FRANCHISE DISCLOSURE DOCUMENT

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Department of
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HANDEL'S ENTERPRISES, INC.
An Ohio Corporation
3830 Starr Centre Drive
Canfield, Ohio 44406
Phone: 330-702-8270
Email: info@handelsicecream.com
Website: https://handelsicecream.com/

Handel's Enterprises, Inc. offers individual franchises for the operation of ice cream parlors that sell homemade ice cream, sherbet, ices, sorbet, frozen yogurt and other ice cream products (the "Handel's Franchise").

The total investment necessary to begin operation of a Handel's Franchise is from $224,500.00 to $666,500.00. This includes between $195,000.00 and $210,000 that must be paid to us or our 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 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, us or our 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: March 28, 2019

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 E 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN OHIO. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN OHIO THAN IN YOUR OWN STATE.

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

THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	_____, 2019

In all other states that are not registration states, the effective date of this Franchise Disclosure Document is the issuance date of March 28, 2019.

TABLE OF CONTENTS

Item		Page
1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSOR AND AFFILIATES	1
2	BUSINESS EXPERIENCE	2
3	LITIGATION	3
4	BANKRUPTCY	3
5	INITIAL FEES	3
6	OTHER FEES	4
7	ESTIMATED INITIAL INVESTMENT	5
8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	7
9	FRANCHISEE'S OBLIGATIONS	8
10	FINANCING	9
11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	9
12	TERRITORY	13
13	TRADEMARKS	14
14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	16
15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS	17
16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	17
17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	18
18	PUBLIC FIGURES	19
19	FINANCIAL PERFORMANCE REPRESENTATIONS	19
20	OUTLETS AND FRANCHISEE INFORMATION	22
21	FINANCIAL STATEMENTS	25
22	CONTRACTS	25
23	RECEIPTS	25

EXHIBITS

A	–	FINANCIAL STATEMENTS
B	–	FRANCHISE AGREEMENT
C	–	LIST OF CURRENT FRANCHISEES
D	–	LIST OF FRANCHISEES THAT CEASED TO DO BUSINESS
E	–	LIST OF ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
F	–	STATE ADDENDA
G	–	RECEIPTS

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSOR AND AFFILIATES

Handel's Enterprises, Inc. is referred to in this Disclosure Document as "Franchisor," "we," "us," or "our." "You," "your," or "Franchisee" means the person who buys the franchise and includes your owners and principals if you are a corporation, limited liability company, or other business entity.

The Franchisor

We are a corporation organized under the laws of the State of Ohio on March 1, 1998 and maintain our principal place of business at 3830 Starr Centre Drive, Canfield, Ohio 44406. We conduct all general business under our corporate name and registered trade name "Handel's." We do not maintain a sales office at a location other than our principal place of business, and we do not retain the services of any sales organizations, including any franchise brokers.

We grant qualified individuals and entities the right to establish and operate a business that establishes and operates one ice cream parlor that sells homemade ice cream, sherbet, ices, frozen yogurt, and other ice cream products under the Handel's trademark (the "Handel's Franchise"). We have offered Handel's franchises since 1989. You must use our trademarks, service marks, trade names, and other commercial symbols for your franchises, which we have designated in Schedule A to the Franchise Agreement. Our agents for service of process are listed in Exhibit E to this disclosure document. Other than the aforementioned services, we do not engage in any other business activities and have not offered franchises in any other line of business.

Parents, 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 maintained 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 to sell Handel's franchises. Upon the formation of Handel's Enterprises, Inc., all existing franchises were transferred to Handel's Enterprises, Inc.

Our affiliate, Handel's Incorporated of Youngstown, is an Ohio corporation with its principal place of business at 3830 Starr Centre Drive, Canfield, Ohio 44406. It was organized on January 6, 2005. Since 2005, Handel's Incorporated of Youngstown has operated businesses under the "Handel's" mark that are similar to the Handel's Franchise offered under this disclosure document at various locations in Ohio. As of December 31, 2018, Handel's Incorporated of Youngstown operated one Handel's Parlors.

Our affiliate, Bub Inc., is an Ohio corporation with its principal place of business at 3830 Starr Centre Drive, Canfield, Ohio 44406. It was organized on June 19, 1995. Since 1995, Bub Inc. has operated businesses under the Handel's mark that are similar to the Handel's Franchise offered under this disclosure document at various locations in Ohio. As of December 31, 2018, Bub Inc. operated six Handel's Parlors.

Except for those stated in this section, we do not have any other parents, predecessors, or affiliates that offer or operate franchises in any line of business or otherwise are involved in any other business activity.

The Franchise Offered

We offer to individuals and entities a franchise agreement (the "Franchise Agreement"), attached to this Disclosure Documents as Exhibit B, which grants you the right to establish and operate a Handel's ice

cream parlor ("Parlor"). The Parlor 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 the Parlor. The distinguishing characteristics of a Parlor 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.

You may acquire franchises for one or more Parlors upon the company's approval by executing our then-current franchise agreement and paying our then-current franchise fee.

The ice cream and frozen dessert industry is highly competitive, with national and regional chains, including other franchised brands. There are also many individually-owned ice cream parlors which would be similar to and competitive with us. In addition, there are other frozen dessert brands that are not ice cream, such as frozen yogurt. You will also face competition from ice cream and frozen desserts sold in grocery stores and other retail locations.

Industry-Specific Regulations

Your Parlor will be subject to federal, state, county, and municipality laws and regulations. You must investigate all applicable

Most locations require a "Food Service License" and a "Vendor's License" in order to operate the Parlor. 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.

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.

We are not presently aware of any other regulations or special permits required for you to operate your Handel's Franchise. Applicable laws and regulations are subject to change. Specific inquiry should be made with your state and local authorities.

ITEM 2
BUSINESS EXPERIENCE

Leonard Jerome Fisher – President and Chief Executive Officer
Leonard J. Fisher has been our president and Chief Executive Officer since 1986.

James Jude Brown – Chief Operating Officer and Secretary
James J. Brown has served as our Chief Operating Officer and Secretary since November 2000.

Jody Lee Nerone – VP of Franchise Development
Jody L. Nerone has served as our VP of Franchise Development since March 1999.

Sarah Alice Bradley – VP of Organizational Development
Sarah A. Bradley has served as our VP of Organizational Development Coordinator since April 1997.

Georgia Lynn Kusiowski - Controller
Georgia L. Kusiowski has served as our Controller since April 2006.

Jeffrey Alan Scacchetti – Regional Sales Manager
Jeffrey A. Scacchetti has served as our Regional Sales Manager since April 2001.

Except as otherwise noted, the location of each employer is Canfield, Ohio.

ITEM 3
LITIGATION

Handel's Enters., Inc. v. Kenneth S. Schulenburg, Juliana Ortiz, and Moonlight101, Inc., Case No. 4:18-cv-00508, filed on March 5, 2018 in Ohio state court against Moonlight 101, Inc., a Handel's franchisee, and its principals Kenneth Schulenburg and Juliana Ortiz ("Defendants"). Handel's seeks declaratory judgment and damages in excess of $75,000.00, including compensatory damages for unpaid royalties, future royalties, and failure to pay the franchise fee, punitive damages, and attorneys' fees. Handel's claims include breach of contract, fraudulent concealment, fraud, conversion, tortious interference, trademark infringement, dilution, false designation, and unfair competition. On March 30, 2018, the Defendants answered Handel's complaint and did not assert counterclaims against Handel's. Handel's motion for preliminary injunction was granted on June 22, 2018. Defendants appealed, and the appeal was denied such that the preliminary injunction remains in effect. Discovery has commenced, but no trial date has been set.

Kenneth Schulenburg and Moonlight101, Inc. v. Handel's Enters., Inc., Case No. 3:18-cv-00513, filed by Moonlight 101, Inc., a Handel's franchisee, and its principal Kenneth Schulenburg on January 30, 2018 in California state court. Handel's removed the case to federal court in the Southern District of California. On June 29, 2018, Plaintiffs filed an amended complaint seeking damages for Defendant's alleged violations of the California Franchise and Investment Law ("CFIL") and California Unfair Competition Law ("CUCL"), breach of contract, and declaratory relief that choice of venue in the franchise agreement is unenforceable under California state law. Handel's moved to dismiss all claims. The court dismissed the CUCL claims, transferred the claims for breach of contract and declaratory relief to the Ohio courts. Discovery has commenced, but no trial date has been set.

Except for these three matters, no other litigation is required to be disclosed in this franchise disclosure document.

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, in order to obtain or commence the Franchise operation, you must pay us a lump sum of $50,000 (the "Initial Franchise Fee"). 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, 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 ending December 31, 2018, the Initial Franchise Fee was uniform and in the amount of $50,000.00.

