8 We will initially and occasionally when available, offer to you materials and bulletins on food preparation, marketing developments, products, and techniques either without charge or according to then current price lists Refer to Franchise Agreement, Exhibit H 4 07 – 4 08

9 Franchise will be required to purchase a Sam Sung 500 cash register system for approximately $7,000 00 Maintenance on this system is very minimal, approximately $300 00 a year Franchisor will have independent access to information and data that is electronically collected Refer to Franchise Agreement, Exhibit H, Article 11 02

We are not obligated by the Franchise Agreement, Exhibit H, or any other agreement to provide any other supervision, assistance, or services in connection with the ongoing operation of the Franchised Business

Any duty or obligation imposed on us by the Franchise Agreement, Exhibit H, may be performed by any of our designees, employees, or agents, as we may direct

Training Programs

Prior to the opening of the Franchised Business, you (or, if you are a corporation or partnership, your principal acceptable to us), and your manager (if you or your principal will not manage the Franchised Business), must attend and complete to our satisfaction the initial training program for franchisees and employees offered by us Any persons subsequently employed by you in any such position must also attend and complete our training program, to our satisfaction You and your manager must also attend such additional courses, seminars, and other training programs as we may reasonably require periodically Each of your employees must successfully complete our training courses at your expense

All training programs will be at such times and places as may be designated by us For all required initial and additional training courses, seminars, and programs, we will provide, at no charge to you, instructors and training materials You or your employees will be responsible for all other expenses incurred by you or them in connection with any such courses, seminars, and programs, including the costs of transportation, lodging, meals, and wages At our option, you must also reimburse us for any expenses incurred by our employees in providing training at your location

The initial training program will be no more than 30 days prior to opening and will be no longer than 21 days in duration, consisting of both personal instruction and on-the-job training, and is conducted on an as-needed basis The initial training program will be conducted at our headquarters and in your Primary Area of Responsibility during the initial opening of your business The initial training program will be supervised by Jody Nerone and various employees of ours Our training team's relevant employment history is described in Item 2

2 The instructional materials include the Manuals, handouts, and written presentations

The subjects covered in the initial training program are described below

Subject	Hours of Class Room Training	Hours of On the Job Training	Location	How Often Held
Personnel Management	0	2	Headquarters	As needed
Business Systems	2	4	Headquarters	As needed
Forms and Documents	2	2	Headquarters	As needed
Customers Service Techniques	0	40	Headquarters	As needed
Ice Cream Preparation	0	68	Headquarters	As needed
Equipment Maintenance and Operation	0	4	Headquarters	As needed

Upon your reasonable request, we will attempt to provide additional training or other assistance as needed in order to help you handle unanticipated problems as they arise You must reimburse us for our expenses in providing this assistance

Operation Manual – Table of Contents

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Advertising and Promotion

Prior to opening, you must spend at least Two Thousand Dollars ($2,000 00) on advertising of the opening of your ice cream parlor You must spend at least one percent (1%) of your gross sales on independent advertising in your Primary Area of Responsibility

All advertising and promotion by you must be in such media and of such type and format as we may approve, must be conducted in a dignified manner, and must conform to such standards and requirements as we may specify You may not use any advertising or promotional plans or materials unless and until you have received written approval from us, pursuant to the procedures and terms set forth in the Franchise Agreement, Exhibit H

You must submit samples of all advertising and promotional plans and materials to us, for our prior approval (except with respect to prices to be charged) if such plans and materials have not been prepared or previously approved by us You must not use the plans or materials until they have been approved in writing by us

We will have the right, in our discretion, to designate any geographic area for purposes of establishing a "Cooperative" for advertising purposes, and to determine whether a Cooperative is applicable to the Franchised Business We also have the power to require a Cooperative to be changed, dissolved, or merged If a Cooperative has been established applicable to the Franchised Business at the time you commence operations under the Franchise Agreement, Exhibit H, you must immediately become a member of the Cooperative If a Cooperative applicable to the Franchised Business is established at any later time during the term of the Franchise Agreement, Exhibit H, you must become a member of the Cooperative no later than 30 days after the date on which the Cooperative commences operation If the Franchised Business is within the territory of more than one Cooperative, you will be required to be a member of only one Cooperative All businesses owned and controlled by us and our affiliates, and located within the geographic area of the Cooperative will also become a member of the Cooperative and will contribute to the Cooperative on the same basis as other members The following provisions will apply to each Cooperative

1 Each Cooperative must be organized and governed in a form and manner, and must commence operation on a date, approved in advance by us in writing The Cooperative must operate from written governing documents, which are available for your review

2 Each Cooperative must be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising The Cooperative must operate from written governing documents, which are available for your review

3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without our prior approval All such plans and materials must be submitted to us in accordance with the procedure set forth in the Franchise Agreement, Exhibit H

4 Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the Cooperative, you will not be required to contribute to any Cooperative in excess of 2% of your monthly Gross Sales

5 Each member franchisee must submit to the Cooperative, no later than the 10th day of each month, for the preceding calendar month, its contribution as provided in the Franchise Agreement, Exhibit H, together with other statements or reports required by us or by the Cooperative with our prior approval The Cooperative must prepare annual financial statements which are available for your review

6 We in our sole discretion may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of the franchisee stating reasons supporting the exemption Our decision concerning the request for exemption will be final

Advertising conducted by the Fund and the Cooperatives may be disseminated in print, radio, or television Advertising for Cooperatives is prepared by agencies selected by the Cooperatives Any Cooperatives fees not spent in the fiscal year are carried forward and spent in the next fiscal year The Cooperatives do not use any funds for advertising that is principally a solicitation for the sale of franchises

Site Selection

In most instances, a *Handel's* Franchise will be conducted from a structure specifically designed or altered to meet the specific needs of the business Location is an important factor in the success of a *Handel's* business and must be considered carefully We will assist you in your location and make suggestions concerning your location, however the final decision of any location is solely yours_ Typically, we require a high profile, easily accessible location of at least one half acre or the equivalent in usable parking so as to accommodate your building and 20-50 parking slots, including appropriate handicapped slots Site costs may vary widely from $20,000 to greater than $100,000 depending on local market prices, whether you are leasing and remodeling a location, building a new facility or leasing a facility built to our specifications

Deadline to Begin Operations

You must complete the development of your Ice Cream Parlor and open for business within 180 days after you sign the Unit Franchise Agreement, Exhibit H Factors which may impact the timing of your opening include the completion of all required training, your ability to procure acceptable financing arrangements, any required approvals, and the construction or alteration of your location

ITEM 12
TERRITORY

You will be assigned an exclusive territory (the "Primary Area of Responsibility") which will be specifically described in your License and Franchise Agreement, Exhibit H While for some Franchises, this area will correspond to an entire population center or city, the Franchisor will retain the option to divide a population center or city into two or more primary areas of responsibility based upon the Franchisor's beliefs as to the area's sales potential The specific size of the Primary Area of Responsibility is subject to negotiation between you and us, with boundaries determined by "ZIP" code, county, state and major highway lines, the minimum area granted to a franchisee would be a 1 mile radius from their designated location Franchisee may not solicit or accept orders from consumers outside of his or her territory without prior written consent from the franchisor

Except as otherwise provided in the Franchise Agreement, Exhibit H, during the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate an enterprise to sell ice cream or beverages at any location within an area designated in the Franchise Agreement (the "Primary Area of Responsibility") We retain the right, among others, on any terms and conditions we deem advisable, and without granting you any rights to establish and operate, and license others to establish and operate, an enterprise to sell food and beverages as a *Handel's* ice cream parlor at any location outside the Primary Area of Responsibility

There are no circumstances under which the Primary Area of Responsibility may be altered prior to the expiration or termination of the Franchise Agreement, Exhibit H Neither we nor the affiliate has established, or presently intends to establish, other franchised or company-owned businesses to sell food or beverages under a different trade name or trademark, but we reserve the right to do so

The Franchise Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises within the Primary Area of Responsibility or areas contiguous to the Primary Area of Responsibility The Franchisor is not required to pay the Franchisee for soliciting or accepting orders from inside the franchisee's territory

The stated territory is exclusive, it is not dependent upon achievement of sales, or any other circumstance where the franchisees territory may be altered There shall be no other circumstances that permit the franchisor to modify the franchisees territorial rights

ITEM 13
TRADEMARKS

You will be licensed by the Franchise Agreement, Exhibit H, to use the Proprietary Marks Under the terms of the Franchise Agreement, you are prohibited from using the Proprietary Marks as part of your corporate or other legal name All required affidavits have been filed

The following service marks are on file with the U S Patent and Trademark Office

Reg No 4,554,623

United States Patent and Trademark Office Registered June 24, 2014

Trademark
Principal Register

Description	Issued/Registration No
Handel's (Service Mark)	4,554,623

Trademark originally filed for August 26, 1986 registration number 1,406,852 and renewed on June 24, 2014 registration number 4,554,623

There are no currently effective determinations of the United States Patent and Trademark Office, the trademark administrator of this state, or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or in any other state

Your right to use and license others to use the *Handel's* Proprietary Marks is exercised pursuant to the Franchise Agreement, Exhibit H We permit others to establish, outside your Primary Area of Responsibility, a business to use the *Handel's* Proprietary Marks to sell food or beverages

There are no agreements currently in effect which limit our right to use or to license others to use the Proprietary Marks

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to the Affiliate's ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement, Exhibit H, the cost of the defense, including the cost of any judgment or settlement, will be borne by you

In the event of any litigation relating to your use of the Proprietary Marks, you must execute any and all documents and do such acts as may, in our opinion, be necessary to carry out the defense or prosecution, including, but not limited to, becoming a nominal party to any legal action Except to the extent that this litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing such acts

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere

We reserve the right to substitute different proprietary marks for use in identifying food service systems using our Proprietary Marks, methods and techniques and the businesses operating under them, at our sole discretion We will bear the costs of modifying your signs and advertising materials to conform to our new Proprietary Marks, but will otherwise have no obligation or liability to you as a result of such substitution

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not currently own any patents We have copyrighted and will continue to copyright the Manual and revisions of all Manuals and Handbooks and construction plans loaned to you, and all training materials we provide or sell to you and your employees We have not registered any copyrights, but may in the future

Confidential Operations Manual and Parlor Manual

You must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals, one copy of which you will receive on loan from us for the term of the Franchise Agreement, Exhibit H, upon completion by you and your manager of our initial training program to our satisfaction

You must treat the Manuals, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person The Manuals will remain our sole property and must be kept in a secure place on the Premises

We may periodically revise the contents of the Manuals, and you must comply with each new or changed standard You must ensure that the Manuals are kept current at all times In the event of any dispute as to the contents of the Manuals, the terms of the master copies maintained by us at our home office will be controlling

Confidential Information

You must not, during the term of the Franchise Agreement, Exhibit H, or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement (including information, knowledge, or know-how concerning the sale of food and beverages) You may divulge this confidential information only to those of your employees as must have access to it in order to operate the Franchised Business Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement

At our request, you must require your manager, crew supervisor, and any personnel having access to any of our confidential information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you at the Franchised Business The

covenants must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the covenants with the independent right to enforce them

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

During the term of the Franchise Agreement, Exhibit H, except as otherwise approved in writing by us, you (or, if you are a corporation or partnership, a principal or general partner of the corporation or partnership) or your fully-trained manager must devote full time and best efforts to the management and operation of the Franchised Business The Franchised Business must at all times be under the direct, on-the-job supervision of a manager who has satisfactorily completed our training program If you are an individual, we recommend that you be the fully-trained manager described above We impose no limitations as to who you may hire as the manager, except that you must comply with all applicable laws and that you must not harm the goodwill associated with the *Handel's* Proprietary Marks (this requirement may affect who you hire as your manager)

We do not have the right to approve the manager The manager will not be required to have an equity interest in your business The manager and other employees will be required to attend and complete our training program, as described in Item 11 The manager and other employees may also be required to enter into an agreement not to compete with us while employed by you and for two years thereafter, and an agreement not to reveal confidential information obtained during their employment with you See Item 17 for a description of these obligations

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your *Handel's* Franchise in strict conformity with such methods, standards, and specifications as we may from time to time require in the Manuals or otherwise in writing You must refrain from deviating from such standards, specifications, and procedures without our prior written consent

