FRANCHISE DISCLOSURE DOCUMENT

King of Pops Franchising, LLC
A Georgia limited liability company
552 Decatur Street SE
Atlanta, Georgia, 30312
Tel: (678) 732-9321
Email: franchise@kingofpops.com

We offer franchises for the operation of a business that sells hand-crafted ice pops for people and pets made using high quality ingredients from pop carts (and other approved methods) under the name "King of Pops", "King of Pups" and related names. The total investment necessary to begin operation of a King of Pops pop cart business is $20,210 to $68,510. This includes an initial fee of $14,000 to $15,500 per franchise that must be paid to franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Steven Carse at 552 Decatur Street SE, Atlanta, Georgia, 30312 Atlanta, telephone: (678) 732-9321.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant. Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 3, 2023

How to Use This Franchise Disclosure Document

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

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

QUESTION	WHERE TO FIND INFORMATION
What's it like to be a King of Pops franchisee?	**Exhibit I** lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.

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

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

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

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

INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE BEFORE THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

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THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

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IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN $100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS

INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

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THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATIONS AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

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ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE SECTION
670 LAW BUILDING
LANSING, MICHIGAN 48913

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EXHIBITS

Item 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, **"King of Pops Franchising"** or **"we", "our"** or **"us"** means King of Pops Franchising, LLC, the franchisor of the King of Pops pop cart business concept. This Disclosure Document will refer to the person or entity that buys the franchise from us as **"you"**, and the term includes your owners if you are an entity. If you are an entity, your owners will be required to obligate themselves under, and comply with, the terms of the Franchise Agreement.

Franchisor, Parent, Predecessors and Affiliates

We were formed as a Georgia limited liability company on July 23, 2021. We have been offering franchises for Pop Cart Businesses (as defined below) since the issuance date of this Disclosure Document. We do business under the names "King of Pops Franchising" and our entity name.

As of the date of this Disclosure Document, we do not own or operate any Pop Cart Businesses. We have not offered franchises in any other line of business, nor do we engage in any other business activities. Our principal business address is 552 Decatur Street SE, Atlanta, Georgia 30312.

Our direct parent company is Rainbow Umbrella, LLC, a Georgia limited liability company (**"Rainbow"**). Rainbow's direct parent company and the owner of the Marks (as defined below) is King of Pops, Inc. (**"KOP"**). KOP has granted us the right to use and license the Marks to third parties as described in **Item 12**.

Our affiliate, Perfect 10 Distribution, LLC, is a Georgia limited liability company (**"Perfect 10"**), and is owned by Rainbow. Perfect 10 is currently the sole supplier of Pops (as defined below) to King of Pops Cart Franchisees. We may designate other suppliers in the future.

We refer to our franchisees in this Disclosure Document as **"King of Pops Cart Franchisees".**

Rainbow and KOP own several entities and, together, with Perfect 10, these entities manufacture, sell and distribute a wide variety of Pops and other King of Pops-branded items through multiple distribution channels including wholesale to grocery/retail businesses, mail order, catering and through approximately 400 independent distributors of Pops. In addition, certain of our affiliates operate King of Pops Bars which sell adult beverages, slush-tails (a "boozy-take" on Pop flavors), Pops and local craft beer.

We have no parents or affiliates that offer franchises in any line of business and, except for Perfect 10, we have no parents or affiliates that offer products or services to our franchisees.

Rainbow, KOP and Perfect 10's business address is 552 Decatur Street SE, Atlanta, Georgia, 30312.

Our agents for service of process are listed in **Exhibit A**.

<u>The Pop Cart Business</u>

We offer franchises under which you can establish and operate a business (a **"Pop Cart Business"**) that sells hand-crafted ice pops for people and pets made using high quality and, to the extent possible, locally sourced ingredients (**"Pops"**; and, together with other related products permitted to be sold by you under the Franchise Agreement, **"Products"**) under a Franchise Agreement between you and us (the **"Franchise Agreement"**). Our current form of Franchise Agreement is attached as **Exhibit B**.

The Franchise Agreement does not grant you the right to operate your Pop Cart Business at a specific location. You may conduct your Pop Cart Business at any location within your Area (as defined in **Item 12**), subject to applicable laws. A typical Pop Cart Business will have an Area based on ZIP codes and will have a minimum population of approximately 75,000-100,000 people and will not include Non-Traditional Venues (as defined below in **Item 12**).

You must sell Pops from one or more approved mobile carts, bike carts, drop-off coolers or other approved methods which meet our specifications from time to time (each, a **"Pop Cart"**). You may not sell Pops from trucks or other vehicles, from a brick and mortar location or by any other method, without our prior approval. You may not sell Pops for resale by any third party.

The Pop Cart Businesses operate under the marks "King of Pops", "King of Pups" and other marks and names, logos, slogans, insignia and commercial symbols designated by KOP for use by our King of Pops Cart Franchisees (collectively, the **"Marks"**).