Before you open the Business, you must order certain equipment and inventory from us and our designated suppliers. The estimated range of the initial purchases is between $145,000 and $160,000 for the required equipment and inventory to open your Business. Approximately one half of this amount will be paid to our designated supplier for the ice cream machine, smallwares, and other required equipment, and one half is paid to us for your Handel's dipping and holding cabinet, your opening inventory of ice cream and liquid flavorings, and other opening inventory we may require.

ITEM 6
OTHER FEES

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Royalty Fee	6% of Gross Revenue	Monthly	See Note 2.
Individual Advertising	1% of Gross Revenue	Monthly	Payable to Various Third Parties
Initial Advertising	$3,000	Prior to Opening	Payable to Various Third Parties
Telephone Listing	Varies	When incurred	Payable to Various Third Parties
Training Fee	$500 per day	When incurred	If we provide training to your managers or employees, you must may us our Training Fee. See Item 11.
Transfer	50% of then-current Initial Franchise Fee, plus 50% of our costs	Before completion of transfer	Payable to Us
Accounting	Cost of audit plus 10% interest on underpayment	When incurred	Only if audit reveals underpayment of 3% of gross revenue for any month
Renewal Fee	There is no renewal fee	None	None
Interest	Lesser of 2% above prime or maximum rate permitted by law	When incurred	Payable on overdue accounts

Notes:

1. Except where otherwise noted, all fees are payable to us, are non-refundable, and are uniformly imposed.

2. "Gross Revenue" means the entire amount of the actual sales price of all sales of services, or revenue otherwise generated, from the Parlor 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.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (See Note 1)	Method of Payment	When Due	To Whom Payment Made
Initial Franchise Fee (See Note 2)	$50,000	Lump Sum	When you sign the Franchise Agreement	Us
Real Property (See Note 3)	$0 to $20,000 (total for 3 months)	Monthly for Lease	As Arranged	Landlord
Construction Costs (See Note 3)	$0 to $300,000	Progress Payments	As Arranged	Landlord, Various Third Parties
Signage (See Note 4)	$20,000 to $35,000	As Arranged	As Arranged	Suppliers
Equipment (See Note 5)	$120,000 to $180,000	As Arranged	As Incurred	Suppliers
Opening Advertising (See Note 6)	$1,000 to $5,000	As Arranged	As Incurred	Suppliers
Pre-Opening Salaries and Travel Expenses (See Note 7)	$2,000 to $3,000	As Arranged	As Arranged	Suppliers
Start-up Supplies (See Note 8)	$15,000 to $19,000	As Arranged	As Incurred	Suppliers
Insurance (See Note 9)	$500 to $2,500	As Arranged	As Incurred	Insurers
Utility Deposits (See Note 10)	$1,000 to $15,000	As Arranged	As Incurred	Lessor, Utility Companies
Architect Design (See Note 11)	$3,000 to $12,000	As Arranged	As Incurred	Architect
Professional Fees (See Note 12)	$2,000 to $5,000	As Arranged	As Incurred	Professionals
Additional Funds (See Note 13)	$10,000 to $20,000	As Incurred	As Incurred	Various Third Parties
TOTAL (See Note 14)	$224,500 to $666,500			

NOTES:

1. Amount. Except where otherwise noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable. We do not offer direct or indirect financing.

2. Initial Fee. You pay us the Initial Franchise Fee as more fully described in Item 5.

3. Real Property and Construction Costs. Our estimate of your 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. Also, costs are based on 1,500 to 1,600 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 location for the Parlor. You will also need to install indoor and outdoor signage.

4. Signage. You will need to install indoor and outdoor signage.

5. Equipment. You must lease or purchase the furniture, fixtures and equipment as we may require in the Manuals (as defined in Item 8). The cost to purchase the furniture, fixtures and equipment depends on the 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.

6. Opening Advertising. Prior to opening your Parlor, the advertising you will need may include media buys and promotional items.

7. Pre-Opening Salaries and Travel Expenses. You will incur salary, travel and lodging expenses for your attendance at our initial training program. 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 your Parlor.

8. Start Up Supplies. 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 your Parlor. Except as described below, we will not offer, directly or indirectly, any arrangements for financing your initial investment or the operation of your business.

9. Insurance. 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.

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

11. Architect Designs. You will need to employ a qualified architect or engineer to prepare preliminary and final architectural and engineering drawings for the Parlor in accordance with our standard plans.

12. Professional Fees. You may desire to employ an attorney, accountant and other consultants.

13. Additional Fees. 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. Total. In preparing the figures in Item 7, we relied upon our thirty years' experience in the industry, including information we gathered from current franchisees that have opened a Handel's ice cream parlor in the past three years.

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 you, but they are issued to our suppliers. Supplier approval criteria are not available to you.

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, 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 us or you. You will purchase products from the same suppliers we use, thus benefiting from our volume buying. All purchases are made through one distribution channel, which generally ranges between 75% and 95% of all purchases you will make for establishing and operating the Business.

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 your Parlor and not for any other purpose.

Currently, you must purchase the following items from us or our affiliates: our Handel's dipping and holding cabinet, your opening and ongoing inventory of ice cream and liquid flavorings, gift cards, signs and stickers for the Parlor, and other miscellaneous items. You must purchase from designated suppliers ice cream machines, small wares, other required equipment, paper goods, cleaning supplies and other products. You must also purchase fresh fruit and other food ingredients from local suppliers in accordance with our requirements and as detailed in the Manuals.

We receive revenue from our sale of required items from you. In addition, some suppliers will pay us a commission based on sales of products or other items to franchises. These commissions may be calculated as a percentage of sales, or may be a fixed amount per order. Also, some suppliers may pay a rebate directly to franchisees based on franchisee sales. In our fiscal year ending December 31, 2018, we received revenue of $ 921,432 from our sale of products from franchisees, which was approximately 42.9% or our total revenues; and we also received revenue in the form of rebates from suppliers in the total amount of $221,894.21, which was approximately 10.3% of our total revenues.

We are 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. We or our affiliates have not received any other consideration from any purchase agreements.

We do 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.

All buildings must 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.

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 Operations Manual	Article V	Items 11 and 15
H. Trademarks and proprietary information	Articles I & XIII	Items 13 and 14
I. Restrictions on products/services offered	Article V	Item 16
J. Warranty and customer service requirements	Article V	None
K. Territorial development and sales quotas	Articles I, II & Schedule A	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
O. Advertising	Article X	Item 11

Obligations	Section in Agreement	Disclosure Document Item
P. Indemnification	Article IX	None
Q. Owner's participation/management/ staffing	Article V	None
R. Records/reports	Article XI	None
S. Inspections/audits	Article XII	None
T. Transfer	Article XVIII	Item 17
U. Renewal	Article I	Item 17
V. Post-termination obligations	Article XIV	Item 17
W. Non-competition covenants	Article IV	Item 17
X. Dispute resolution	Article X	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, we are not obligated to provide you with any other assistance.

Pre-Opening Obligations

Before you open your Parlor, we (or our designee) will provide the following assistance and service to you:

1. Approve the lease for the Parlor if you are leasing the property. Refer to Franchise Agreement Section 3.01.

2. Lead you one set of standard plans and specifications and provide you with a list of approved suppliers. Refer to Franchise Agreement Section 3.03.

3. Conduct the initial training for you, your operating manager, other managers, and employees. We will provide training to you and your operating manager at no cost to you, and you must pay is to train any of your employees. Refer to Franchise Agreement Sections 4.01 and 4.03.

4. Provide you one field representative to assist you opening your Parlor. Refer to Franchise Agreement Section 4.04.

5. Provide, on loan, a hard copy or electronic access to the Manuals. Refer to Franchise Agreement Sections 4.08.

6. Lend you a sample advertising program, flyers, and other promotional materials relating to the programs as we deem appropriate. Refer to Franchise Agreement Section 10.01.

Continuing Obligations

During the ongoing operation of your Parlor, we (or our designee) will provide the following assistance and service to you:

1. We will provide to you periodically, as we deem appropriate, advice and written materials concerning techniques of managing and operating your Parlor, 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 Sections 4.10, 5.05, and 10.01–10.03.

2. We will conduct, as we deem advisable, inspections of your Parlor. Refer to Franchise Agreement Section 12.01.

3. 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 Sections 4.06–4.07, 10.01, and 11.02

4. 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 Section 10.01.

5. 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 Parlor. That representative will also assist you in establishing and standardizing procedures and techniques

essential to the operation of your distinctive Parlor, and, if necessary and requested by you, will assist in hiring and training your personnel. Refer to Franchise Agreement Section 4.04.

6. 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 Section 4.07.

7. 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 Sections 4.06–.07.