You must sell or offer for sale only such services and products as have been expressly approved for sale in writing by us, must sell or offer for sale all types of services and products specified by us, must refrain from any deviation from our standards and specifications without our prior written consent, and must discontinue selling and offering for sale any services or products which we may, in our discretion, disapprove in writing at any time We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes

You must operate the *Handel's* Franchise in strict conformity with all applicable Federal, state, and local laws, ordinances, and regulations Such laws, ordinances, and regulations vary from jurisdiction to jurisdiction and are amendable or may be implemented or interpreted in a different manner from time to time It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances, and regulations applicable to the Franchised Business, and to adhere to them and to the then-current implementation or interpretation of them

For a description of your restrictions on some purchases, see Item 8 of this offering circular All of our business methods and Proprietary Marks may be supplemented, improved, and otherwise modified from time to time by us You must comply with all of our reasonable requirements in that regard, including offering and selling new or different products or services as specified by us Except as described above, you are not restricted by the Franchise Agreement, Exhibit H, or any other practice or custom with respect to the goods or services which you may offer, or with respect to the customers whom you may solicit

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the franchise and related agreements You should read these provisions in the agreements attached to this offering circular

Provision	**Section in Franchise Agreement, Exhibit H**	**Summary**
A Length of the franchise term	Article I	5 years
B Renewal or extension of the term	Article I	4 renewal term of 5 years each, subject to contractual requirements
C Requirements for you to renew or extend	Article I	Notice, compliance with Franchise Agreement, execute new Franchise Agreement and others
D Termination by you	Article III	Failure to agree on location
E Termination by us without cause	None	
F Termination by us with cause	Articles III & XV	Failure to agree on location, breach of Franchise Agreement and other grounds
G "Cause" defined - defaults which can be cured	None	
H "Cause" defined - defaults which cannot be cured	None	

Provision	Section in Franchise Agreement, Exhibit H	Summary
I Your obligations on termination/non renewal	Article XVI	Obligations include complete de-identification and payment of amounts due
J Assignment of contract by us	Article XVII	No restriction on right to transfer
K "Transfer" by you - definition	Article XVII	Includes transfer of interest in Franchise Agreement, Franchise or all or substantially all of the assets of your business
L Our approval of transfer by you	Article XVII	We have the right to approve or deny transfers
M Conditions for our approval of transfer	Article XVII	Includes payment of money owed, non-default, execution of release, transferee qualifications and execution of new agreement
N Our right to first refusal to acquire your business	Article XVII	We can match any offer
O Our option to purchase your business	Articles XVI	Upon expiration or termination, we can buy certain assets
P Your death or disability	Article XVII	Franchise must be sold or assigned to an approved buyer
Q Non-competition covenants during the term of the franchise	Article V	Includes prohibition on owning and operating business which sells similar services and is located near any unit under the System for 5 years
R Non-competition covenants after the franchise is terminated or expires	Article XVI	Includes 2 year prohibition on owning and operating business which sells similar services and is located within 2 miles of a unit under the System
S Modification of the agreement	None	

Provision	Section in Franchise Agreement, Exhibit H	Summary
T Integration/merger clause	Article XIX	Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
U Dispute resolution by arbitration or mediation	None	
V Governing law	Article XIX	Ohio
W Choice of forum	None	

These states have statutes which may supersede the franchise agreement in your relationship with us including the areas of termination and renewal of your franchise ARKANSAS [Stat Section 70-807], CALIFORNIA [Bus & Prof Code Sections 20000 – 20043], CONNECTICUT [Gen Stat Section 42-133e et seq], DELAWARE [Code, tit], HAWAII [Rev Stat Section 482E-1], ILLINOIS [Rev Stat Chapter 121 ½ par 1719-1720], INDIANA [Stat Section 23-2-2 7], IOWA [Code Sections 523H 1 – 523H 17], MICHIGAN [Stat Section 19 854(27)], MINNESOTA [Stat Section 80C 14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat Section 407 400], NEBRASKA [Rev Stat Section 87-401], NEW JERSEY [Stat Section 56 10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13 1-557-574-13 1-564], WASHINGTON [Code Section 19 100 180], WISCONSIN [Stat Section 135 03] Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable

ITEM 18
PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure which arises, in whole or in part, from the use of a public figure in the name or symbol of the Franchised Business or from the endorsement or recommendation of the franchise to prospective franchisees You are not prohibited by the Franchise Agreement, Exhibit H from using the name of a public figure or celebrity in your promotional efforts and advertising, however, all advertising requires our approval

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise disclosure Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document Financial information that differs from that included in Item 19 may only be given if (1) 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

FINANCIAL PERFORMANCE REPRESENTATIONS
INDIVIDUAL UNIT *HANDEL'S* FRANCHISED STORES

The following tables provide historical sales information for *Handel's* franchised stores that were open at least one full year as of (a) the calendar year 2016 for franchised 24 stores, and (b) the calendar year 2015 for franchised 23 stores The information presented is not a forecast of future potential performance The gross revenue figures are based on the same computation for computing royalties such as required under the Franchise Agreement

The tables provide the average gross revenues for the following categories of stores in 2016, and 2015 on a category and cumulative basis (a) our top 10% revenue producing stores (meaning the average gross revenue for the number of stores that were in the top 10% of gross revenues for that year), (b) our top 25% revenue producing stores (which includes the stores that are in the top 10%), (c) our top 50% revenue producing stores (which includes the stores that are in the top 10% and the top 25%), and (d) our top 75% revenue producing stores We represent the average gross sales for the year in that category as well as the number and percentage achieving or surpassing the average gross sales for the year in that category as well as the number and percentage achieving or surpassing the average gross sales in that category along and cumulative for all stores For example, 2 of the 6 stores in the top 25% for 2016 (or 33%), and 8 of the 24 stores or 33% for the total stores, achieved or surpassed that average

AVERAGE GROSS REVENUES IN 2016

	Top 10%	Top 25%	Top 50%	Top 75%	Total
No of Stores	2	6	12	18	24
Avg Gross Revenues	$1,118,690	$916,695	$735,526	$634,606	$550,586
No that Attained or Surpassed Stated Result in Category (Cumulative)	1 of 2	2 of 6	5 of 12	7 of 17	8 of 24
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	50%	33%	42%	39%	33%

As of December 31, 2016, there were 25 franchised stores Of the 25 franchised stores, 23 were franchised stores that had been open for at least 12 months as of December 31, 2016 Of the 23 stores, 0 stores were excluded since they were non-traditional locations Of the 23 stores referenced in the above table, all reported sufficient financial performance information to be included in this financial performance representation

AVERAGE GROSS REVENUES IN 2015

	Top 10%	Top 25%	Top 50%	Top 75%	Total
No of Stores	2	6	12	17	23
Avg Gross Revenues	$1,050,256	$901,486	$693,639	$607,839	$521,906
No that Attained or Surpassed Stated Result in Category (Cumulative)	1 of 2	1 of 6	5 of 12	7 of 17	9 of 23
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	50%	17%	42%	41%	35%

As of December 31, 2015, there were 25 franchised stores Of the 25 franchised stores, 23 were franchised stores that had been open for at least 12 months as of December 31, 2015 Of the 23 stores, 0 stores were excluded since they were non-traditional locations Of the 23 stores referenced in the above table, all reported sufficient financial performance information to be included in this financial performance representation

As stated, the sales for each of the stores represented are limited to the sales results for stores that had been opened a full 12 months of operations as of December 31, 2016 and December 31, 2015 respectively Sales during the first year of operations are likely to be significantly less than for those that have been open for a year or more

All *Handel's* stores offer substantially the same products and services to the public None of the franchised *Handel's* stores received any services not generally available to other franchisees and substantially the same services will be offered to new franchisees

We obtained these historical financial results from the information submitted by our franchisees Neither we nor an independent certified public accountant has independently audited or verified the information Some stores have sold the amounts shown in the tables Your individual results may differ There is no assurance you will sell as much

YOUR INDIVIDUAL FINANCIAL RESULTS MAY DIFFER SUBSTANTIALLY FROM THE RESULTS DISCLOSED IN THIS ITEM 19

The earnings claims figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs of expenses that must be deducted from the gross revenue or gross sales figure to obtain your net income or profit You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business) Franchisees or former franchisees, listed in the offering circular, may be one source of this information

The foregoing data relates to revenues only, we are not representing any information on the costs and expenses of operating a store Operating a store incurs a wide variety of expenses that will reduce the store's income from the revenue levels shown

Examples of these types of expenses include, without limitation, rent and occupancy expenses, food and beverage product and supply costs, salaries, wages and other personnel-related expenses, federal, state and local taxes and fees, utilities, financing costs (including on loans and leases), royalties and other amounts due us See also Items 5, 6 and 7

Characteristics of the included franchised stores may differ substantially from your store depending on your previous business and management experience, competition in your area, length of time that the included stores have operated compared to your store, and the services or goods sold at our store compared to the included stores The sales, profits and earnings of an individual franchise may vary greatly depending on these and a wide variety of other factors included the location of the store, population and demographics in your market area, economic and market conditions, labor and product costs, etc

We have written substantiation in our possession to support the information appearing in this financial performance representation Written substantiation will be made available to your on reasonable request

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable, and consult with an attorney and other advisors prior to executing the franchise agreement

Other than the preceding financial performance representation, we do not make any financial performance representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of our future income, you should report it to our management by contacting James Brown, our CEO at 3830 Starr Centre Drive, Suite 1, Canfield, Ohio and (888) 292-2552, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

(1) Note All numbers are as of December 31 for each year

(2) The numbers in the "Total" column may exceed the number of units affected because several events may have affected the same unit

(3) Harpman & Harpman of 819 Southwestern Run, Boardman, Ohio 44512, 330-758-7505 is the patent attorney for *Handel's*

Systemwide Outlet Summary
For Years 2014, 2015, 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	23	23	0
	2015	23	24	1
	2016	24	25	1
Company Owned	2014	14	13	-1
	2015	13	13	0
	2016	13	13	0
Total Outlets	2014	37	36	-1
	2015	36	37	2
	2016	37	38	1

Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2014, 2015, 2016

State	Year	Number of Transfers
California	2014	0
	2015	0
	2016	0
Indiana	2014	0
	2015	0
	2016	0
Ohio	2014	0
	2015	0
	2016	0
Nevada	2014	0
	2015	0
	2016	0
Pennsylvania	2014	0
	2015	0
	2016	0
Virginia	2014	0
	2015	0
	2016	0
Total	2014	0
	2015	0
	2016	0

Status of Franchised Outlets
For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Termination	Non-Renewal	Reacquired By Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
CA	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	1	0	0	0	0	4
IN	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
OH	2014	12	0	0	0	0	1	11
	2015	11	0	0	0	0	0	11
	2016	11	1	0	0	0	0	12
NV	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
PA	2014	3	0	0	0	0	0	4
	2015	4	1	0	0	0	0	5
	2016	5	0	0	0	0	0	5
VA	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	0	0	1	0
FL	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	23	0	0	0	0	1	23
	2015	23	2	0	0	0	1	24
	2016	24	2	0	0	0	1	25

Status of Company-Owned Outlets
For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Ohio	2014	12	0	0	0	0	12
	2015	12	0	0	0	0	12
	2016	12	0	0	0	0	12
Pennsylvania	2014	2	0	0	0	1	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Total	2014	14	0	0	0	0	13
	2015	13	0	0	0	0	13
	2016	13	0	0	0	0	13

Projected Openings as of December 31, 2016

State	Franchise Agreements Signed But Unit Not Opened	Projected Franchised New Units in the Next Fiscal Year	Projected Company Owned Openings in the Next Fiscal Year
Alabama	1	0	0
Ohio	0	0	0
Pennsylvania	0	0	0
Indiana	0	0	0
Virginia	0	0	0
Florida	0	0	0
California	0	0	0
Nevada	0	0	0
TOTAL	1	0	0

Please see Exhibit D for a list of all franchise outlets
Please see Exhibit E for a list of all franchises who have ceased to do business

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit F are the audited financial statements for 12/31/2016, 12/31/2015, and 12/31/2014

ITEM 22
CONTRACTS

The following contracts are attached to this offering circular in the following order

1 Franchise Agreement
2 Confidentiality Agreement

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this offering circular appear at the end of this document Please return one copy to us and retain the other for your records

EXHIBIT A
LIST OF ADMINISTRATORS

We intend to register this offering circular as a "franchise" in some or all of the following states, in accordance with the applicable state law If and when we pursue franchise registration (or otherwise comply with the franchise investment law) in these states, we will designate the following state offices or officials as our agents for service of process in those states