You must operate your Pop Cart Business according to our system which includes several distinct elements, such as standards and procedures for business operations; training in operation; advertising and promotional programs; customer service techniques; other procedures and methods; our confidential Operations Manuals (the **"Manuals"**); technical assistance; the Carts; and the Marks, all of which may be changed or enhanced from time to time (the **"System"**).

You must operate your Pop Cart Business within a protected area (the **"Area"**) designated by us prior to the signing of your Franchise Agreement. See **Item 12** for more information regarding your Area. You must also provide adequate storage for the Pops.

Depending on the seasonality of the Pop Cart Business in many markets, demographics, location, population density, and the demand for Pops in Area assigned to you, you may be required to operate your Pop Cart Business on a full-time basis (all weeks) or only during certain weeks (based on a 52-week year) as mutually agreed by us and you (the **"Minimum Active Operating Weeks"**). In general, in most markets, it is assumed that there will be about 30 Minimum Active Operating Weeks per year. However, depending on the market, you may be required to operate the full year. We will determine your Minimum Active Operating Weeks before you enter into the Franchise Agreement; your Minimum Active Operating Weeks will be specified on the Summary Page to your Franchise Agreement. You will, therefore, have the opportunity to review and ask questions about our determination of your Minimum Active Operating weeks (as specified in the Franchise Agreement) prior to signing.

We offer qualified parties who have entered into a Franchise Agreement and wish to have the right to develop additional Pop Cart Businesses in a specified additional geographic area (a **"Development Territory"**) the ability to enter into a Development Agreement with us. The form of Development Agreement is attached to this Disclosure Document as **Exhibit C**. If you sign a Development Agreement, you must agree to open more than one Pop Cart Business in the

Development Territory according to the schedule described in the Development Agreement (the "**Development Schedule**").

For each additional Pop Cart Business that you establish under the Development Agreement you will be required to enter into our then-current form of Franchise Agreement which could be materially different from the Franchise Agreement attached to this Disclosure Document. The Development Schedule will be mutually determined by you and us, based on a variety of factors, including demographics and economic factors related to the Development Territory, expected demand for the Pop Cart Businesses, your desire and ability to develop and operate Pop Cart Businesses, and other factors, and specified in the Development Agreement.

Market; Seasonality and Competition

The Pops and other Products are intended for members of the general public and their pets. The market for ice pops and other frozen desserts is seasonal, with peaks in demand occurring primarily during summer months.

The ice pop and frozen dessert business is highly developed and competitive. Your competitors will include other specialty ice pop, ice cream, and snow cone retail stores; grocery stores and convenience stores; and other retail outlets that offer frozen treats and other desserts, such as cupcakes, pastries, and crepes. You will also have to compete with grocery stores and other retail businesses that purchase Pops for retail sale in your Area and our affiliates and distributors that sell Pops in your Area by mail order, at bars and through other distribution channels (not including Carts).

Regulatory Matters

It is your obligation to comply with all laws and regulations which are currently in existence, and which may later be adopted. King of Pops Cart Franchisees are subject to local, city, county and state regulations and local, city, county and state licensing regulations for the operation of businesses generally. There may also be local, city, county, and state business licenses that you need to obtain to operate your Pop Cart Business. Laws regarding packaging and labeling also apply. You should research the required licenses that apply to your Pop Cart Business and consult with your legal counsel to determine the applicability of licensing and other laws and regulations applicable to the operation of your Pop Cart Business.

Item 2. BUSINESS EXPERIENCE

All of the positions below are held in the Atlanta, Georgia metro area.

Co-Founder and Chief Executive Officer – Steven Carse

Steven is our Co-Founder and has been our Chief Executive Officer since July 2021. He is also the Co-Founder and Chief Executive Officer of KOP, a position he has held since January 2010.

Co-Founder, President and Chief Financial Officer – Nicholas Carse

Nicholas is our Co-Founder and has been our President and Chief Financial Officer since July 2021. He is also the Co-Founder and President of KOP, a position he has held since June 2010. In addition, Nick is the Manager of Perfect 10, a position he has held since January 2015, and Rainbow Umbrella, a position he has held since March 2014.

Franchise Coordinator Kathleen Harvin

Kathleen has been our Franchise Coordinator since November 2021. From April 2016 to October 2021, she was an Area Manager for multiple CorePower Yoga studios. These positions are/were held in metro Atlanta, Georgia.

Franchise Data & IT Manager – Elaine Peek

Elaine has been our Franchise Data and IT Manager since November 2022. From October 2021 to November 2022, she served as our Customer Experience Manager, from March 2020 to October 2021, she was our Sales and Customer Service Manager, from January 2019 to March 2020, she was our Senior Inside Sales Manager, and from January 2018 to January 2019, she was our Catering Manager. These positions are/were held in metro Atlanta, Georgia.

Franchise Marketing Manager – Erin Burchik

Erin has been our Franchise Marketing Manager since January 2020. Prior to that, she was a self-employed marketing consultant, a position she held from January 2018 to January 2020. These positions are/were held in metro Atlanta, Georgia.