8. Franchise will be required to purchase the point of sale ("POS") system that we designate from time to time, as described in the Manuals. The current estimated cost to purchase the POS system will not exceed $13,000.00. You will be responsible for maintenance of your POS system, and there is no limit on the costs you may incur to maintain the POS system. We will have independent access to information and data that is electronically collected. Refer to Franchise Agreement Section 11.02.

9. Conduct ongoing or additional training for your managers and your employees, at your expense. Refer to Franchise Agreement Sections 4.03 and 4.05.

10. Lend you a sample advertising program, flyers, and other promotional materials relating to the programs as we deem appropriate. Refer to Franchise Agreement Section 10.01.

We are not obligated to provide any other supervision, assistance, or services in connection with the ongoing operation of your Parlor. Any duty or obligation imposed on us by the Franchise Agreement may be performed by us or any of our designees, employees, or agents.

Computer Hardware and Software

Before opening your parlor, you must obtain the then-current computer hardware and software we require all franchisees to have and use in their Business. Generally, we require you have a POS system for use in the Business, one desktop computer for general business use, and certain computer software, as we determine and describe in the Manuals. We may change the computer hardware and software that you are required to use in your Business from time to time, and there is no limit to the costs you will incur in any calendar year for these expenses.

Training Programs

Prior to the opening of your Parlor, 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 Parlor), must attend and complete to our satisfaction the initial training program we offer. 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 14 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 (as defined in Item 12) during the initial opening of your business. The instructional materials include the Manuals, handouts, and written presentations.

Jody Nerone has served as our VP of Franchise Development since March 1999. In this role, Ms. Nerone has trained, and supervised the training of Handel's franchisees. Leslie Christiansen has been training Handel's franchisees since 2017.

We may use third-party resources or suppliers for any of the training so that we may provide you with relevant and timely training.

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

Contents ..... **Page**
Introduction 1-7
Distribution 8-16
Sanitation 17-31
Customer Service 32-45
Safety 35-40
Marketing/Advertising 41-78
Personnel Management Policies 79-98
Outside Sales 99-111

Advertising and Promotion

Prior to opening, you must spend at least $3,000 on advertising of the opening of your Parlor. You must spend at least one percent (1%) of your gross revenue 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.

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 Parlor. We also have the power to require a Cooperative to be changed, dissolved, or merged. If a Cooperative has been established applicable to your Parlor at the time you commence operations under the Franchise Agreement, you must immediately become a member of the Cooperative. If a Cooperative applicable to your Parlor is established at any later time during the term of the Franchise Agreement, you must become a member of the Cooperative no later than 30 days after the date on which the Cooperative commences operation. If your Parlor is within the territory of more than one Cooperative, you are 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.

Advertising conducted by the Fund may be disseminated in print, radio, or television.

Site Selection

In most instances, your Parlor will be operated from a structure specifically designed or altered to meet the specific needs of the business. Location is an important factor in the success of your Parlor 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 Parlor and open for business within 180 days after you sign the Unit Franchise Agreement. 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 Franchise Agreement. 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. We retain the option to determine the Primary Area of Responsibility based upon our belief 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. You may not solicit or accept orders from consumers outside of his or her territory without our prior written consent.

Except as otherwise provided in the Franchise Agreement, 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 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, a Handel's business 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. 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. We are not required to pay your 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 us to modify the franchisees territorial rights.

ITEM 13
TRADEMARKS

You will be licensed by the Franchise Agreement to use the trademarks specified in this Item 13 (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. The following service marks are on file with the U.S. Patent and Trademark Office:

Principal Trademarks	U.S. Registration Or Serial No.	Registration Or Application Date	Principal/ Supplemental Register
	4,554,623	June 24, 2014	Principal
	Serial Number 87,780,306	February 1, 2018	Principal

We do not have a federal registration for the trademark with the serial number 87,780,306. We also do not have federal registration for the following Principal Marks:

HANDEL'S

Therefore this trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to alternative trademark, which may increase your expenses.

There are no currently effective determinations of the United States Patent and Trademark Office or the trademark administrator of this state, nor is there any pending interference, opposition or cancellation proceeding involving 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 not used the Proprietary Marks in accordance with the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by you.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Marks in this state or elsewhere except for those stated in this Item 13.

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. We have not registered any copyrights, but may in the future.

Operation Manuals

You must operate your Parlor 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 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 Parlor, 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 Parlor.

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 and after the term of the Agreement, communicate, divulge, use, or otherwise disseminate any confidential information, knowledge, or know-how concerning the methods of operation of your Parlor 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 Parlor. 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 Parlor. 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 Agreement, except as otherwise approved in writing by us, you (or, if you are a legal entity, a principal of the entity) or your fully trained manager must devote best efforts to the management and operation of your Parlor. Your Parlor must at all times be under the direct supervision of a manager who has satisfactorily completed our training program. If you are an individual, we recommend (but do not require) 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 Proprietary Marks.

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 will be required to attend and complete the training program, as described in Item 11. The manager 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 Parlor 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 Parlor 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 Parlor, and to adhere to them and to the then-current implementation or interpretation of them.

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.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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	Franchise Agreement Section	Summary
A. Term of the Agreement	Article I	10 years
B. Option to Renew the Agreement	Article I	2 renewal terms of 5 years each
C. Requirements for you to renew the Agreement	Article I	Notice, compliance with Franchise Agreement, execute the then-current form of the Franchise Agreement, provide proof you may occupy the Parlor for both renewal terms, sign our general release of claims, and deliver executed documents to us.
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 & XVI	Failure to agree on location, breach of Franchise Agreement and other grounds.
G. "Cause" defined - defaults which can be cured	Article XVI	You have 5 days to submit required information, to cease conduct that reflect unfavorably on the Marks, to correct any health or safety hazard, and to pay us after we demand payment. You have 14 days to comply with any other provision of the agreement.
H. "Cause" defined - defaults which cannot be cured	Article XVI	If one of the following occurs: you become insolvent; you make an assignment for the benefit creditors; you file for bankruptcy; you are adjudicated bankrupt or insolvent; a receiver is appointed over your assets; a judgment is unsatisfied for 30 days or more; if execution if levied against the business, the property, or your capital stock; you breach the terms of your lease; or if we give you 3 or more notices in a 12 month period.
I. Your obligations on termination and non renewal	Article XVII	Obligations include complete de-identification and payment of amounts due
J. Assignment of contract by us	Article XVIII	No restriction on right to transfer

Provision	Franchise Agreement Section	Summary
K. "Transfer" by you - definition	Article XVIII	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 XVIII	We have the right to approve or deny transfers
M. Conditions for our approval of transfer	Article XVIII	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 XVIII	We can match any offer
O. Our option to purchase your business	Articles XVII	Upon expiration or termination, we can buy certain assets
P. Your death or disability	Article XVIII	Franchise must be sold or assigned to an approved buyer
Q. Non-competition covenants during the term of the franchise	Article XIV	Includes prohibition on diverting or attempting to divert business or customers to a competitor, and owning and operating business which sells similar services and is located near any unit under the System.
R. Non-competition covenants after the franchise is terminated or expires	Article XIV	Includes 2 year prohibition on diverting or attempting to divert business or customers to a competitor, and owning and operating business which sells similar services and is located within 15 miles of a unit under the System
S. Modification of the agreement	Article XX	The Franchise Agreement will not be modified except in writing signed by you and us.
T. Integration/merger clause	Article XX	Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
U. Dispute resolution by arbitration or mediation	None	Not applicable.
V. Governing law	Article XIX	Ohio, irrespective of any conflict of laws.
W. Choice of forum	Article XX	Either party may bring an action in Mahoning County, Ohio. We may bring an action in any court of competent jurisdiction.

ITEM 18
PUBLIC FIGURES

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

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 2018 for franchised 27 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 2018 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 revenue for the year in that category as well as the number and percentage achieving or surpassing the average gross revenue for the year in that category as well as the number and percentage achieving or surpassing the average gross revenue in that category along and cumulative for all stores. For example, 3 of the 7 stores in the top 25% for 2018 (or 43%), the for the total stores, achieved or surpassed that average.

AVERAGE GROSS REVENUES IN 2018

	Top 10%	**Top 25%**	**Top 50%**	**Top 75%**	**Total**
No. of Stores	3	7	14	21	27
Avg. Gross Revenues	1,329,612	1,056,861	846,244	735,132	647,450
No. that Attained or Surpassed Stated Result in Category (Cumulative)	1	3	5	8	10
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	33%	43%	36%	38%	37%

	Bottom 10%	**Bottom 25%**	**Bottom 50%**	**Bottom 75%**	**Total**
No. of Stores	3	7	14	21	27
Avg. Gross Revenues	259,809	357,390	442,625	515,882	647,450
No. that Attained or Surpassed Stated Result in Category (Cumulative)	1	4	8	12	10
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	33%	57%	57%	57%	37%

The lowest revenue location was $169,552, the highest revenue location was $1,661,020, the average revenue was $647,450, and the median revenue was $563,010.