CALIFORNIA

CA Commissioner of the Dept of
Business Oversight
320 W 4th Street, Suite 750
Los Angeles, CA 90013
1-866-275-2677

HAWAII

Director,
Hawaii Department of Commerce
and Consumer Affairs
1010 Richards Street
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
200 St Paul Place
20th Floor
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce,
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan 48913

MINNESOTA

Commissioner of Commerce
133 East Seventh Street
St Paul, Minnesota 55101

NEW YORK

New York Department of Law Bureau
of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

Securities Commissioner
State of North Dakota, Capitol Building
Bismarck, North Dakota 58505

RHODE ISLAND

Director of Department of Business
Regulation
Suite 232
233 Richmond Street
Providence, Rhode Island 02903-4232

SOUTH DAKOTA

Director of Division of Securities
118 West Capitol Avenue
Pierre, South Dakota 57501-2017

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Director of Licensing *or*
Washington Securities Administrator
405 Black Lake Boulevard, S W
Olympia, Washington 98502

WISCONSIN

Commissioner of Securities
Fourth Floor
101 East Wilson Street
Madison, Wisconsin 53702

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

We intend to register this offering circular as a "franchise" in some or all of the following states, in accordance with the applicable state law If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states

CALIFORNIA

CA Commissioner of the Dept of
Business Oversight
320 W 4th Street Suite 750
Los Angeles, CA 90013
1-866-275-2677

HAWAII

Director of Department of Commerce
And Consumer Affairs
1010 Richards Street
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Agent
Marybeth Owen
14640 Nora Drive
Evansville, IN 47725

MARYLAND

Maryland Securities Commissioner
200 St Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
P O Box 30222
Lansing, Michigan 48910

MINNESOTA

The Commissioner of Commerce of
Minnesota
Department of Commerce 133
East Seventh Street
St Paul, Minnesota 55101

NEW YORK

Secretary of State of the State
of New York
162 Washington Avenue
Albany, New York 10271

NORTH DAKOTA

The Securities Commissioner
State Capitol
Bismarck, North Dakota 58505

VIRGINIA

Clerk of the State Corporation
Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

OREGON

Director
Department of Insurance and Finance
21 Labor and Industries Building
Salem, Oregon 97310

WASHINGTON

Director of Department of Financial
Institutions
General Administration Building
Securities Division – 3rd Floor
210 – 11th Street SW
Olympia, Washington 98504

RHODE ISLAND

Director of Department of Business
Regulation
Suite 232
233 Richmond Street
Providence, Rhode Island 02903-4232

WISCONSIN

Commissioner of Securities
101 East Wilson Street
Madison, Wisconsin 53702

SOUTH DAKOTA

Director
Division of Securities
118 West Capitol Avenue
Pierre, South Dakota 57501-2017

OHIO

Matt Devicchio, ESQ
3855 Starr Centre Drive, Suite B
Canfield, Ohio 44406

EXHIBIT C
ADDITIONAL CONSTRUCTION INFORMATION

All buildings will be constructed by our general contractor Deeley Enterprises or another authorized contractor If general contractor other than Deeley Enterprises is utilized there will be a $5,000 additional fee to cover inspection costs while the building is being built

EXHIBIT D
LISTING OF ALL CURRENT FRANCHISED UNITS

Austintown / 026
Leigh & Adil Jaffer
4800 Mahoning Ave
Austintown OH 44515
(330) 797 0514
(fax same call first)
AdilJaffer@gmail com
LeighJaffer@gmail com

Broadview Heights / 046
Chuck & Alice Kelades
Plaza Broadview
103 East Royalton Rd
Broadview Heights OH 44147
(440) 746 9100
(fax same call first)
Akelades@hotmail com

Columbiana / 006
R B "Mach" Machel
310 West State Route 14
Columbiana, OH 44408
(330) 482 5577
(fax same call first)
Icecreamguy1@aol com

Cuyahoga Falls / 065
Jim & Amy Rosen
2922 State Rd
Cuyahoga Falls OH 44223
(330) 922 4589
(fax same call first)
jakj12@peoplepc com

Twinsburg / 053
AJ & Jenn Mathew
Joe & Gina Jose
10735 Ravenna Road
Twinsburg, OH 44087
234 212-9659
dtrhandels@gmail com

Las Vegas / 008
Patrick Frank
10170 W Tropicana Ave
Las Vegas, NV 89147
702-749-9299
patrick frank23@gmail com

Green / 061
Jim & Amy Rosen
3433 Massillon Rd
Akron, OH 44312
(330) 896 5655
(fax same call first)
jakj12@peoplepc com

Medina / 016
Gary and Rhonda Didado
Andy Jacobozzi Manager
1050 South Court Street
Medina, OH 44256
(330) 952 2313
(330) 952 2314 (fax)
rdidado@jwdidado com
ajhandels14@gmail com
ddhandels18@gmail com

Niles / 009
Judd Rubin
5140 Youngstown Warren Rd
Niles OH 44446
(330) 505 0865
(330) 788 9714 fax
Judd rubin@neomin org

Berwyn / 021
Buck & Carmie Buchanan
576 Lancaster Ave
Berwyn PA 19312
(610) 640 1606
buckbuchanan7@gmail com
buchanan casey@gmail com

Hermitage / 022
Marc & Jenna Jakubovic
550 South Hermitage Road
Hermitage, PA 16148
(724) 308-7499
handelshermitage@gmail com

McCandless / 025
Kevin Dougherty
9020 St Simon Way
Pittsburgh PA 15237
(412) 366 3379
(412) 366 3325 (fax)
kmd@adventuredev com

Powell / 041
Kyle Snyder
399 W Olentangy St
Powell, OH 43065
(614) 336 3813
powellhandels@yahoo com

Stow / 057
Bruce & Sheri Hill
3048 Graham Rd
Stow OH 44224
(330) 677 9901
(330) 673 4420 call first
Bhill15@neo rr com

Toledo / 045
Chris Boyd
5908 W Sylvania Ave
Toledo OH 43623
(419) 882 1118
(419) 882 0802 (fax)
cccc19@aol com

Toledo / 069
Dick & Charlene Boyd
5655 Secor Road
Toledo, OH 43623
(419) 474 8861
(419) 474 8867 (fax)
chipcharb45@yahoo com

Encinitas
Ken Schulenburg
90 N Highway 101
Encinitas, CA 92024
760-230 6948
ken schulenburg@gmail com

Redondo Beach / 035
Paul & Q Danylik
1882 Pacific Coast Highway
Redondo Beach CA 90277
(424) 247 8861
paul danylik@gmail com

Rancho Cucamonga / 028
Kevin Pucci
6403 Haven Ave Suite #104
Rancho Cucamonga, CA 91730
(909) 989 7065
kevin pucci@steemer com
bmpucci@yahoo com

Fishers / 027
Greg & Cindy Glaros
8760 E 116th St
Fishers, IN 46038
(317) 585 8065
(fax same call first)
gregglaros@gmail com

West Mifflin / 005
Jim & Paula Brown
Krysta Manager
2240 Lebanon Church Rd
West Mifflin, PA 15122
(412) 653 1983
(412) 653 1201 fax
jimbrown60@msn com

Upland / 031
Kevin Pucci
373 South Mountain Ave
Upland CA 91786
(909) 946 9077
(909) 946 9116 fax
kevin pucci@steemer com
bmpucci@yahoo com

Westfield / 067
Greg & Cindy Glaros
2466 E 146th St
Carmel, IN 46033
(317) 705 1855
gregglaros@gmail com

York / 044
Max & Vicke Allison
2310 South Queen Street
York PA 17402
(717) 741 1300
handelsyork@gmail com

Bonita Springs / 039
Krystle Hively
3440 Renaissance Blvd
Bonita Springs FL 34134
239 676 8243
khively927@gmail com

EXHIBIT E
STORES THAT HAVE CEASED TO DO BUSINESS

The following store has ceased to do business under the franchise agreement within the last year

Handel's Ice Cream
4501 Noland Blvd
Williamsburg, VA 23188

EXHIBIT G
CALIFORNIA STATE ADDENDUM

THE CALIFORNIA FRANCHISE INVESTMET LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT

a No one is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in such association or exchange

b California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise If the franchise agreement contains a provision that is inconsistent with the law, the law will control

c The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq)

d The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise This provision may not be enforceable under California law

e The franchise agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

f The franchise agreement does not require binding arbitration See Item 17

g The franchise agreement requires application of the laws of the State of Ohio This provision may not be enforceable under California Law

h Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may be rule or order require, before a solicitation of a proposed material modification of an existing franchise

i You must sign a general release of claims if you renew or transfer your franchise California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516) Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)

j OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CA COMMISSIONER OF THE DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

EXHIBIT H
LICENSE AND FRANCHISE AGREEMENT

The following pages are the franchise agreement

HANDEL'S ENTERPRISES, INC

doing business as

HANDEL'S ICE CREAM

UNIT FRANCHISE AGREEMENT

1-11-2016

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SCHEDULE I	DIRECT PAYMENT AUTHORIZATION FORM

HANDEL'S
UNIT FRANCHISE AGREEMENT

This agreement made the ____ day of _____ 20___ among HANDEL S ENTERPRISES INC an Ohio Corporation with it s principal business address at 3830 Starr Centre Drive Canfield, Ohio 44406, ("Franchisor') and_____('Franchisee") Residing at _____

To simplify the language in this Franchise Agreement and to exhibit consistency with the corresponding Offering Circular ' Handel's' or 'we means HANDEL'S ENTERPRISES, INC the franchisor 'You means the person who buys the franchise and/or the principal of the person who buys the franchise, i e the franchisee Franchisee and Principal are jointly and severally liable to Handel s under any and all provisions of this Agreement unless the context of the provision mandates otherwise

RECITALS

1 We have developed a successful and distinctive method of developing and operating retail ice cream parlors (System") under the name Handel s'

2 We own the rights to the trade names and trademarks in Schedule A and to any other trademarks trade names, logos or copyrights we designate for use in the system now or in the future (Marks")

3 You have applied to us for a franchise to operate a Handel's Ice Cream Parlor and we have approved your application in reliance on representations you have made to us including those concerning your financial resources

4 You are also executing a separate trademark license agreement (' License Agreement) with us at this time which will govern your rights to use the marks in connection with this franchise

Therefore, for valuable consideration the parties agree as follows

Article One **GRANT OF FRANCHISE**

1 01 Grant of Franchise Subject to the terms of the Franchise and License Agreements we grant you and you accept, a franchise (' Franchise) to use our system to establish and operate one ice cream parlor (Ice Cream Parlor) at the location described in Schedule B (Premises') for 5 years beginning on the day you sign this agreement Your establishment and operation of the ice cream parlor is called the "Business

1 02 Exclusively As long as you are not in default under the license or this agreement we will not establish or grant the right to another to establish anywhere in the area described in Schedule B (your ' Territory), a Handel's Ice Cream Parlor

1 03 Renewal You will have the option to exercise (only by written notice between 6 and 9 months before the end of the initial term) a renewal for four 5 year terms You will not have to pay another franchise fee but it will be subject to the following conditions

(a) You must be in full compliance with any agreements you and Handel s have entered into together at the end of this initial term,

(b) You must sign a new franchise agreement and any other agreement we are using at that time when granting a franchise, unless we waive this requirement in writing

(c) You do any necessary remodeling to bring your Ice Cream Parlor Premises up to our standards at that time, at least 3 months before the initial term ends

(d) You are permitted to renew your lease by your landlord for at least (2)5 year options

(e) You deliver a general release of all claims against us

Under this section you will be deemed to have withdrawn your request to renew, and your option to renew will end, if you do not sign and return all necessary forms in 30 days after we deliver the forms to you You must reimburse us for all legal costs we incur in connection with your exercise to renew and for any costs of inspection we incur in inspecting your Business Premises to see if they meet our then-current image

Article Two **LOCATION OF THE FRANCHISEE'S ICE CREAM PARLOR**

During the initial term, you must operate the Business only at the Premises During the initial term the Premises must be used only for purposes permitted by this Agreement and the License Agreement If, before this franchise terminates, through no fault of your own, your lease terminates or your premises is otherwise rendered unusable for operating an ice cream parlor, you will be allowed to move to another location if

(a) We first give our written consent to your proposal new site

(b) The new site is subleased to us if we so require,

(c) You develop the new Premises solely at your expense in the way described in Article 3

(d) You pay us any costs we incur, including legal costs in connection with your relocation, and

(e) We have been released from any obligations under the lease of the premises

Article Three **DEVELOPMENT AND OPENING OF THE ICE CREAM PARLOR**

3 01 Lease of Premises

(a) If we have not agreed on a site by the time you sign this agreement we will use our reasonable best efforts to find a mutually acceptable location

(b) Lease must include ' Handel s has the first right of refusal on assuming the lease but not the obligation in matters of lease transfers or terminations

(c) The lease must be in form and on terms acceptable to us

(d) If we approve the lease then you must sign and deliver the lease to the landlord of the Premises, and after the landlord accepts, you agree not to alter or amend the lease in any way without our prior written approval A clause must be in the lease that any attempt to do so on your part would be null and void

3 02 Failure to Agree on Premises Failure to agree on the location of the premises in 180 days of executing this agreement allows you or Handel's to terminate this agreement by giving written notice indicating that to the other in which case the provisions of section 15 01 will apply

3 03 Development of Ice Cream Parlor by Franchisee We will lend you one set of standard plans and specifications and provide you with a list of approved suppliers of furnishings fixtures and equipment You agree that you will not copy the plans, and will return the plans to us immediately after preparing the working drawing for your ice cream parlor You must submit one set of complete working drawings to us for our approval 15 days before you begin construction You must hire and pay your own contractors and workmen and have the parlor constructed strictly according to working drawings that we have approved You must buy all inventory furnishings, equipment and supplies only from suppliers we approve in writing If you wish to buy from other

vendors the goods must conform to our specifications and we must receive from you and approve, a sample Handel s may inspect your Ice Cream Parlor both during and after construction When your Parlor is completed, you must deliver to Handel s a layout drawing and 10 standard size color print photographs of the interior and exterior If we notify you of any construction, design or appearance deficiencies, you will have 30 days to cure such deficiencies

3 04 Opening for Business You agree to complete the development of the Ice Cream Parlor and begin business no later than 180 days after executing this Agreement

Article Four **TRAINING AND OPERATING ASSISTANCE**

4 01 Training of the Principal We will train you in operation of the Ice Cream Parlor at no charge, before you open for business The training period will be no more than 21 days, and you must successfully complete the training to our satisfaction

4 02 Hiring of Employees You must hire all Employees of the business assure that there are always enough to properly service customers of the business, and you are solely responsible for their compensation

4 03 Training of Employees Each of your employees must successfully complete our training courses at your expense We will provide initial training to you at no charge, at our principal office or other location we designate We reserve the right to require you to train your employees according to the criteria and specifications contained in instructional materials we provide to you

4 04 Opening Assistance At your request we will provide one of our field representatives to assist you in the opening of your business

4 05 Training of Managers Any proposed manager of yours must successfully complete not only the training referred to in section 4 03 but also Handel s managerial training program You will pay the reasonable costs of this training at the location we designate We reserve the right to require you to provide this training to your proposed manager from instructional materials we provide to you

4 06 Expenses of Travel, Etc If we provide training under sections 4 01, 4 03 4 04, or 4 05 at your Business Premises, you must reimburse us on demand for all expenses incurred by our employees Regardless of where the training is provided you are solely responsible for any wages or expenses of you or your employees in connection with said training

4 07 Operating Assistance At no additional cost, we will provide you with guidance in operating your Business as is reasonably required in our opinion, in the

(a) selection stocking display, use and sale of products and equipment we have approved for your use

(b) hiring and training of employees and information concerning good employee relations,

(c) use of advertising material prepared or developed by or for us,

(d) establishment and maintenance of administrative, bookkeeping accounting and general operating procedures of the business

4 08 Additional Assistance If you reasonably request, we will try to help you with problems beyond those contemplated by section 4 06 You must promptly reimburse us for time expended and expenses incurred in such situations

4 09 Manuals We have prepared and will provide you with one copy of an operating manual (Confidential Operations Manual) containing specifications standards and procedures all of which may be periodically revised, which all of Handel s franchisees including you, must follow We will also loan you a copy of our ice cream parlor manual ("Parlor Manual') which must be kept on the Business Premises at all times You must abide by it, or any other written instructions we provide you with, which will be reasonable consistent and will constitute provisions of this agreement as if fully included originally You must keep all Manuals currently updated, and you agree to keep the contents confidential You must promptly return both Manuals to Handel s when this Agreement ends for any reason You agree to have your employees sign a written non-disclosure covenant, attached as Schedule C, before disclosing any contents of the Manuals to them

4 10 Hours of Operation Ice Cream Parlor must be open 12 months a year Minimum hours of operation must be 11a m to 10 p m seven days a week Failure to operate under these guidelines does not prohibit Handel s from collecting royalties for mandated hours of operation Royalties for the period in question will be based on past year sales or sales from like volume store(s)

Article Five IMAGE AND OPERATING STANDARDS

5 01 Condition and Appearance of the Ice Cream Parlor You agree to maintain the condition and appearance of the Parlor consistent with our standards as communicated to you through the Operations Manual or otherwise in writing You agree to do any remodeling repair or redecorating we may require including replacing furniture fixtures equipment and signs If we so notify you in writing, you must make a bona-fide, diligent effort to comply If you do not, Handel s has the right, but not the obligation, to enter the Premises and effect such improvements, and you must pay the entire cost to us on demand

5 02 Authorized Products and Services You must use sell or display only those items and offer only those services, we specify to you in writing as approved, immediately drop any item for which we withdraw approval and add any new products we approve within a reasonable time All products used or sold at the Ice Cream Parlor must be purchased from Handel's or our approved suppliers under the provisions of section 3 03 We will sell to you for no more than our cost plus a 20% overhead markup You are solely responsible for obtaining all required licenses and permits to operate the business

5 03 Terms of Purchase for Goods The following provisions apply to your purchases from us

(a) If you are not in default under this agreement, we will use our reasonable efforts to fill all orders placed as promptly as possible However, in no event will we be liable for loss or damage due to delay in delivery resulting from any cause whatsoever beyond our reasonable control We will never be liable for your financial losses due to any delay for any reason

(b) You understand that if you use your own form of purchase order it will still impose only the obligations on us as seller, or rights to you as buyer, that would be imposed by this agreement

(c) You are not allowed to return any products to us until we grant you written approval, which we agree not to unreasonably withhold in the case of defective products Handel s sole responsibility in such instance is to replace such product or credit your account for the amount paid for such product

(d) We reserve the right to periodically adjust prices without prior notice You must pay in full on delivery, unless the invoice provides otherwise To not make you pay on delivery is not a waiver of our right to do so If we do not require you to pay in full on delivery, title of the goods remains with Handel s until fully paid Receipt of your check does not constitute payment until the full amount is received in cash

5 04 Minimum Inventory You must maintain an adequate inventory representative of all products in the products section of the Operations Manual in sufficient quantity to cover your customer's needs, and always equal to or greater than the minimum quantity we require you to carry, which may vary depending on characteristics of the particular market you serve

5 05 Standards of Service You and your employees must give prompt, courteous service and abide by the highest standards of ethics, honesty and integrity at all times when dealing with customers You must ensure that you and your employees always follow Handel's policies for Ice Cream Parlor operation including

(a) procedures for buying displaying storing and selling approved products and providing approved services,

(b) the safety, maintenance cleanliness function and appearance of the Ice Cream Parlor

(c) apparel to be worn by, and appearance of, your employees

(d) your hours of business having regard to local laws,

(e) keeping adequate working capital on hand, and

(f) method of displaying signs posters and similar items

5 06 Prices to be Charged by the Franchisee We may offer you guidance relative to what prices would represent good business judgment in our opinion However you have the sole right to determine the prices at which you will offer your goods and services, and any suggestion we make will not be construed to create an obligation on your part to create a ceiling, floor or fixed price

5 07 Management/Conflicting and Competing Interests You, or your designated manager who has successfully completed our training program must personally supervise the Business at all times You covenant and agree that you will always faithfully and diligently perform your obligations under this Agreement and continuously exert your best efforts to promote and enhance the Business

You agree that during the initial term of the Agreement you will not directly indirectly, or in any matter whatever, be involved with any business which is competitive with, or similar to ours, in any way

5 08 Permitted Exception to Prohibited Activities To make its terms more certain section 5 06 will not apply to your beneficial ownership of less than 5% of the securities of any corporation publicly-traded on a recognized exchange

5 09 System Modification You agree that the System and all its Manuals will be periodically revised and you agree to promptly implement any and all such revisions solely at your own expense

Article Six **INSURANCE**

6 01 You must maintain for the term of this Agreement at your expense, insurance by and in the amounts we prescribe including your lease and

(a) All risk insurance on the personal property leasehold improvements, and assets of every description and kind used in the business for the amount of its full insurable value, with an Optional Loss Settlement clause if available,

(b) Business Interruption insurance in the amount we require,

(c) Comprehensive public liability and property damage insurance including personal and bodily injury liability, contractual liability owned and non owned automobile liability (if applicable), employers liability and owners and contractors protective insurance coverage with respect to the business and anyone performing services on its behalf for at least $2 Million per occurrence

The policy must list Handel s as an additional insured as its interest may appear and you must give us 30 days written notice before the policy expires or terminates You must promptly report any and all potential claims You must provide Handel s with proof that you have obtained this insurance at least 10 days before opening for business, and annually thereafter If you fail to maintain such insurance or provide its proof we have the option to obtain such insurance on your behalf and you would have to promptly execute any required instruments to obtain such insurance you hereby appoint us as your attorney m fact to execute for you any required documents if you fail to do so, and you pay us on demand any costs we incur or insurance premiums we pay on your behalf You must obtain blanket insurance coverage maintained by Handel s if we so require, and can provide it to you for a reasonable price

Article Seven **TRADE SECRETS OF THE FRANCHISOR**

7 01 You acknowledge and agree that your total knowledge of the System, and construction operation and promotion of the Ice Cream Parlor, is derived from information we disclosed to you under this Agreement, Handel s Manuals and otherwise, and that such information is proprietary, confidential and a trade secret of Handel s You, as franchisee and principal jointly and severally covenant and agree that you will maintain the absolute confidentiality of all such information during and after the term of this Agreement and not use this information in any other business or manner unless approved in writing by Handel s You must not divulge this information to any employee except as expressly permitted in section 4 08, and then only in circumstances of confidence, and only to the extent necessary for the efficient and proper operation of the Ice Cream Parlor You must obtain a written covenant from each of your employees before making any disclosure of this information to them (See section 4 09 and Schedule E attached)

Article Eight **INITIAL FRANCHISE FEE**

8 01 Initial Franchise Fee You must pay us a non-recurring Initial Franchise Fee of Fifty Thousand dollars ($50,000 00), payable in full on the execution of this Agreement Subject to sections 3 02 and 15 01, the initial franchise fee is deemed fully earned and non-refundable upon the execution of this Agreement

Article Nine **ADDITIONAL FEES**

9 01 Royalty and Service Fee You must pay us a Royalty and Service fee for the term of this Agreement of 6% of the gross revenue of the Business for the preceding month Such payment, and all other periodic payments you are required to make under this Agreement will be made by Handel s making an automatic withdrawal of such sums into Handel s account on the 5th day of the following month See Schedule I " You must make any changes in the manner of making this deposit as Handel s instructs you

9 02 Definition of Gross Revenue Gross Revenue means the entire amount of the actual sales price of all sales of services or revenue otherwise generated from the Business Premises or otherwise in respect of the Business, including the proceeds from any business interruption insurance you receive with respect to the Business, but excluding any receipts from the sale of goods the face value of all Handel s approved promotional discount coupons accepted by you from your customers, and all sales and use tax you properly collect and pay to the appropriate government authority Each installment or credit sale that is made, regardless of when you receive

payment will be treated as a sale at the full sales price Therefore you are not allowed deductions for uncollectable accounts or in any other manner except as specified above

Article Ten **ADVERTISING AND PROMOTION**

10 01 By You We will lend you sample advertising programs and flyers relating to the programs referred to in section 10 01, as we deem appropriate You must spend at least 1% of your annual gross revenue on advertising in the media of your choice proof of which you must provide to us by the 15th of January of each year, that quantity and Handel's standards of advertising were met All advertising must comply with our standards We may provide you with revised standards periodically whereby you would have to discontinue use of all previous advertising materials