All Handel's franchises offer substantially the same products and services to the public. None of the Handel's franchisees 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 Parlor. Current and former franchisees may be one source of this information, and their contact information is listed in Exhibits C and D.

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

Table 1: Systemwide Outlet Summary
For Years 2016, 2017, 2018 (Note 1)

Business Type	Year	Businesses at the Start of the Year	Businesses at the End of the Year	Net Change
Franchised	2016	25	26	+1
	2017	26	28	+2
	2018	28	33	+5
Company-Owned (Note 2)	2016	12	12	0
	2017	12	11	-1
	2018	11	11	0
Total Businesses	2016	37	38	+1
	2017	38	39	+1
	2018	39	44	+5

Notes:

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

(2) "Company-Owned" outlets include Parlors owned by Handel's, its affiliates, and Handel's executives or employees listed in Item 2.

Table 2: Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2016, 2017, 2018

State	Year	Number of Transfers
California	2016	0
	2017	0
	2018	0
Indiana	2016	0
	2017	0
	2018	0
Ohio	2016	0
	2017	0
	2018	0
Nevada	2016	0
	2017	0
	2018	0
Oregon	2016	0
	2017	0
	2018	0
Pennsylvania	2016	0
	2017	0
	2018	0

State	Year	Number of Transfers
Virginia	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

Table 3: Status of Franchised Outlets
For years 2016 to 2018 (See Note 1)

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
AL	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
AZ	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
CA	2016	3	1	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	3	0	0	0	0	7
FL	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
IN	2016	2	0	0	0	0	0	2
	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
NV	2016	1	0	0	0	0	0	1
	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
OH	2016	13	1	0	0	0	0	14
	2017	14	0	0	0	0	0	14
	2018	14	0	0	0	0	0	14
OR	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	0	1
	2018	1	1	0	0	0	0	2
PA	2016	4	0	0	0	0	0	4
	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
VA	2016	1	0	0	0	0	1	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Total	2016	25	2	0	0	0	1	26
	2017	26	2	0	0	0	0	28
	2018	28	5	0	0	0	0	33

Table 4: Status of Company-Owned Outlets
For years 2016 to 2018

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	2016	10	0	0	0	0	10
	2017	10	0	0	1	0	9
	2018	9	0	0	0	0	9
Pennsylvania	2016	2	0	0	0	0	2
	2017	2	0	0	0	0	2
	2018	2	0	0	0	0	2
Total	2016	12	0	0	0	0	12
	2017	12	0	0	1	0	11
	2018	11	0	0	0	0	11

Table 5: Projected Openings as of December 31, 2018

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	0	0	0
Arizona	0	0	0
California	3	3	0
Florida	0	0	0
Indiana	0	0	0
Nevada	0	0	0
Ohio	1	1	0
Oregon	0	0	0
Pennsylvania	2	2	0
Virginia	0	0	0
Total	0	0	0

A list of Handel's franchisees is included on Exhibit C. A list of Handel's franchisees who have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement as included on Exhibit D. During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our System.

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

There are currently no franchisee organizations associated with the franchise system that have been created, sponsored, or endorsed by Handel's, nor are these any independently organized franchisee associations that have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A are our financial statements as of December 31, 2018, December 31, 2017, and December 31, 2016.

ITEM 22
CONTRACTS

The Franchise Agreement, including the Exhibits and State Specific Addenda to the Franchise Agreement, is attached as Exhibit B.

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 B

FRANCHISE AGREEMENT

HANDEL'S ENTERPRISES, INC.

UNIT FRANCHISE AGREEMENT

Table of Contents

ARTICLE	TITLE	PAGE
Article One	GRANT OF FRANCHISE	5
1.01	Grant of Franchise	5
1.02	Exclusively	5
1.03	Renewal	5
1.04	Rights We Reserve	6
Article Two	LOCATION OF THE PARLOR	7
2.01	Location	7
Article Three	DEVELOPMENT AND OPENING THE PARLOR	7
3.01	Lease of Premises	7
3.02	Failure to Agree on Premises	7
3.03	Development of Parlor by Franchisee	7
3.04	Opening for Business	8
Article Four	TRAINING AND OPERATING ASSISTANCE	8
4.01	Training of the Principal	8
4.02	Hiring of Employees	8
4.03	Training of Employees	8
4.04	Opening Assistance	8
4.05	Training of Managers	8
4.06	Operating Assistance	8
4.07	Additional Assistance	8
4.08	Operations Manuals	8
4.09	Hours of Operation	9
Article Five	IMAGE AND OPERATING STANDARDS	9
5.01	Condition and Appearance of the Parlor	9
5.02	Authorized Products and Services	9
5.03	Terms of Purchase for Goods	9
5.04	Minimum Inventory	10
5.05	Standards of Service	10
5.06	Prices to be Charged by the Franchisee	10
5.07	Management and Conflicting, Competing Interests	10
5.08	System Modification	10
5.09	Health and Sanitation	11
Article Six	INSURANCE	11
6.01	Insurance	11
Article Seven	CONFIDENTIAL INFORMATION, IMPROVEMENTS	11
7.01	Confidential Information	11
7.02	Improvements	12
7.03	Trade Secrets	12
Article Eight	INITIAL FRANCHISE FEE	12
Article Nine	ADDITIONAL FEES	12
9.01	Royalty and Service Fee	12
9.03	Electronic Transfer of Funds	13
Article Ten	ADVERTISING AND PROMOTION	13
10.01	By You	13

10.02 Parlor Promotion and Sales Programs 13
10.03 Telephone Listing 13

Article Eleven RECORDS AND REPORTING 13
11.01 Bookkeeping, Accounting and Records 13
11.02 Reports and Tax Returns 13
11.03 Audited Statements 14

Article Twelve INSPECTION AND AUDITS 14
12.01 The Right to Inspect 14
12.02 The Right to Audit 14
12.03 Information from Others 14

Article Thirteen MARKS 14
13.01 Ownership and Goodwill of Marks 15
13.02 Limitations on Your Use of Marks 15
13.03 Notification of Infringements and Claims 15
13.04 Litigation 15
13.05 Changes 15

Article Fourteen COVENANTS 15
14.01 In-Term Covenant Not to Compete 15
14.02 Post-Term Covenant Not to Compete 16
14.03 Injunctive Relief 16

Article Fifteen SECURITY 16
15.01 Security to Handel's 16

Article Sixteen TERMINATION OF FRANCHISE 16
16.01 Non-Refundable Franchise Fee 16
16.02 Termination By Us 16

Article Seventeen YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION 17
17.01 Payment of Amounts Owed to Us and other Creditors 17
17.02 Return of Manuals and Retention of Records 17
17.03 Cancellation of Assumed Names, Transfer of Phone Numbers 18
17.04 Appearance of the Franchisee's Parlor 18
17.05 Our Right to Purchase 18
17.06 Right of Entry 18
17.07 Continuing Obligations 18

Article Eighteen ASSIGNMENT, TRANSFER AND ENCUMBRANCES 18
18.01 By Us 19
18.02 By You 19
18.03 Restrictions on Share Transfers 19
18.04 Death or Permanent Incapacity of the Principal 20
18.05 Option to Terminate 21
18.06 Deemed Permanent Incapacity of the Principal 21
18.07 Our Right of First Refusal 21

Article Nineteen INDEMNITY AND GUARANTEE 21
19.01 Indemnity 21
19.02 Guarantee 22
19.03 Survival 22

Article Twenty GENERAL CONTRACT PROVISIONS 22
20.01 Enforcement 22
20.02 Severability 22
20.03 Venue 22
20.04 Compliance with Local Law 23
20.05 Waiver of Obligations and Amendments 23
20.06 You May Not Withhold Payments 23
20.07 Rights of Parties are Cumulative 23
20.08 Construction 23
20.09 Independent Contractors 24
20.10 Interest on Late Payments 24
20.11 Entire Agreement 24
20.12 Notices 24
20.13 Force Majeure 24
20.14 Notice of Potential Profit 24
20.15 Time of the Essence 25
20.16 Further Assurances 25
20.17 Governing law 25
20.18 Binding Effect, Successors and Assigns 25
20.19 Interpretation of Rights and Obligations 25

Article Twenty-One ACKNOWLEDGMENTS 25
21.01 Independent Investigation 25
21.02 Independent Advice 26
21.03 Volume Rebates 26
21.04 Success of Franchised Business 26
21.05 Receipt of Documents 26
21.06 Other Franchises 26

SCHEDULE A PARLOR LOCATION AND TERRITORY
SCHEDULE B NON-DISCLOSURE AND NON-COMPETE AGREEMENT
SCHEDULE C LEASE ASSIGNMENT
SCHEDULE D DIRECT PAYMENT AUTHORIZATION FORM
SCHEDULE E GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

HANDEL'S
UNIT FRANCHISE AGREEMENT

This Agreement ("Agreement") made the ____ day of _____ 20___ (the "Effective Date"), among HANDEL'S ENTERPRISES, INC., an Ohio corporation with its principal business address at 3830 Starr Centre Drive, Canfield, Ohio 44406, ("Franchisor," "Handel's," "us," or "we") and _____, formed and operating under the laws of the State of _____, or _____an individual with a principal at of business at _____ ("Franchisee" or "you").