10 02 Ice Cream Parlor Promotion and Sales Programs You agree to partake in all other sales and promotional activities, including the introduction of new products we approve and require, for use in the System solely at your own expense In addition to all other advertising obligations required of you by this Agreement you must spend at least $3000 on advertising promoting the opening of your Ice Cream Parlor

10 03 Telephone Listing You must arrange for a telephone listing at your expense in the form then required by Handel s in all white and yellow page listings applicable to the market area in which you are situated In addition, you must have two phone lines, one public and one unlisted The unlisted one to be used solely for a modem for the cash registers

Article Eleven **RECORDS AND REPORTING**

11 01 Bookkeeping, Accounting and Records You must employ a qualified bookkeeper we approve to maintain accounting inventory control and record keeping functions for your Business which must conform to our requirements You must keep all original accounting documents pertaining to your Business during, and at least 6 years after the term of this Agreement at a location of which you must keep us advised All sales must be recorded at time of sale in the presence of the customers on a cash register we have approved

11 02 Reports and Tax Returns You must send us in the form we require

(a) By the 5th of each month for the term of this Agreement, a report of gross revenue for the previous month on approved forms, and together with the supporting documentation we require all verified as to accuracy and completeness by your chief financial officer (CFO)

(b) a true copy of all returns and reports you filed for income corporate franchise or sales tax purposes in 30 days of filing

(c) Statements of earnings and gross revenues each month together with required documentation, on approved forms, verified as to accuracy by your CFO, by the tenth of each month for the term of this Agreement

(d) 90 days after the end of each fiscal year of your business, an un-audited year end balance sheet revenue and income statement, and changes in financial position prepared by an independent accountant from source material verified as to accuracy by the Principal's affidavit, and

(e) other forms, reports and records we may then require from you

(f) at the end of each day the Franchisor will have independent access to information and data that will be electronically collected via a required Sam Sung 500 cash register system

11 03 Audited Statements If we have reasonable grounds to believe that any information you have furnished to us contains a material misstatement or omission, or if our audit under section 12 02 discloses a gross revenue understatement for any period, we reserve the right, at our option, to require you to provide financial statements audited by an independent CPA we approve for the current and all future periods

Article Twelve **INSPECTION AND AUDITS**

12 01 The Right to Inspect To determine whether you are complying with this Agreement, we have the right anytime during normal business hours, and without prior notice, to conduct a physical inspection of all your Ice Cream Parlor equipment, inventory materials and supplies You must cooperate fully with our representatives during such inspection If we notify you that any inspected item did not meet our requirements, or your Parlor did not meet Handel's System image you must immediately correct such deficiencies We have the right to observe the service you provide customers at any time without prior notice If it appears in our reasonable judgment that any of your employees are not providing services up to our standards or is conducting himself in such a manner as to bring disrepute to the System and the Marks you must ensure us such deficiencies will be immediately corrected even if it requires discharging an employee

12 02 The Right to Audit Handel s or its agent without prior notice has the right to audit any and all business records receipts, statements returns, forms, reports and supporting documentation of the Business and the books and records of the Principal or any corporation or partnership that has a direct or indirect interest in the Business If we determine an audit is necessary when this Agreement terminates, you will deliver upon notice all required records and documents failing which we may enter the Premises and conduct any such audit You must cooperate fully during such audit

If the audit finds an understatement of gross revenue you must pay us 5 days after receipt of the audit report, the amount of the understatement plus interest at the rate specified under section 19 10 In addition to our right of termination provided for in Article 15, if such audit is necessitated by your failure to furnish required information and documents or if the understatement is found to be more than 3% for any period or if you fail to cooperate during such audit, then you must promptly reimburse us for the cost of the audit, including any and all charges of independent accountants and the travel expenses room board and compensation of Handel s audit representatives

12 03 Information from Others You hereby authorize Handel s to make reasonable inquiries of your bank, suppliers and trade creditors concerning the business and hereby directs such persons to provide Handel s with such information as Handel's requests

Article Thirteen **LICENSE AGREEMENT**

13 01 The Franchisee and Principal each covenant and agree they will sign and deliver the License Agreement concurrently with execution of this Agreement

Article Fourteen **SECURITY**

14 01 Security to Handel s To secure the performance of any and all obligations you may have to us under this Agreement in any form and for any reason you agree to provide Handel s with a security interest in your inventory equipment leasehold improvements and other assets of the business in form amount and terms as Handel s may solely determine and require

14 02 Security to Others You may grant third parties purchase money security interests in equipment you purchase for use in your Business (other than equipment purchased from Handel s or our affiliate) to secure up to 100% of its purchase price

Article Fifteen **TERMINATION OF FRANCHISE**

15 01 Non Refundable Franchise Fee If a party exercises the option to terminate under paragraph 3 02, then except for those provisions which by their nature survive, this Agreement terminates effective immediately upon the actual or deemed receipt of notice by the other parties of the notice referred to in section 3 02 If you fail to enter a binding lease for the premises in 180 days after signing this agreement, or fail to complete the training required under section 4 01 then Handel s has the right and option to terminate this Agreement effective immediately upon written notice to you Upon termination all documents must be returned to Handel's Promptly on receipt of the above documents Handel s will execute and deliver reciprocal releases and waivers to you

15 02 This Agreement except those provisions which by their nature survive terminate at Handel s option soon as you receive notice to that effect

(a) If you do not begin operations 180 days after you sign this Agreement, or if you take any steps to cease the operation of the Business,

(b) If you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed or you are adjudicated a bankrupt or insolvent, or if a bill in equity or other proceeding for the appointment of a receiver of your assets is filed and consented to or if the court appoints a receiver for your assets or if proceedings for a composition with creditors is instituted by or against you, or if a final judgment against you remains unsatisfied for 30 days or if execution is levied against your Business property or capital stock or a snit to foreclose any lien against your Business assets is instituted against you and not dismissed in 30 days or if the assets of the Franchised Business or your capital stock are sold after levy from a law enforcement officer

(c) If you breach any provision of Article 17, or if the provisions of section 17 05 become applicable

(d) If you fail to submit any information required by this Agreement and fail to cure in 5 days after receiving notice or submit a report, return or record at any time which understates gross revenue for any period by more than 3% for a reason other than a clerical error or on 2 or more occasions because of clerical errors in any 1 year

(e) If you breach any terms of the Business Premises lease with the result that it terminates

(f) If you engage in any conduct that in our reasonable opinion reflects unfavorably on the Marks or the goodwill of Handel s or your Business, and do not cease such practice in 5 days after notice from Handel s

(g) If you operate the Parlor in a way that creates a health or safety hazard and do not correct same 5 days after notice from Handel s, your landlord or a governmental authority

(h) If you fail to pay any amount to Handel s 5 days after demand for payment,

(I) If you fail to comply with any other provision of this or any other Agreement you and Handel s are parties to, and do not correct such failure 14 days after written notice to cure is given by Handel s,

If we give you 3 or more notices of any default in any consecutive 12 month period or

(k) If the License Agreement terminates or expires

Article Sixteen **THE FRANCHISEE'S RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION**

16 01 Payment of Amounts Owed to Franchisor and other Creditors You must pay all amounts owed to Handel s or our affiliates and any trade creditors of your Business 15 days after the effective date of termination or expiration Periodic payments will be deemed to accrue daily and will be adjusted accordingly

16 02 Return of Manuals and Retention of Records You agree that you will return all Handel s Manuals, instructional and advertising materials provided to you in 5 days after termination or expiration Also, any and all printed matter bearing the Marks, unless they bear your name and we will credit you with your cost of such items less 15% You must keep all financial records of the Business for at least 6 years after this Agreement ends, and you must keep us advised of such location You will allow us to inspect such records at any time during normal business hours

16 03 Cancellation of Assumed Names, Transfer of Phone Numbers You agree that immediately upon termination or expiration, you will cancel all style and assumed name registrations relating to the Business and cease any use of the Marks or any colorable imitation, and not identify yourself as a franchisee or that you are otherwise associated with Handel s You agree to notify the telephone company and all other listing agencies, and to transfer such numbers to Handel s or its designee You acknowledge that Handel s has the sole right to, and interest in, all telephone numbers and directory listings associated with the Business

16 04 Appearance of the Franchisee s Ice Cream Parlor If you maintain possession of the Parlor Premises after the Franchise terminates or expires you agree that you will, immediately on notice from Handel s, alter the appearance of the premises as Handel s may reasonably require to distinguish itself from Handel s System image

16 05 Covenant Not to Compete Following Termination of the Agreement You acknowledge and agree that Handel s name business reputation methods and techniques and the experience you have derived from them, are of considerable value In consideration of this fact if the Agreement terminates or expires for any reason whatsoever the franchisee and the principal jointly and severally covenant and agree that neither of them will without the prior written consent of Handel s at any time during the period ending 2 years after the date of such expiration or termination, directly or indirectly or in any manner whatsoever or through any person, or be in any way associated with any business involving the sale of ice cream or frozen dairy and related products and services

(a) in the Territory, or

(b) within 2 miles of any Handel's franchised or company owned store then forming a part of the System

All parties to this contract agree that paragraphs (a) and (b) above are several and may be enforced independently of each other

If legal proceedings and a court order are necessary to force you to follow the terms of the non compete covenant in this section the parties agree that the 2 year period referred to above will run from the date of the decree rendered in a final judgment and you hereby unconditionally agree to

reimburse Handel's for all costs, including legal fees at all levels, incurred in connection with such action Judgments will be deemed final if no appeal lies ahead or the statute of limitations for appeals has expired

16 06 Handel s Right to PurchaseIf the Franchise expires or terminates for any reason Handel s has the right but not the obligation, to notify you in writing up to 30 days after the effective date the Franchise ends to buy all or any part of the equipment fixtures furnishings, signs and other physical assets you own and use in the Business, other than personal items, for a price equal to fair market value as determined by agreement between you and Handel s Failing agreement 10 days after Handel s opts to purchase Handel's will designate an independent appraiser and the Franchise will designate an independent appraiser, and the two appraisers so chosen will select a third appraiser The decision of the majority of the appraisers so chosen will be conclusive The cost of the third appraiser shall be shared equally by the Franchise and Franchisor For purposes of this section, fair market value means the lower of cost (determined on a first in first out basis) or net realizable wholesale value with no increment for goodwill Handel's will choose the time and place of closing acting reasonably and it must be completed according to all applicable bulk sales legislation On closing, you must deliver to Handel s a Bill of Sale for the assets in a form acceptable to Handel s Handel s can offset any amounts you then owe to us against the purchase price, and we can pay out of the purchase price any and all of your unpaid trade creditors

16 07 Right of Entry On termination of this Agreement for any reason we may before exercising our rights under section 16 06, enter and use all or any part of the Premises, and property located in on, or about the Premises and used in connection with the Ice Cream Parlor Business Handel s will not be liable for trespass or neglect in so doing or in respect to any depreciation or damage to the property We will pay you a reasonable rental for the property, Ml revenues, profits and benefits of any kind from the management and operation of the Ice Cream Parlor throughout the period, will be for the exclusive account of Handel's provided Handel s pays all debts and liabilities it incurs during Business operation Also, we may pay all claims you owe to business creditors and you must pay all such amounts to Handel s on demand Handel s has no obligation to retain, or honor any contractual commitment you made to any employee of the Business and all liability with respect to this will be bourne by you If Handel's decides to keep any such employee it will be under a new employment agreement between Handel s and the employee which will begin the first day Handel s carries on Business from the Premises Any employee claim from unpaid salary, vacation pay or other benefits from his employment with you, are your exclusive responsibility Handel s right to occupy the Premises and conduct the Business continues until the option period of section 16 06 expires provided that if Handel s exercises such option, its right of Premises occupation will continue throughout the period preceding and including the transaction closing

16 08 Continuing Obligations All obligations of the parties which expressly or by their nature survive the expiration or termination of this Agreement, will be given full force and effect after this Agreement ends

Article Seventeen **ASSIGNMENT, TRANSFER AND ENCUMBRANCES**

17 01 By Handel s We may assign any and all of our rights and obligations under this Agreement, if the assignee agrees in writing to assume all obligations so assigned On such assignment and assumption Handel s will have no further obligation with respect to such matters, but will remain liable for its breaches before the effective date of assignment

17 02 By You Subject to section 14 02 without Handel s prior written consent, which may not be arbitrarily withheld you must not mortgage, charge, pledge grant a security interest in or otherwise encumber all or any part of your interest in this Agreement the Franchise, or assets used in the Business The Franchise is personal to you and this Agreement your rights hereunder, the lease of the Premises and assets used in connection with the Business may not be sold assigned or otherwise transferred in whole or in part, in any manner whatever without Handel s prior written

consent, which will not be unreasonably withheld However, before Handel s will grant its consent it must be entitled to require that

(a) You pay us all outstanding amounts under this and all, Agreements between you and Handel s plus a Transfer Fee equal to our reasonable costs of completing such transfer including costs of training transferee and pay 50% of Handel s then prevailing Initial Franchise Fee

(b) The transferee and all other persons named as parties execute Handel s then current form of franchise agreement and if Handel s requires sublease of the Premises, and all other documents Handel s then-requires in the grant of franchises

(c) Transferee buys all of your physical assets used in the Business in accordance with all applicable bulk sales legislation

(d) You execute a general release of all your respective claims against Handel s and its affiliates,

(e) If required by Handel s, transferee be an individual having adequate financial resources who must complete Handel s training program and otherwise be capable of operating the Ice Cream Parlor

17 03 Restrictions on Share Transfers

(a) The Principal represents to Handel s, that he owns, beneficially and of record, all of the issued and outstanding stock of franchisee

(b) The Principal agrees that he will not directly or indirectly by operation of law or otherwise, sell, assign or otherwise transfer or encumber (transfer), any of franchisee s capital stock now or hereafter controlled by him nor permit franchisee to transfer any of its treasury stock or issue additional stock or undergo any merger or other reorganization without Handel s prior written consent terms of which Handel s will not unreasonably withheld or withhold

(c) After signing this Agreement and afterward on the issue of any of your capital stock all persons who directly or indirectly beneficially own or acquire any of your stock, must execute a written agreement with Handel s under seal agreeing to be bound by the restrictions on assignment and the non competition and secrecy covenants in this Agreement Also any person who owns, even indirectly, 10% or more of franchisee s outstanding capital stock, must execute a written agreement with and in a form approved by Handel s, personally guaranteeing full payment and performance of franchisee s obligations to Handel s under this Agreement, and agreeing to be bound jointly and severally by all of the covenants and obligations of the principal under this Agreement Immediately on election or appointment of an officer or director you must cause such person to enter a written agreement in a form Handel s determines, agreeing to be bound by the non competition and secrecy covenants in this Agreement

(d) when you sign this Agreement, and afterward on the transfer or issuance of your capital stock you must provide us with a complete list of all stockholders having an interest, and the percentage ownership of each Also, you must furnish us in 5 days after such transfer or issuance of shares or the election or appointment of any officer or director of franchisee the documents referred to in subsection (c) duly executed by all required persons

(e) Your charter documents must explicitly refer to the foregoing restrictions on stock transfer or issuance You must maintain stop transfer instructions on your records against the transfer of stock subject to the foregoing restrictions, and must have all outstanding

stock certificates endorsed with the following legend printed conspicuously on the face of each certificate

> The transfer of stock represented by this certificate is subject to the terms of a Unit Franchise Agreement made among Handel s and
>
> _____
>
> dated the _____ day of _____, 20_____ "

17 04 Death or Permanent Incapacity of the Principal On your death or permanent incapacity the Principal or his estate, as the case may be must after having obtained Handel s prior written consent, which will not be unreasonably withheld (but will be subject to the following conditions), either

(a) Assign all of the Principal s right title and interest in and to the Principal s shares in the capital stock of franchisee to another person whom Handel s, discretion determines to be acceptable and will not unreasonably withhold

(b) Cause the franchisee to assign all of its right, title and interest in , this License Agreement the Franchise the Premises lease the Business and all its assets, to another person whom Handel s, in its sole subjective discretion, deems acceptable

As a condition to granting its consent, Handel s is entitled to require that

(I) You pay Handel s all outstanding amounts due under this or any other Agreement to which you are a party, plus a transfer fee equal to the greater of 50% of Handel s then-prevailing initial franchise fee, or Handel s reasonable costs of completing the transfer (including its costs of training transferee) unless transferee is a spouse or the child of the Principal,

(ii) In a transfer under 17 04(b), all applicable bulk sales legislation must be complied with, and transferee and all others proposed as parties must execute Handel's then current franchise agreement and if Handel s requires, sublease of the Ice Cream Parlor

(iii) The transferee and all others proposed as parties must execute all other documents Handel s uses then in granting franchises

(iv) The Principal or his estate Franchisee and its directors officers and shareholders execute a general release of all their respective claims against Handel s and its affiliates

(v) If required by Handel s, transferee must be an individual having adequate financial resources who must complete Handel s training program and be otherwise capable of operating the Ice Cream Parlor

17 05 Option to Terminate If a disposition under section 17 04 to an acceptable person has not taken place in 120 days after the death or permanent disability of the Principal Handel s will have the continuing option exercisable on 10 days written notice to you of terminating this Agreement and the Franchise If Handel s elects to terminate, the provisions of Article 16 will apply to you

17 06 Deemed Permanent Incapacity of the Principal For purposes of section 17 04 the Principal will be deemed to be permanently incapacitated if his normal participation in the Business is curtailed by reason of mental or physical disability for a cumulative period of 3 months during any 12 month period of the agreement

17 07 Handel s Right of First Refusal

Seller/Franchisor (or any Third Party Assignee of the Seller/Franchisor) may elect pursuant to its Right of First Refusal to exercise said option when the retailer decides to sell partial interest(s) in the business This section is hereby amended to reflect the Seller/Retailer (nor any Third Party Assignee of the Seller/Franchisor) will not exercise the option for any partial sale of the retailer s/franchisee's business The seller/Franchisor (Third Party Assignee of the Seller/Franchisor) may not become a partial owner of any SBA financed franchises

Article Eighteen **INDEMNITY AND GUARANTEE**

18 01 Indemnity You agree both during and after the term of the Franchise and in addition to the obligations of Article 16, to indemnify Handel s and hold it harmless from any and all claims, demands, liability and expenses (including legal fees) resulting from your breach of this Agreement or any other Agreement to which you and Handel s are parties or from your operation of the Business

18 02 Guarantee The Principal hereby irrevocably and unconditionally guarantee Handel s the timely payment observance and performance of all franchisee s liabilities and obligations under this or any other Agreement or undertaking, to which Handel s is a party You agree to indemnify Handel s or its affiliate against all liability, loss damage and expense including legal fees which Handel s or its affiliate sustains or incurs by reason of franchisee s failure to pay observe or perform any of such liabilities and obligations The liabilities and obligations of the Principal will not be released or discharged by any release or discharge of the franchisee under this Agreement or otherwise, for any reason whatsoever

Article Nineteen **GENERAL CONTRACT PROVISIONS**

19 01 Enforcement You acknowledge that your failure to comply with the terms of this Agreement would cause Handel's irreparable harm which may not be compensable by damages Handel s will therefore be entitled to apply to a court of competent jurisdiction to appoint itself or another person as receiver and/or manager of your Business and to obtain, without bond, declarations, temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement If Handel s secures any such injunction declaration or order of specific performance you agree to pay to Handel s the total of all of its cost of obtaining such relief including legal costs and expert witness fees without limitation, travel and living expenses and any damages awarded as a result of such breach

19 02 Severability All provisions of this Agreement are severable, it will be interpreted and enforced as if all completely invalid and unenforceable provisions were omitted all partially valid and enforceable provisions must be enforced to the extent they are intelligible valid and enforceable, and no covenant or provision will be deemed dependent on any other covenant or provision unless expressly stated in the Agreement

19 03 Dispute Resolution

The parties agree that the venue of any legal action involving any disputes under this agreement or any transactions concerning it, its inducement of its execution, shall be solely and exclusively in the federal or state courts situated in Mahoning County, Ohio and Franchisee consents to jurisdiction in Ohio and waives any objections thereto Should Franchisee hereafter dispute the enforceability of this Section Franchisor shall be free at its option to litigate against Franchisee in any court of competent jurisdiction

19 04 Compliance with Local Law If any applicable law or rule of the state in which the Ice Cream Parlor is located requires a longer notice period to you than is required under this Agreement, the longer period will be substituted herein

19 05 Waiver of Obligations and Amendments No acceptance by Handel s of any payment by you and no failure by Handel s to exercise any right or demand strict compliance with any obligation or procedure, will constitute a waiver of any provision to this Agreement Any waiver granted by Handel s will be without prejudice to any other rights it might have and may be revoked, at any time by written notice Any modification or amendment to this Agreement must be in a signed writing

19 06 You May Not Withhold Payments You agree you will not on grounds of alleged non performance by Handel s, or for any other reason, withhold payment of any amount due whatsoever No endorsement on any check or payment of any sum less than the full amount due to Handel's, will be construed as payment in full or in accord and satisfaction, and Handel s may cash any such check without prejudice to its right to recover the balance due or pursue any other remedy Handel s may apply any payment you make to any past due indebtedness of yours that it sees fit Handel s may apply any payments it owes you directly to your unpaid trade creditors

19 07 Rights of Parties are Cumulative The rights of the parties hereto are cumulative and no exercise or enforcement by a party of any right or remedy will prevent the exercise or enforcement by that party of any other right or remedy under this Agreement or at law

19 08 Construction

(a) Headings are for the convenience of the parties only and do not define, limit or construe the contents of the paragraphs or sections in this Agreement

(b) Principal applies to one or more persons, whereby the obligations of the Principal are joint and several in respect of all of such persons

(c) The singular usage (where applicable) includes the plural, and masculine and neuter usages (where applicable) include the other and the feminine

(d) Person includes an individual trust, partnership, corporation, association, organization or other entity

(e) ' Lease includes a sublease, renewal or extension of a lease or sublease

(f) All dollar amounts refer to U S dollars

(g) Affiliate means any person or other entity that controls, is controlled by or is under common control with another person or other entity

(h) Control means the power, whether or not exercised to direct the affairs of another person or other entity, whether through ownership, contract or otherwise Directly or indirectly owning over 50% of an entity s voting securities will be deemed to confer control

(i) Term and Initial Term include the renewal term if this Agreement is renewed under section 1 03 unless the context requires otherwise

(j) Date or Time anything is to be done under this Agreement will be calculated by excluding the reference (late in calculating such period If the period ends on a non business day, the period in question will end on the next business day

19 09 Independent Contractors The parties hereto are independent contractors, and no training supervision or assistance by Handel s will be deemed to negate such independence You acknowledge that the success of the Business is largely dependent on your efforts, and fully assume the responsibility for its success or failure None of the parties hereto will make any agreements, representations or warranties (except by Handel s in advertising as provided herein) in

the name, or on behalf of, the other or that their relationship is other than that of franchisor and franchisee neither party hereto will be obligated by nor have any liability for any agreements representations or warranties made by the other nor will Handel s be liable for any damages to any person or property directly or indirectly from the operation of your Business whether caused by your negligence willful action or failure to act Handel s has no liability for any sales use income, excise property or other tax levied upon your Ice Cream Parlor, Business or assets or in connection with any business you conduct

19 10 Interest on Late Payments All unpaid fees due to Handel's or its affiliates for any reason, will accrue interest at the Prime Bank Rate plus 2% calculated and payable weekly not in advance both before and after default or judgment, with interest on any overdue interest accruing at the rate above

19 11 Entire Agreement This Agreement contains the entire understanding of the parties hereto concerning these matters You acknowledge and agree that you have not been induced to enter into this Agreement in reliance on, nor as a result nor as a result of, any representations, covenants or promises whatsoever whether oral or written express or implied direct or indirect, made by Handel's its officers, directors, agents employees or contractors You acknowledge that Handel s has granted you this Franchise in reliance on the information contained in your application for it Nothing in this or in any related agreement, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you

19 12 Notices Any notice request demand approval, consent or other communication which the parties may be required or permitted to give to the other party must be written and be served either personally or by prepaid mail or telegram to the other party at the addresses first indicated in this Agreement unless indicated otherwise to the other party in writing Conclusive deemed delivery occurs when delivered personally the third business day following mailing, or the day after a telegram is sent, as the case may be

19 13 Force Majeure None of the other parties will be responsible to the other for non-performance or late performance caused by forces beyond his control including acts of the other party acts of God, war, strikes lockouts, etc If any such delay occurs, any required time period will be automatically extended by the time lost if the other party promptly gives notice of the delay and makes reasonable efforts to correct it when possible