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 certain trade names, trademarks, service marks, and logos, including the mark "Handel's Homemade Ice Cream & Yogurt Since 1945" and such other trade names, service marks, and trademarks as are now designated (and may hereinafter be designated by Franchisor in writing) for use in connection with the System (the "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.

Therefore, for valuable consideration, the parties agree as follows:

AGREEMENT

Article One **GRANT OF FRANCHISE**

1.01 Grant of Franchise Subject to the terms of this Agreement we grant you, and you accept, a franchise ("Franchise") to use our System to establish and operate one Handel's ice cream parlor ("Parlor") at the location described in Schedule A ("Premises") for ten (10) years, beginning the Effective Date (the "Initial Term"). Your establishment and operation of the Parlor is called the "Business". If you do not have a location for the Parlor as of the Effective Date, you must enter into a lease for the Parlor location within one hundred eighty days (180) days from the Effective Date.

1.02 Exclusively As long as you are not in default under this Agreement, we will not establish or operate, or grant the right to another to establish or operate, a Handel's ice cream parlor within the area described in Schedule A (your "Territory"). You do not have the right to subfranchise or sublicense any of your rights under this Agreement.

1.03 Renewal You will have the right to enter into a successor agreement for the Franchise for two (2) additional terms of five (5) years each (each a "Renewal Term"), provided you meet the following conditions:

(a) You give us written notice of your intent to renew this Agreement between nine (9) and six (6) months before this Agreement will expire;

(b) You must be in full compliance with any agreements you and we have entered into together at the end of the initial term;

(c) You must sign our then-current franchise agreement, whose terms may be materially different from the terms contain in this Agreement;

(d) You must make any necessary remodeling requirements to bring your Parlor Premises up to our standards at that time, at least three (3) months before this Agreement will expire;

(e) You provide us written documentation that you have extended your lease for an additional 5 years and that you have the option to renew your lease for one (1) additional term of five (5) years;

(f) You sign our then-current form of our general release of claims; and

(g) You deliver to us executed copies of the franchise agreement, general release, and any other agreements, addenda, or exhibits we may require at least thirty (30) days before this Agreement will expire.

1.04 Rights We Reserve. We retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

(a) establish, and license others to establish, Handel's ice cream parlors at any location outside the Territory, notwithstanding their proximity to the Territory or the Location or their actual or threatened impact on sales at your Parlor;

(b) establish, and license others to establish, Handel's ice cream parlors at any institutional or captive audience facilities, including, without limitation, military bases, airports and other public transportation facilities, government offices or institutions, educational institutions, health care facilities, toll road or highway rest stops, parks, stadiums, museums, art centers, contract or institutional food service operators, in theaters, warehouse clubs, theme parks, amusement centers, truck stops, or casinos ("Institutional Facilities") within or outside the Territory, notwithstanding such Handel's ice cream parlors' proximity to the Premises or their actual or threatened impact on sales at your Parlor;

(c) establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other proprietary marks, which restaurants or stores may offer or sell products or services that are different from the products and services offered from the Parlor, and which restaurants or stores may be located within or outside the Territory, notwithstanding such stores' proximity to the Premises or their actual or threatened impact on sales at your Parlor;

(d) in the event we or our affiliates acquire another chain or system, or we or our affiliates are acquired by another chain or system, that operates and/or franchises restaurants or stores that are the same or similar to Handel's ice cream parlors in that they have a substantially similar menu or similar theme or concept, we or our affiliates may establish, acquire or operate, or license others to establish and operate, restaurants or stores under other systems or other marks, which restaurants or stores may offer or sell products or services that are the same as, or similar to, the products and services offered from the Parlor, and which restaurants or stores may be located within or outside the Territory, despite these restaurants' or stores' proximity to the Premises or their actual or threatened impact on sales at your Parlor;

(e) sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited, to sales made at retail locations, supermarkets, gourmet shops, mail order, and on the Internet), so long as such sales are not conducted from a Handel's ice cream parlor operated from a location inside the Territory (excluding an Institutional Facility); and

(f) conduct catering sales, and/or permit affiliates, licensees and/or other franchisees to conduct catering sales, to customers located in your Territory if you are not certified or qualified under our then-current rules, policies, and conditions to conduct catering.

Article Two LOCATION OF THE PARLOR

2.01 Location During the Initial Term and for each Renewal Term, you must operate the Business only at the Premises. You must only use the Premises for purposes permitted under this Agreement. If, before this Agreement 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 proposed new Premises;

(b) The proposed new Premises 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 THE PARLOR

3.01 Lease of Premises

(a) If we have not agreed on a site by the time you sign this Agreement, the parties will use their reasonable best efforts to find a mutually acceptable location;

(b) The lease must give us the first right of refusal to assume the lease, but must not obligate us in matters of lease transfers or terminations;

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

(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 one hundred eighty (180) days of executing this Agreement allows you or us to terminate this Agreement by giving written notice indicating that to the other, in which case the provisions of Section 16.01 will apply.

3.03 Development of 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 fifteen (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. We may inspect your Parlor both during and after construction. When your Parlor is completed, you must deliver to us a layout drawing and ten (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 thirty (30) days to cure such deficiencies.

3.04 Opening for Business You agree to complete the development of the Parlor and begin business no later than one hundred eighty (180) days after executing this Agreement.

Article Four TRAINING AND OPERATING ASSISTANCE

4.01 Training of the Principal We will train the Principals and operating manager (if different from the Principals) in the operation of the Parlor at no charge before you open the Parlor. The training period will be no more than fourteen (14) days, and you must successfully complete the training to our satisfaction.

4.02 Hiring of Employees You will hire all employees of the Parlor, and you will be exclusively responsible for the terms of their hiring, firing, compensation, scheduling, benefits, discipline, and all other personnel decisions without any influence or advice from us. You will communicate to all employees that you, not we or us, are their employer; and you will ensure that no payroll checks or other employment-related documents contain any reference to the Marks or our name.

4.03 Training of Employees To ensure your customers enjoy a consistent experience at each Handel's location, each of your employees must successfully complete our training courses at your expense. We reserve the right to require you to train your employees according to the criteria and specifications contained in the Operations Manual.

4.04 Opening Assistance At your request, we will provide one (1) of our field representatives to assist you in the opening of your business.

4.05 Training of Managers Each of your proposed managers must successfully complete the training required of all employees, as described in Section 4.03, and the our 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 Operating Assistance At no additional cost, we will provide you with guidance in operating your Parlor as is reasonably required in our opinion, including but not limited to the following:

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

(b) Ongoing training for employees to maintain System standards;

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

(d) The establishment and maintenance of administrative, bookkeeping, accounting and general operating procedures of your Parlor.

We provide ongoing operating assistance to help you comply with the System, promote the goodwill of the Marks, and provide a consistent experience at each Handel's location for our and your customers.

4.07 Additional Assistance If you reasonably request, we may help you with problems beyond those contemplated by Section 4.06.

4.08 Operations Manuals We have prepared, and will provide on loan to you, one hard copy or electronic access to an operating manual containing specifications, standards, and procedures ("Operations Manual") all of which may be periodically revised. The Operations

Manual will contain mandatory and suggested specifications, standards, and operating procedures that we develop for and information relating to your other obligations. Any required specifications, standards and operating procedures exist to protect our interests in the System and the Marks, to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. You must keep the Operations Manual currently updated, and you agree to keep the contents confidential. You must promptly return any hard copies of the Operations Manual to us when this Agreement expires or is terminated for any reason. We will maintain the master copy of the Operations Manual at our principal office or on our website, and will control if there is a dispute involving the contents of the Operations Manual.

4.09 Hours of Operation. To ensure your customers enjoy a consistent experience at each Handel's location, your Parlor must be open twelve (12) months a year; and the minimum hours of operation are 11a.m. to 10 p.m., seven (7) days a week, subject to state and local laws and ordinances and your lease requirements. 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 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 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 as detailed in 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 To ensure your customers enjoy a consistent experience at each Handel's location, 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 the required policies and procedures for operating you Parlor, including but not limited to:

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

(b) the safety, maintenance, cleanliness, function and appearance of the 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 and Conflicting, Competing Interests You, or your operating 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 and your operating manager understand and agree to be bound by the provisions in Section 14.01.

5.08 System Modification You acknowledge and agree that from time to time, we may change or modify the System as we deem appropriate, including without limitation to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Handel's ice cream parlors. Our changes to the System may include, without limitation, the adoption and use of new or modified products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of food and beverage products and services, and new trademarks, service marks and copyrighted materials. You will, upon reasonable notice, accept, implement, use, and display in the operation of the Parlor any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at your sole expense. Additionally, we reserve the right, in our sole discretion, to modify the standards throughout the System, and the services and assistance that we may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that we deem to be important to the operation of any Handel's ice cream parlor or the System. You shall have no recourse against us

because of any variation to any individual franchisee and you are not entitled to require us to provide you with similar variation hereunder.

5.09 Health and Sanitation You must comply with all applicable governmental health and sanitary standards in operating and maintaining your Parlor. You also must comply with any higher standards that we prescribe. In addition to complying with such standards, if the Parlor will be subject to any governmental sanitary or health inspection under which it may be rated in one or more than one classification, the Parlor will be maintained and operated so as to be rated in the highest available health and sanitary classification respecting each such inspection. If you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you will immediately notify us of such failure or noncompliance.

Article Six INSURANCE

6.01 Insurance 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 two million ($2,000,000) dollars per occurrence.

The policy must list Handel's as an additional insured as its interest may appear, and you must give us thirty (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 ten (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 in 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 CONFIDENTIAL INFORMATION, IMPROVEMENTS

7.01 Confidential Information You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Parlor pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You understand, acknowledge and agree that the Confidential Information is proprietary and is our trade secret, and that we disclosed it to you solely on the condition that you agree that you: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) will not make unauthorized copies of any Confidential Information disclosed in written form; (d) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Parlor employees; and (e) will sign a Confidentiality Agreement and will require the operating manager and other managers,

employees and agents with access to Confidential Information to sign such an agreement in a form we approve, of which a form will be provided to you in the Operations Manual.

The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

7.02 Improvements You must fully and promptly disclose to us all ideas, concepts, products, recipes, process methods, techniques, improvements, and additions relating to the development and/or operation of a Handel's ice cream parlor or the System, or any new trade names, trademarks, service marks or other commercial symbols, or associated logos relating to the operation of the Parlor, or any advertising or promotional ideas related to the Parlor or the System (collectively, the "Improvements") that you, the Principals, or your employees or agents conceive or develop during the term of this Agreement. You and your Principals, agents, and employees acknowledge and agree that any Improvement is our property, and you and your Principals, agents, or employees must sign all documents necessary to evidence the assignment of the Improvement to us without any additional compensation. You acknowledge and agree that we may use the Improvement and disclose and/or license the Improvement for use by others. You must not introduce any Improvement or any additions or modifications of or to the System into the Parlor without our prior written consent.

7.03 Trade Secrets You understand and agree that you will come into possession of certain of our trade secrets concerning the manner in which we conduct business including, but not necessarily limited to recipes and formulas; methods of doing business or business processes; strategic business plans; customer lists and information; marketing and promotional campaigns; and any materials clearly marked or labeled as trade secrets. You agree that the forgoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to us. You agree that we derive independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by another person. You agree to take reasonable measures, as may de described further in the Operations Manual, to keep such information secret. Upon termination of this Agreement, you will not use, sell, teach, train, or disseminate in any manner to any other person, firm, corporation, or association any trade secret pertaining to our business and/or the manner in which it is conducted.

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. We fully earn the Initial Franchise Fee when we sign this Agreement and the Initial Franchise Fee is nonrefundable.

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 six percent (6%) of the Gross Revenue (as defined below). Such payment, and all other payments you are required to make under this Agreement, we will make an automatic withdrawal of such sums from your bank account into Handel's account on the fifth (5^{th}) day of the following month. 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.

9.03 Electronic Transfer of Funds You must the sign electronic transfer of funds authorizations, attached as Schedule D; and other documents as we periodically designate to authorize your bank to transfer, either electronically or through some other method of payment we designate, directly to our account and to charge your account for all amounts you owe us. Your authorization will permit us to designate the amount to be transferred from your account. If we require payment through electronic transfer of funds or a similar method of payment, you will maintain a balance in your accounts sufficient to allow us to collect the amounts owed to us when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

Article Ten ADVERTISING AND PROMOTION

10.01 By You We will lend you sample advertising programs and flyers relating to the programs as we deem appropriate. You must spend at least one percent (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 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 three thousand dollars ($3,000) on advertising promoting the opening of your 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.

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 six (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 fifth (5^{th}) 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;

(b) a true copy of all returns and reports you filed for income, corporate, franchise or sales tax purposes in thirty (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 the tenth (10^{th}) of each month for the term of this Agreement;

(d) Ninety (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 we will have independent access to information and data that will be electronically collected on your point of sales system, which may determine from time to time in the Operations Manual.

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 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 20.10. In addition to our right of termination provided for in Article 16, 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 MARKS

13.01 Ownership and Goodwill of Marks. You acknowledge that you have no interest in or to the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the term of the Franchise. You agree that the use of the Marks and any goodwill established exclusively benefits us and our affiliates, and that you receive no interest in any goodwill related to your use of the Marks or the System. You must not, at any time during the term of this Agreement or after your termination or expiration, contest or assist any other person in contesting the validity or ownership of any of the Marks.

13.02 Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the Parlor, but you must identify yourself as the independent owner in the manner we direct. You must not use any Mark as part of any corporate or trade name or in any modified form, nor may you use any Mark in selling any unauthorized product or service or in any other manner we do not expressly authorize in writing. You agree to display the Marks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law.

13.03 Notification of Infringements and Claims. You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You must not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We may take any action we deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we may reasonably request to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

13.04 Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you respecting the Marks and will, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our legal counsel will have the right to control and conduct any litigation relating to the Marks.

13.05 Changes. You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after notice by us.

Article Fourteen COVENANTS

14.01 In-Term Covenant Not to Compete. You (and each Principal and the operating manager) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation: (a) divert or attempt to divert any business or customers of the Parlor to any competitor or perform any act that would damage the goodwill associated with the Marks or the System; or (b) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any business (including any e-commerce or Internet-based business) that distributes, sells or otherwise deals in, at wholesale or retail homemade ice cream, sherbet, ices, sorbet, frozen yogurt and other related food and beverage products, or any other related business that is competitive with or similar to a Handel's ice cream parlor, except: (1) with our prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate agreement between you and us.

14.02 Post-Term Covenant Not to Compete You (and each Principal and operating manager) will not, for a period of two (2) years after this Agreement expires or is terminated or the date on which you cease to operate the Parlor, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation (a) divert or attempt to divert any business or customers of the Parlor to any competitor or perform any act that would damage the goodwill associated with the Marks or the System; or (b) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any business that operates, or distributes or sells to, at wholesale or retail, fast/casual restaurants, stores or any other location offering homemade ice cream, sherbet, ices, sorbet, frozen yogurt and other related food and beverage products, or any other related business that is competitive with or similar to a Handel's business or any wholesale within a fifteen (15) mile radius of the former site of the Parlor or any other then existing Handel's ice cream parlor; provided, however, that this Section 14.02 will not apply to: (i) other Handel's ice cream parlors that you operate under separate Handel's franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities. For purposes of this Section, any form of e-commerce business or website that offers ice cream, sherbet, ices, sorbet, frozen yogurt, other ice cream products, and related food and beverage products that offered at a Handel's ice cream parlor will be in violation of this provision if such e-commerce business or website offers, sells or otherwise makes its products or services available to individuals residing within or businesses located within a fifteen (15) mile radius of the former site of the Parlor or any other then-existing Handel's ice cream parlor. You agree that the length of time in this Section 14.02 will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement.

14.03 Injunctive Relief You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

Article Fifteen SECURITY

15.01 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.

Article Sixteen TERMINATION OF FRANCHISE

16.01 Non-Refundable Franchise Fee. If a party exercises the option to terminate under Section 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 one hundred eighty days (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.

16.02 Termination By Us 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 one hundred eighty days (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 suit to foreclose any lien against your Business assets is instituted against you and not dismissed in thirty (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 18, or if the provisions of Section 18.05 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 two (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 five (5) days after notice from Handel's, your landlord or a governmental authority;

(h) If you fail to pay any amount to Handel's five (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 fourteen (14) days after written notice to cure is given by Handel's; or

(j) If we give you three (3) or more notices of any default in any consecutive twelve (12) month period.