19 14 Time of the Essence Time is of the essence of this agreement in all respects

19 15 Further Assurances You must execute and deliver all further such instruments documents contracts, forms and other documents, and perform such further acts as may be necessary or desirable to perform and complete all covenants and obligations herein contained

19 16 Governing law This Agreement will be construed in accordance with and governed by the laws of the state of Ohio

19 17 Successors and Assigns Subject to the provisions of Article 17, this Agreement will benefit and be binding on the parties hereto and their respective heirs executors, administrators successors and permitted assigns

Article Twenty ACKNOWLEDGMENTS

20 01 Independent Investigation You acknowledge that you have conducted an independent investigation of the Business You further acknowledge that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on the ability of the Principal as an independent businessman Handel s expressly disclaims the making of, and you acknowledge that you have not received, any representation

warranty or guarantee, express or implied as to potential volume profits or success of the business venture contemplated by this Agreement

20 02 Independent Advice You acknowledge that you have had ample time to and *have* read this Agreement and fully understand all of its provisions Further, you acknowledge that you have had an adequate opportunity to consult with legal and other professional advisors of your own choosing regarding all pertinent aspects of the business venture contemplated and Franchise relationship created by, this Agreement

20 03 Volume Rebates You acknowledge and agree that Handel s will be entitled to the benefit of any and all discounts volume rebates or other concession Handel s may obtain from any person by reason of its supplying goods to you or other franchisees Handel s may at its option and in its sole discretion pass on all or part of these benefits derived, to you and other franchisees as Handel s reasonably deems to be just and equitable

IN WITNESS WHEREOF the parties hereto have executed this Agreement, this _____day of_____20_____

SIGNED, SEALED, AND DELIVERED
in the presences of

HANDELS ENTERPRISES, INC
dba Handels Ice Cream

_____ By _____
President

_____ By _____
Secretary

FRANCHISEE

_____ By _____

_____ By _____

_____ By _____

_____ By _____

SCHEDULE "A"

1 Marks
2 Any Material with the Handel's name and or Logo

SCHEDULE "B"

TERRITORY

SCHEDULE "C"

HANDEL'S ICE CREAM & YOGURT EMPLOYEES' NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

THIS AGREEMENT made the_____day of_____, 20____ , by and between _____/D B A Handel's Ice Cream ("Employer"), and _____("Employee"), an individual residing at _____ , and HANDEL'S ENTERPRISE INC , an Ohio Corporation ("Handel's")

In consideration of Employee's employment by Employer, or if Employee is an existing employee, the receipt and sufficiency of which Employee acknowledges, Employee, Employer and Handel's, intending to be legally bound, hereby agree

1 Employee acknowledges that certain confidential, proprietary and trade secret information, materials and business concepts ("proprietary information") with respect to Handel's and Employer's business will be disclosed to Employee to enable Employee to perform his/her employment duties Employee further acknowledges that he/she will learn of and have access to proprietary information in a variety of written and verbal forms, including electronic and graphic media Employee acknowledges that Handel's has invested considerable money, time and other resources in the research, development and expansion of the proprietary information, and that it is the main source of Handel's and Employer's competitive advantage in the ice cream and yogurt business

2 Employee acknowledges that the proprietary information includes the Operations Manual, business concepts, financial information, marketing plans, key suppliers and sources, inventory concepts, accounting and operating methods, recipes, ice cream and yogurt making techniques, shop practices, customer information, pricing policies, strategic plans and all related intellectual property

3 During the term of Employee's employment with Employer, and at all times after termination of employment for any reason, Employee agrees

(a) not to publish, copy, disclose, allow to be disclosed, or use for his benefit or that of any other person or entity, the proprietary information without the prior written consent of Handel's and

(b) to maintain strictly the confidentiality of the proprietary information at all times

Employee agrees to take all necessary precautions to protect the proprietary information from unauthorized disclosure or use Employee acknowledges that unauthorized

disclosure or use of the proprietary information will cause harm to his Employer and Handel's and they will be entitled to an immediate injunction from a court of competent jurisdiction in addition to all other legal and equitable remedies

4 In any judicial proceedings the parties agree that it will be presumed that the proprietary information constitutes protectable trade secrets and that Employee will bear the burden of proving that any portions of the proprietary information was publicly or rightfully known and disclosed by Employee

5 During the term of Employee's employment, and for two (2) years following the termination of Employee's employment for any reason, Employee will not

(a) directly or indirectly contact or do business with any supplier of Employer's or its affiliates, for the purpose of soliciting such customer to buy ice cream, yogurt or other products that would be in competition with those products made and sold by Employer, Handel's or its affiliates,

(b) directly or indirectly contact or do business with any supplier of Employer's, for the purpose of buying ice cream, yogurt and related products from such supplier

(c) directly or indirectly interfere with or attempt to disrupt the relationship, contractual or otherwise, between Employer and Handel's and any of its employees, agents, affiliates, customers, suppliers or referral sources, or solicit another employee or employer, Handel's or its affiliates or

(d) directly or indirectly engage, within a two (2) mile radius of any ice cream shoppe owned or operated by Employer, or any other ice cream shoppe operated under the trademark and service mark "Handel's", whether as an employee, partner, owner, agent, franchisor, franchisees stockholders officer, director, or other representative, in any business which sells ice cream or yogurt or which markets, offers, sells, or licenses the products or services of Handel's, provided, however, that Employee will be allowed to own up to 5% of a publicly-traded corporation

6 Employee agrees that the geographic scope of the above covenant not to compete is reasonable and required because Employer's and Handel's business is consumer-oriented Employee agrees that his education enables Employee to obtain employment in many different areas of endeavor other than the ice cream and yogurt business and to work for different types of employers so that it will not be necessary for Employee to violate the provisions of section 5 in order to remain economically viable The covenant on the part of the Employee will be construed as an agreement independent of any other provision of this agreement The existence of any claim, dispute or cause of action against Employee, Employer, or Handel's, whether predicated on this Agreement

or otherwise, will not constitute a defense to the enforcement by Employer of this covenant

7 If Employee violates any of the provisions of section 5, the periods described therein will be extended by that number of days equal to the aggregate number of days during which, at any time, Employee committed any such violation

8 The covenants, provisions, and paragraphs of this Agreement will be severable, and if any portion of this Agreement is held unlawful or unenforceable, the remaining terms and conditions or portions thereof, will remain in full force and effect This Agreement will be construed in such case as if the unlawful or unenforceable portion had never been contained in the Agreement

9 The failure to object to any conduct or violation of any of the covenants made by Employee under this Agreement will not be deemed a waiver of any rights or remedies under the Agreement

10 This Agreement will be governed and construed in accordance with the laws of the state of Ohio without regard to its conflicts of laws provision

11 Employee agrees that all proprietary information, in whatever form, and all copies or imitations of the proprietary information, will be returned to Employer immediately on termination of Employee's employment Employee agrees to execute an affidavit as to the complete return of all proprietary information if Employer or Handel's so requests

12 Employee agrees that this Agreement has been made in the State of _____, and that it is fair and reasonable that any actions under this Agreement will be brought only in the state or federal courts located in Youngstown, Ohio, and Employee submits to the jurisdiction of such courts and venue therein, Employer has the right to bring an action under this agreement in the courts of other jurisdictions

13 This Agreement constitutes the entire understanding between the parties as to the subject matter and supersedes all prior oral or written communications, proposals, representations, warranties, covenants, understandings or agreements between them relating thereto

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS CAREFULLY READ AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THIS AGREEMENT, THAT HE (OR SHE) HAS BEEN GIVEN AN OPPORTUNITY TO CONSULT WITH AN ADVISOR, AND THAT EMPLOYEE IS VOLUNTARILY ENTERING INTO THIS AGREEMENT

IN WITNESS WHEREOF, Employee, Employer and Handel's have executed this Agreement as of the date first above written

EMPLOYER NAME

WITNESS SIGNATURE

EMPLOYEE NAME

WITNESS SIGNATURE

LEGAL GUARDIAN

WITNESS SIGNATURE

Handel's Ice Cream

By HANDEL'S ENTERPRISE INC
d b a Handel's Ice Cream

WITNESS SIGNATURE

SCHEDULE "D"

TRADE MARK LICENSE AGREEMENT

THIS AGREEMENT made the _____day of_____20___

AMONG

HANDEL'S ENTERPRISES, INC , a corporation incorporated under the laws of the State of Ohio, (here-in-after called "Handel's and Franchisor)

OF THE FIRST PART,

- and -

_____an individual/s residing at_____

_____

(here-in-after) call the "Franchisee")

OF THE SECOND PART,

WHEREAS Handel's Enterprises, Inc , who is known to the public as Handel's is the owner of those trade marks, service marks, trade names, commercial symbols and logos more particularly described in Schedule "A" hereto (collectively, the "Marks") in respect of which Handel's through advertisement, publicity and promotion has developed substantial good will,

AND WHEREAS by the agreement of even date (the "Franchisee Agreement") between the Franchisor and the Franchisee, the Franchisee was granted the right to establish and operate a Handel's Ice Cream Parlor (the "Ice Cream Parlor") at the location specified in the Franchise Agreement, upon the terms and conditions of the Franchise Agreement

AND WHEREAS the Franchisee has applied to Handel's for a license to use the Marks in connection with the operation of the Ice Cream Parlor,

NOW THEREFORE THIS AGREEMNT WITNESSETH that in consideration of the sum of one Dollar ($1 00) now paid each party to each of the others and for good and valuable consideration (the receipt and sufficiency of which is acknowledged by the parties), the parties agree as follows

1 Grant of License So long as the Franchise Agreement is in effect and the Franchisee is not in default under this agreement, and subject to the terms of this agreement, the Franchisee shall have the right to use and display the Marks in connection with the operation of the Ice Cream Parlor pursuant to the terms of the Franchise Agreement

2 Integrity of Mark The Franchisee shall operate its business utilizing the Marks without any accompanying words or symbols of any nature, unless first approved in writing by the Franchisor The Franchisee shall display at the Ice Cream Parlor and maintain in first-class condition signs bearing the Marks, of such nature, form, color, number, location, illumination and size as may be required by the Franchisor from time to time No part of the Marks nor any words similar thereto shall be included in any corporate or trade name utilized by the Franchisee or by any corporation, partnership or other incorporated or unincorporated entity or organization in which the Franchisee has a direct or indirect interest, provided that as long as this agreement remains in effect, the Franchisee may (but only if required by applicable law) register itself as carrying on business using the assumed name "Handel's" The Franchisee agrees that upon termination or expiration of this agreement for any reason, it will within five (5) business days thereafter cause any such registration to be expunged, at is own expense

3 Approved Wares and Services The Franchisee shall use the marks only in connection with the sale or distribution of wares and services specifically approved in advance by Handel's and fro no other purpose The Franchisor may by its duly authorized agents enter and inspect each premises at which the Marks are used by the Franchisee to examine and test wares and services for the purpose of ascertaining that the Franchisee is operating its business in accordance with the terms and conditions of this agreement and the Franchise Agreement, and is utilizing the Marks only in association with wares and services that meet the specifications, standards and requirements of the Franchisor from time to time Inspections may be conducted at any and all times during regular business hours at the discretion of the Franchisor and without prior notification to the Franchisee The Franchisor will notify the Franchisee of any deficiencies detected during inspection and the Franchisee agrees to diligently correct any such deficiencies Upon notification by the Franchisor that any wares or services do not meet the specifications, standards and requirements of the Company, the Franchisee shall immediately desist and refrain from the further use of Marks in connection therewith and shall immediately cease the further use of such wares or services

4 Ownership of Marks Neither this agreement nor the operation of the Franchisee's business shall confer on the Franchisee any interest in any of the Marks, except the right to use the Marks in the operation of its business in accordance with the Franchise Agreement and this agreement The Franchisee shall not use any of the Marks in any manner calculated to represent that it is the owner of any of the Marks The Franchisee acknowledges that the Marks are the exclusive property of Handel's Enterprises, Inc dba Handel's and agrees that during the term of this agreement and thereafter it will not dispute or contest, directly or indirectly, the validity or enforceability

of any of the Marks or the title of Handel's thereto, nor will it counsel, procure or assist anyone else to do the same The Franchisee agrees that all goodwill generated by the use of the Marks by the franchisee shall ensure to the benefit of and shall belong exclusively to Handel's