Article Seventeen — YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

17.02 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 five (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 fifteen percent (15%). You must keep all financial records of the Business for at least six (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.

17.03 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.

17.04 Appearance of the Franchisee's 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.

17.05 Our Right to Purchase If this Agreement expires or terminates for any reason, we have the right, but not the obligation, to notify you in writing up to thirty (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 us. Failing agreement ten (10) days after we decude to purchase, we will designate an independent appraiser, and the you 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 you and us. For purposes of this Section 17.05, 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. We 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 us a Bill of Sale for the assets in a form acceptable to us. We 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.

17.06 Right of Entry On termination of this Agreement for any reason, we may, before exercising our rights under Section 17.05, 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 Parlor Business. We 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, revenues, profits and benefits of any kind from the management and operation of the Parlor throughout the period, will be for the exclusive account of us provided we 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 us on demand. We have 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 borne by you. If we decide to keep any such employee, it will be under a new employment agreement between us and the employee which will begin the first day we carry 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. We retain the right to occupy the Premises and conduct the Business until the option period of Section 17.05 expires, provided that if we exercise such option, our right of Premises occupation will continue throughout the period preceding and including the transaction closing.

17.07 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 Eighteen ASSIGNMENT, TRANSFER AND ENCUMBRANCES

18.01 By Us We retain the right to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement, or any interests in the assets of us, or any ownership or equity interests in us, to any person or legal entity, and any assignee of ours shall become solely responsible for all obligations of us under this Agreement from the date of assignment.

18.02 By You Without our 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 our prior written consent, which will not be unreasonably withheld. However, before we will grant our consent, we 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 our then-current form of franchise agreement and, if we require, sublease of the Premises, and all other documents we require;

(c) The 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 us and our affiliates; and

(e) The transferee be an individual having adequate financial resources who must complete our training program, and otherwise be capable of operating the Parlor.

18.03 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_____."

18.04 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 Agreement, the Franchise, the Premises and Parlor, and 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 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 Parlor.

18.05 Option to Terminate If a disposition under Section 18.04 to an acceptable person has not taken place in one hundred twenty (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.

18.06 Deemed Permanent Incapacity of the Principal For purposes of Section 18.04, 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 three (3) months during any twelve (12) month period of the agreement.

18.07 Our Right of First Refusal We (or any Third Party Assignee of us) may elect to exercise our Right of First Refusal when the retailer decides to sell partial interest(s) in the business.

(a) If you or any Principal desires to accept any bona fide offer from a third party to purchase you, any material assets of you, or any direct or indirect interest in you, you or such Principal shall promptly notify us of such offer and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. If we elect to purchase the seller's interest, the closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by us.

(b) Any material change in the terms of the bona fide offer prior to closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 18.07 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article 18, with respect to a proposed transfer, or a waiver of any subsequent offer.

(c) In the event the consideration, terms, and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon the parties. The cost of any such appraisal shall be shared equally by you and us. If we elect to exercise our right under this Section 18.07, we shall have the right to set off all amounts due from you, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

Article Nineteen INDEMNITY AND GUARANTEE

19.01 Indemnity You will, to the fullest extent permissible under applicable law, indemnify and hold us and our affiliates, and our and their respective officers, directors, employees, and agents harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with this Agreement, the Parlor, your operation of the Parlor, the business conducted under this Agreement, you and your employees' actions and inactions, or your breach of this Agreement, including, without limitation, those alleged to be caused by our

negligence, as well as the costs, including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by our gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event we incur any costs or expenses, including, without limitation, legal fees (including, but not limited to, attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)), travel expenses, and other charges, in connection with any proceeding involving Franchisee in which we are not a party, you will reimburse us for all such costs and expenses promptly upon presentation of invoices. You acknowledge and agrees that your indemnification and hold harmless obligations under this Section 19.01 shall survive the termination or expiration of this Agreement.

19.02 Guarantee Each present and future (a) shareholder if you are a corporation, (b) member if you are a limited liability company, and (c) partner if you are a partnership or limited liability partnership, shall jointly and severally guarantee your performance of each and every provision of this Agreement by executing the Guarantee, Indemnification and Acknowledgement in the form attached to this Agreement as Schedule E, provided, however, that no guarantee shall be required from a person who owns, directly or indirectly, less than a 10% equity interest in you or who acquires your securities (other than a controlling interest) if and after you become registered under the Securities Exchange Act of 1934. For purposes of calculating the interest of a person, all interests held by the following shall be attributed, requiring guarantees from all such individuals or entities: (a) family of an individual including their siblings, spouse, ancestors, lineal descendants, and spouses of any of these individuals and lineal descendants of any of such spouses; and (b) any entities controlled in the aggregate by some or all of such individuals. In addition, we may require that the spouse (or domestic partner or other immediate family member) of an owner of you sign the Guarantee, Indemnification and Acknowledgment.

19.03 Survival The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement, and apply to all claims even if they exceed the limits of your insurance coverage.

Article Twenty GENERAL CONTRACT PROVISIONS

20.01 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.

20.02 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.

20.03 Venue The parties agree that any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties exclusively in the federal or state courts situated in Mahoning County, Ohio. We may bring any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties in any court of competent jurisdiction. Each of us and you irrevocably consents to the jurisdiction of such courts

and waive all rights to challenge personal jurisdiction and venue. The provisions of this Section 20.03 will survive the termination of this Agreement.

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

20.05 Waiver of Obligations and Amendments No acceptance by us of any payment by you and no failure by us 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 us will be without prejudice to any other rights it might have and may be revoked, at any time, by written notice. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach.

20.06 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.

20.07 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.

20.08 Construction

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

(b) "Principal" means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in you. If any corporation or other entity other than a partnership is a Principal, a "Principal" also will mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal, a "Principal" also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner. If you are one or more individuals, each individual will be deemed a Principal of you.

(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) "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.

20.09 Independent Contractors You understand, acknowledge, and agree that you are an independent contractor. Neither you nor we are the agent, legal representative, partner, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any reason. Neither you nor we will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary or other special relationship of or confidence between you and us. During the term of this Agreement, you must hold yourself out to the public, identify yourself at the Premises of the Parlor, and represent yourself in all dealings with your employees, customers, lessors, suppliers, public officials, and any other third party as an independent contractor. You must place notices of your status as an independent contractor on signs, forms, stationery, advertising, and other materials as we require in the Operations Manual. Any employees you hire will be your employees and will not, for any purpose, be deemed employees of us or our affiliates or subject to our or our affiliates' control, and you acknowledge and agree that we have no authority to hire, fire, promote, or demote or take any disciplinary action whatsoever against any of your employees.

20.10 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 two percent (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.

20.11 Entire Agreement The "Introduction" section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

20.12 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.

20.13 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.

20.14 Notice of Potential Profit We advise you that we and/or our affiliates periodically may make available to you goods, Products and/or services for use in the Parlor on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, Products or services to you or in consideration for services provided or rights license to such persons. You agree that we and our affiliates will be entitled to such profits and consideration

20.15 Time of the Essence Time is of the essence of this Agreement in all respects.

20.16 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.

20.17 Governing law Subject to our rights under federal trademark laws, all claims arising out of or relating to this Agreement and/or the parties' relationship will be governed by, and will be interpreted in accordance with, the substantive laws of the State of Ohio, irrespective of any conflict of laws. The parties agree that the Ohio Business Opportunity Purchasers Protect Act (Ohio Revised Code § 1334 et. seq.) or any other state law or regulation applicable to the offer or sale of franchises or the franchise relationship, will not apply unless the jurisdictional provisions are independently met. You waive, to the fullest extent permitted by law, the rights and protections provided by the Ohio Business Opportunity Purchasers Protect Act and such other laws and regulations.

20.18 Binding Effect, Successors and Assigns Subject to the provisions of Article 18, this Agreement will benefit, and be binding on the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. This Agreement will not be modified except by written agreement signed by both you and us.

20.19 Interpretation of Rights and Obligations The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

(a) Our Rights. Whenever this Agreement provides that we have or reserve (retain) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "reasonable business judgment" in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Business System. Neither you nor any third party (including a trier of fact), will substitute their judgment for our reasonable business judgment.

Article Twenty-One ACKNOWLEDGMENTS

21.01 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.

21.02 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.

21.03 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.

21.04 Success of Franchised Business The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Principal's) ability as an independent businessman, and your active participation in the daily affairs of the Parlor as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

21.05 Receipt of Documents Except for filling in the blank provisions and changes made as a result of negotiations that you initiated, you acknowledge that you received a copy of the complete Agreement, and exhibits attached hereto, at least seven (7) calendar days before the date on which this Agreement was executed. You further acknowledge that you received the disclosure document required by the trade regulation rule of the Federal Trade Commission entitled "Franchise Disclosure Document" at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

21.06 Other Franchises You acknowledge that other Handel's ice cream parlors have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

[*signature page to follow*]

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

Us:

Handel's Enterprises, Inc.
An Ohio corporation

By_____

Its_____

You:

(If you are an individual owner, You must sign below; if a partnership, all partners must sign below)

_____
(Print your name)

_____
(Sign your name)

_____
(Print your name)

_____
(Sign your name)

(If you are a corporation or limited liability company)

_____
(Name of corporation or limited liability company)

By_____
Its_____

SCHEDULE "A"

TERRITORY

The Premise for the Parlor is located at: _____
_____.

The Territory includes the following: _____
_____
_____
_____
_____
_____.

SCHEDULE B

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.

Note to Franchisee: Sections 5, 6, and 7 of this Agreement, which includes a covenant not to compete, and a restriction on the employment of a competitor's employee is optional. Handel's does not require you to include this language, and it is noted here only for your convenience. Your decision to have your employees execute this Agreement these Sections 5, 6, and 7 included, and for you to enforce it, is your decision alone. If you elect to include these Sections 5, 6, and 7, that decision does not suggest that Handel's is an employer of your employees.

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; or

(c) directly or indirectly engage, within a two (2) mile radius of any ice cream shop owned or operated by Employer, or any other ice cream shop 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.

[signature page to follow]

EMPLOYER NAME

WITNESS

SIGNATURE

EMPLOYEE NAME

WITNESS

SIGNATURE

LEGAL GUARDIAN

WITNESS

SIGNATURE

SCHEDULE C

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 D

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. 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 _____

FINANCIAL INSTITUTION CITY AND STATE _____

SIGNATURE _____

SCHEDULE E

Guarantee, Indemnification and Acknowledgement

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Protected Territory Applied For _____

1. I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Handel's Unit Franchise Agreement ("Franchise Agreement") and/or payment of any monies.

2. I have signed and returned to Handel's Enterprises, Inc. (you or your) the acknowledgment of receipt for each disclosure document given me.

3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of your covenants and obligations and my obligations as a franchisee in the Handel's system. I understand that the Franchise Agreement contains all obligations of the parties and that you do not grant to me under the Franchise Agreement any right of first refusal.

4. I understand that this franchised business, as in all business ventures, involves risk and, despite assistance and support programs, the success of my business will depend largely upon me and my ability.

5. I understand that my role in the franchise sales process is limited and that you have the right to reject any franchise candidate. I understand that the franchise sales process is governed by federal and state laws and that I must comply with those federal and state laws.

6. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.

7. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

_____
_____
_____
_____

Applicants' Acknowledgment:

Name:_____ Name:_____
Date:_____ Date:_____

EXHIBIT C

LIST OF CURRENT FRANCHISEES

Austintown / 026
Leigh & Adil Jaffer
4800 Mahoning Ave.
Austintown, OH 44515
(330) 797-0514
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
Akelades@hotmail.com

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

Columbus / 019
Izzy & Samantha Cousin
5665 Feder Road
Columbus, OH 43228
614-853-4464
handelshilliard@gmail.com

Cuyahoga Falls / 065
Jim & Amy Rosen
2922 State Road
Cuyahoga Falls, OH 44223
(330) 922-4589
Jakj12@outlook.com

Green / 061
Jim & Amy Rosen
3433 Massillon Rd.
Akron, OH 44312
(330) 896-5655
Jakj12@outlook.com

Liberty / 001
Fran Melendez
4251 Belmont Ave.
Liberty, OH 44505
(330 759-2417
Franielynn@aol.com

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

Niles / 009
Judd Rubin
5140 Youngstown-Warren Rd.
Niles, OH 44446
(330) 505-0865
Judd1310@gmail.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
Bhill15@neo.rr.com

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

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

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

Nevada

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

Indiana

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

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

Arizona

Gilbert / 029
Gary & Stephanie Kovach
1672 E. Guadalupe, Suite 101
Gilbert, Arizona 85234
(602) 314-4561
gary.handelsofgilbert@gmail.com

Pennsylvania

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
kmd@adventuredev.com

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

Oregon

Sherwood / 049
Tim Joyce
21300 SW Langer Farms Pkwy
Sherwood, OR 97140
(503) 822-5142
joyce.tim@comcast.net

Sunset / 024
Tim Joyce
13539 NW Cornell Road
Portland, Oregon 97229
(503) 268-1306
joyce.tim@comcast.net

Alabama

Huntsville / 032
Rick & Jenine Jarrell
7086 Highway 72 West
Huntsville, AL 35806
(256) 513-0080
rick@yankeestork.com

Florida

Bonita Springs /039
Lee & Krystle Common
3340 Renaissance Blvd.
Bonita Springs, FL 34134
(239) 676-8243
Khively927@gmail.com

California

Encinitas / 051
Ken Schulenburg
90 N. Highway 101
Encinitas, CA 92024
760-230-6948
ken.schulenburg@gmail.com

Laguna Niguel / 038
Keith & Shirlyn Kessler
Marcus & Tami Weenig
Travis & Tara Campbell
28121 Crown Valley Parkway
Laguna Niguel, California 92677
(949) 215-1350
keith.handelsoc@gmail.com
shirlyn.handelsoc@gmail.com
marcus.handelsoc@gmail.com

travis.handelesoc@gmail.com

Northridge / 023
Bill Wagner & Zara Afshar
8850 Corbin Ave
Northridge, CA 91324
(855) 426-3357
bill@accordmanagementsystems.com
zara.afshar@gmail.com

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

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

Rancho Santa Margarita / 014
Keith & Shirlyn Kessler
Marcus & Tami Weenig
Travis & Tara Campbell
30622 Santa Margarita Pkwy
Rancho Santa Margarita, CA 92688
(949) 709-0096
keith.handelsoc@gmail.com
shirlyn.handelsoc@gmail.com
travis.handelesoc@gmail.com
marcus.handelsoc@gmail.com

Upland / 031
Kevin Pucci
373 South Mountain Ave.
Upland, CA 91786
(909) 946-9077
(909) 946-9116 fax
kevin.pucci@steemer.com
handelslainc@gmail.com

EXHIBIT D

LIST OF FRANCHISEES THAT CEASED TO DO BUSINESS

The following stores have ceased to do business under the franchise agreement by December 31, 2018:

EXHIBIT E

LIST OF ADMINISTRATORS AND 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 law) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Business Oversight California Department of Business Oversight	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT F

STATE ADDENDA

CALIFORNIA STATE ADDENDUM

THE CALIFORNIA FRANCHISE INVESTMENT 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.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement requires application of the laws of Ohio. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Ohio with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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.

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchise is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires franchisor to defer payment of the initial franchise fee and other payments owed by franchisee to franchisor until franchisor has completed its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

"According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

FRANCHISOR:
Handel's Enterprises, Inc.

By: _____

Its: _____

Date: _____

FRANCHISEE:

_____

By: _____

Its: _____

Date: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."
>
> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires franchisor to defer payment of the initial franchise fee and other initial payments owed by franchisee to franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR: **Handel's Enterprises, Inc.**	**FRANCHISEE:** _____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

EXHIBIT G

RECEIPTS

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 E.

Franchise Sellers offering a Franchise include the following: Leonard Fisher, James Brown, Jody Nerone and Sarah Bradley. Each individual listed is a current employee of Handel's Enterprises Inc.

Handel's Enterprises Inc.
3830 Starr Centre Drive
Canfield, Ohio 44406
330-702-8270

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

I have received a disclosure document with an issuance date of March 28, 2019, that included the following Exhibits:

A. Financial Statements
B. Franchise Agreement
C. List of Current Franchisees
D. List of Franchisees that Ceased to do Business
E. List of Administrators and Agents for Service of Process
F. State Addenda
G. Receipts

Date: _____
(Do not leave blank)

_____
(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

_____
(Print Name of Prospective Franchisee (For Individuals))

Signature _____

RECEIPT

(RETURN THIS COPY TO US)

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 E.

Franchise Sellers offering a Franchise include the following: Leonard Fisher, James Brown, Jody Nerone and Sarah Bradley. Each individual listed is a current employee of Handel's Enterprises Inc.

Handel's Enterprises Inc.
3830 Starr Centre Drive
Canfield, Ohio 44406
330-702-8270

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

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D. List of Franchisees that Ceased to do Business
E. List of Administrators and Agents for Service of Process
F. State Addenda
G. Receipts

Date: _____
(Do not leave blank)

_____
(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature _____

_____
(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to James Brown by US Mail at 3830 Starr Centre Drive, Canfield, Ohio 44406, by fax at (330) 702-8290 or by email at jimbrown60@msn.com. This copy is for Handel's Enterprises, Inc.