5 Display Notice If requested by the Franchisor, the franchisee will display in a prominent location at the Ice Cream Parlor a sign in form prescribed by the Franchisor, to the effect that the Marks are registered trade marks of Handel's and that the Franchisee utilizes any of the marks on any stationary, invoices, purchase orders or similar documents, such material shall plainly indicate that the Franchisee is an authorized licensee of the Marks and a Franchisee of the Franchisor Prior to any use by the Franchisee of any additional or substitute trade marks, service marks or trade names of Handel's, the Franchisee shall at its own expense amend such sign and documents to explicitly refer to such additional or substitute marks or names

6 Standards and Specifications The Franchisee agrees that for the purpose of protecting and enhancing the value and goodwill of the Marks and to ensure that the public may rely upon the Marks as identifying wares and services of the highest quality and standards, the continued right of the Franchisee to display the Marks in connection with the operation of the Ice Cream Parlor is subject to the continued, faithful adherence by the Franchisee to the standards, terms and conditions set forth in this agreement and in the Franchise Agreement

7 Non-Exclusivity The license granted to the Franchisee hereby to use and display the Marks is non-exclusive and is not transferable by the Franchisee in whole or in part of a transfer of the Franchise Agreement, and in accordance with the same terms and conditions as govern a transfer of the Franchise Agreement

8 Termination This agreement And the license conferred hereunder may be terminated by the Franchisor, effective immediately upon receipt or deemed receipt by the Franchisee of notice to that effect, if the franchise Agreement is terminated or expires, or if the Franchisee breaches any of its obligations under this agreement and does not cure such breach within fifteen (15) days after receipt or deemed receipt from the Franchisor of notice to cure such breach Forthwith upon termination of this agreement, the Franchisee shall cease all use and display of the Marks, including any colorable imitation thereof, and without restricting the generality of the foregoing, shall not use the words "Handel's" in any manner or form as a trade mark, service mark, trade name, assumed name or otherwise in connection with any wares, services or business The Franchisee agrees that it will not, in connection with the operation of any business after the date of termination of the license herein granted, directly or indirectly represent or in any other manner hold itself out to the general public as a former licensee of Handel's or as a former Franchisee of the Franchisor

9 Waiver The Franchisee agrees that neither the waiver by the Franchisor from time of any term of this agreement, nor the failure of the Franchisor to notify the Franchisee of any default hereunder, shall constitute a waiver, express or implied, of any other term or this agreement nor shall it constitute consent, acquiescence or waiver of any subsequent default, whether of the same, different or a continuing character

10 Independent Contractor The Franchisee agrees that it is not an agent or employee of the Franchisor, but is an independent contractor completely separate form them and that it has no authority to bind or attempt to bind either of them in any manner or form whatever or to assume or to incur any obligation, express or implied, for, on behalf of, or in the name of the Franchisor This agreement shall not be construed so as to constitute the Franchisee a partner, joint venturer, agent, employee or representative of the Franchisor for any purpose whatever The Franchisee agrees to use its own name in obtaining and signing contracts and in making purchases, so that the transaction clearly indicates that the Franchisee is acting on its own behalf

11 Notice All notices, requests, demands or other communications ("Notices") by the terms hereof required or permitted to be given by one party to another

shall be given in writing by personal delivery or by registered or certified mail, postage prepaid, addressed to the other parties or delivered to the other parties as follows

(a) to the Franchisor

Leonard J Fisher
c/o Handel's Enterprises, Inc
3830 Starr Centre Drive
Suite 1
Canfield, Ohio 44406

copy to

(b) to the Franchisee

or at such other address as may be given by one to another in writing from time to time and such Notices shall be deemed to have been received when delivered or, if mailed, shall be deemed to have been received three (3) business days after the date of mailing

12 Successors and Law Subject to the restrictions on assignment herein, this agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and assigns This agreement shall be governed by and construed in accordance with the laws of the State of Ohio

IN WITNESS WHEREOF, the parties have duly executed this agreement this _____ day of _____, 20 ____

SIGNED, SEALED, DELIVERED
in the presence of

Handel's Enterprises, Inc

_____ By _____
President

_____ By _____
Secretary

_____ By _____
Franchisee

_____ By _____
Franchisee

SCHEDULE "E"

LEASE ASSIGNMENT

The Landlord and Tenant acknowledge that the subject premises are being leased to operate a restaurant The Landlord agrees that in the event the Franchise Agreement between the Tenant and Handel's Enterprises, Inc , should terminate for any reason, that Handel's Enterprises Inc , of 3830 Starr Centre, Canfield, Ohio 44406 shall have the right, but is not required to, assume the balance of this lease and exercise any renewal options contained herein by giving a minimum of 10 days notice to Landlord This assumption of lease shall apply to future lease obligations only and shall not relieve the Tenant from any obligations prior to this assumption between the Tenant and the Landlord The Tenant hereby agrees that this assumption provision shall be exercisable by Handel's Enterprises Inc , giving written notice to the Landlord of the assumption under this provision and the Tenant hereby releases Landlord from any liability or claims related to the exercise of this assumption by Handel's Enterprises Inc

The Landlord further agrees that any attempt by Tenant to sell, transfer, or assign their interest in the leasehold without the consent of Handel's Enterprises Inc , will not be allowed Landlord further agrees not to interfere with the obligations and restrictions imposed on the Franchisee by the Franchisor as it relates to the operation of the business

Dated _____ By _____
Landlord

Restaurant Location

_____

_____

_____

Acknowledged

_____
Franchisee

SCHEDULE "F"

TERRITORY ASSIGNMENT

SCHEDULE "G"

TERITORIAL MAP

SCHEDULE "H"

1 FIRST RIGHT OF REFUSAL

a Should Franchisor receive a bona fide offer or acceptance to purchase a Franchise in the area (each a "Third Party Offer") within 24 months from the date when the initial Franchise opens for business, it shall be prohibited from consummating any such sale until the prospective Franchise is first offered for sale to the Franchisee as hereafter provided Within seven (7) business days of receiving a Third Party Offer, Franchisor shall notify Franchisee of such Offer and shall include, with said notice, a copy of such Offer, if applicable Such a notice shall be deemed to be an offer by the Franchisor to sell the Franchise at issue to the Franchisee pursuant to the terms of the Third Party Offer

b The Franchisee shall have a period of fourteen (14) days after receiving a notice pursuant to the subsection 1 (a) in which to accept such offer Within such fourteen (14) day period, the Franchisee shall notify the Franchisor as to whether or not it desires to exercise such option to purchase The failure by Franchisee to exercise any such option within said fourteen (14) day period shall be deemed a declination thereof

c An attempted sale of a Franchise by Franchisor in violation of this Section during the term of any Franchise acquired by Franchisee under the Franchise Agreement or hereunder, shall be void and ineffectual and shall not operate to transfer any franchise to the purported franchisee

Schedule "I"

Direct Payment Authorization Form Variable Payments

Here's how the Direct Payment Plan works

Handel s Enterprises Inc will notify you by the 3rd of each month via e mail of your total royalty payment due for the preceding month, not to exceed $10,000 at any one time without prior authorization from the account holder This amount will automatically be deducted from your preferred account on the 5th of the month Your payment will appear on the statement that you receive from your financial institution

If, for some unforeseeable reason, your account will not have the necessary funds, you must let us know by the 4th of the month so that alternate payment arrangements can be made

If you have any questions about this form please call Georgia Kusiowski at 330 702 8270

Please complete the information below

For payment of my franchise royalties I authorize Handel s Enterprises Inc to initiate an electronic debit entry to my

☐ checking account (or) ☐ savings account

on the 5th of each month

I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U S law This authority will remain in effect until I terminate my Handel s Franchise

Date_____

STORE LOCATION_____

FINANCIAL INSTITUTION_____

ACCOUNT NUMBER _____

ROUTING NUMBER_____

FINIANCIAL INSTITUTION CITY AND STATE_____

SIGNATURE_____

EXHIBIT I
CONFIDENTIALITY AGREEMENT

The following pages are the Confidentiality Agreement

HANDEL'S ENTERPRISES, INC
An Ohio Corporation
3830 Starr Centre Drive
Canfield, Ohio 44406
330-702-8270

CONFIDENTIALITY AGREEMENT

You have requested information from HANDEL'S ENTERPRISES, INC in connection with your consideration of a transaction between you and us As a condition to our furnishing such information to you, we request that you agree, as set forth below, to treat confidentially such information and any other information we or our agents furnish to you, whether furnished before or after the date of this letter (collectively, the "Evaluation Material")

You agree that the Evaluation Material (including but not limited to our Confidential Operations Manual, Building Plans and/or Parlor Manual) will not be used by you in any way detrimental to HANDEL'S ENTERPRISES, INC and that such information will be kept confidential by you and your agents and representatives (it being understood that such agents and representatives shall be informed by you of the confidential nature of such information and shall be directed by you treat such information confidentially), and any disclosure of such information may be make to which HANDEL'S ENT INC consents in writing in advance

Without the prior written consent of HANDEL'S ENTERPRISES, INC , you will not, and will direct your agents and representatives not to, disclose to any person either the fact that discussions or negotiations are taking place concerning a possible transaction between you and HANDEL'S ENTERPRISES, INC or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof The term "person" as used in this letter shall be broadly interpreted to include without limitation any corporation, company, partnership and individual

In the event that no transaction is effected between you and HANDEL'S ENTERPRISES, INC after you have been furnished with Evaluation Material, you will promptly upon the request of HANDEL'S ENTERPRISES, INC deliver to HANDEL'S ENTERPRISES, INC the Evaluation Material, without retaining any copies

Although you understand that we have endeavored to include in the Evaluation Material information known to us which we believe to be relevant for the purpose of your investigation, you further understand that we do not make any representation or warranty as to the accuracy or completeness of the Evaluation Material, and you shall not be entitled to rely on any representations, covenants, agreements or warranties which may be made by HANDEL'S ENTERPRISES, INC or its representatives other than those express representations, a definitive written agreement, when and if such an agreement is entered into You agree that neither HANDEL'S ENTERPRISES, INC or its representatives shall have any liability to you or any of your representatives resulting from the use of the Evaluation Material by you or such representatives

It is further understood and agreed that no failure or delay by HANDEL'S ENTERPRISES, INC in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder

This letter agreement shall be governed and construed in accordance with the laws of the State of Ohio

If you are in agreement with the foregoing, please sign and return one copy of this letter which will constitute our agreement with respect to the subject matter of this letter

Very truly yours,

HANDEL'S ENTERPRISES, INC

By_____

Confirmed and Agreed to

By_____

Title_____

Date_____

HANDEL'S ENTERPRISES, INC
An Ohio Corporation
3830 Starr Centre Drive
Canfield, Ohio 44406
330-702-8270

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Without the prior written consent of HANDEL'S ENTERPRISES, INC , you will not, and will direct your agents and representatives not to, disclose to any person either the fact that discussions or negotiations are taking place concerning a possible transaction between you and HANDEL'S ENTERPRISES, INC or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof The term "person" as used in this letter shall be broadly interpreted to include without limitation any corporation, company, partnership and individual

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Very truly yours,

HANDEL'S ENTERPRISES, INC

By_____

Confirmed and Agreed to

By_____

Title_____

Date_____

RECEIPT
(KEEP THIS COPY FOR YOUR RECORDS)

This franchise disclosure document summarized provisions of the franchise agreement and other information in plain language Read this disclosure document and all agreements carefully

If Handel's Enterprises, Inc , 3830 Starr Centre Drive, Canfield, Ohio 44406 (330-702-8270), 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 any affiliate in connection with the proposed franchise sale

If Handel's Enterprises Inc 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 have occurred and should be reported to the federal trade commission, Washington, D C 20580 and the state agencies listed in Exhibit A

Franchise Seller offering a Franchise
Handel's Enterprises Inc
3830 Starr Centre Drive
Canfield, Ohio 44406
330-702-8270

We authorize the agent listed in Exhibit B to receive service of process for us

I have received a Franchise Disclosure Document dated 3/31/2016 This Disclosure Document included the following Exhibits

A	List of Administrators
B	List of Agents for Service of Process
C	Additional Construction Information
D	Listing of all Current Franchised Outlets
E	Listing of Franchises that Ceased to do Business
F	Financial Statements
G	California State Addendum
H	License and Franchise Agreement
I	Confidentiality Agreement

Date

Franchisee

RECEIPT
(RETURN THIS COPY TO US)

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Date _____ Franchisee _____