Item 3. LITIGATION

No litigation is required to be disclosed in this Item.

Item 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

Item 5. INITIAL FEES

Initial Franchise Fee

The initial franchise fee (the **"Initial Franchise Fee"**) is $9,000 if you are purchasing your first Pop Cart Business and $6,000 for each subsequent Pop Cart Business you purchase. The Initial Franchise Fee is due in full when you sign the Franchise Agreement. If we terminate this Agreement because you fail to complete training, we will refund you 50% of your Initial Franchise Fee provided you sign a general release in a form satisfactory to us. Otherwise, the Initial Franchise Fee is not refundable.

We may reduce or waive the Initial Franchise Fee for qualified existing Pop Cart licensees. We may also reduce the Initial Franchise fee by up to 80% for employees who have worked for us or one of our affiliates.

If you purchase rights to develop two or more Pop Cart Businesses under a Development Agreement, the Initial Franchise Fee will be reduced to $6,000 for each Pop Cart Business after the first Pop Cart Business that you are required to develop under the Development Agreement.

In our last fiscal year, amounts charged for Initial Franchise Fees ranged from $1,000 to $9,000.

Development Fee

If you sign a Development Agreement, you must agree to open more than one Pop Cart Business and pay us the Initial Franchise Fees for the first Pop Cart Business and for each additional Pop Cart Business to be established under the Development Agreement (the **"Development Fee"**) at the time you sign the Development Agreement. All developers will enter into a Franchise Agreement for the first Pop Cart Business concurrently with the signing of the Development Agreement

The formula used to calculate Development Fees is uniformly applied to all developers, and the Development Fee is not refundable.

Cart Lease

You must enter into a King of Pops Cart Franchisee Lease Agreement and Cart Lease Commitment Form in the form of **Exhibit E** (the **"Lease Agreement"**).

The Cart Lease Commitment Form (the current form of which is attached to the Lease Agreement) specifies the rental rates, rental periods, types of Carts available to be leased and delivery/retrieval fees. We may revise the Cart Lease Commitment Form from time to time. We may add different types of Carts in the future which we may offer at different prices.

Currently, new Carts are only available for lease on a long term basis covering the term of your Franchise Agreement, and any renewals. A typical franchisee will lease two new full sized Carts from us on a long term basis under the Lease Agreement and Cart Commitment Form when they enter into a Franchise Agreement with us. Long term rental amounts must be paid in lump sum in advance when the Lease Agreement and/or Cart Commitment Form is signed. The current long term rental rate for (a) a new full sized Cart is $1,750 per Cart; (b) a mini sized Cart is $1,500 per Cart; and (c) a bike Cart is $7,500 per Cart. We reserve the right to charge a reasonable delivery/retrieval fee for the long term rental of new full sized Carts, but we do not currently charge these fees.

We also currently lease used full sized Carts on a short-term periodic basis for two week periods, subject to availability. Carts available for rent on a short term basis are generally intended to be used for special events or to temporarily cover periods during which your Pop Cart Business is experiencing growth. The two week rental rate is currently $140, including delivery and retrieval fees.

We may increase Cart rental rates by up to 15% per year upon 30 days prior written notice (which may be sent by email). We may charge reasonable delivery/retrieval fees for Carts.

Rental rate increases for Carts will not apply to long term rentals of Carts already rented and paid for by you prior to the date of the increase (and for which you've paid the full lump sum rental payment for the term of the Franchise Agreement and renewals). However, the increase may affect lump sum rental prices for additional Carts rented by you after the effective date of the increase.

In our last fiscal year, our franchisees paid between $10 per week (for a used full sized or mini sized Cart) to $25 per week (for a new full sized or mini sized Cart).

Rental fees and delivery/retrieval fees paid for Carts are not refundable.

Initial Inventory of Pops

You must enter into a Supply Agreement with Perfect 10 for the purchase of Pops in the form of **Exhibit F**.

Perfect 10 currently charges $1.50 per Pop. New flavors may be introduced that are priced differently. Perfect 10 currently offers volume discounts ranging from 5% when purchasing 1,000 to 4,999 Pops and 10% when purchasing 5,000 plus Pops.

We anticipate that you will need to purchase between $1,500 and $3,000 for initial inventory prior to opening.

We reserve the right to charge a reasonable delivery fee for Pops, although we do not currently charge a delivery fee.

We reserve the right to increase prices for Pops by up to 15% per year. If we do charge a delivery fee for Pops, we may increase the delivery fee each year.

Charges for Pops are uniformly applied to all franchisees and are not refundable.

Item 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	The greater of (a) 5% of your Gross Sales[(1)]; or (b) a weekly Minimum Royalty Fee[(2)] for each of your Minimum Active Operating Weeks	No later than 8:00 AM ET on Wednesday of each week for Gross Sales collected during the prior weekly period	We will debit your bank account for the royalty fee (the **"Royalty Fee"**).
Brand Marketing Fund Contribution	Up to 2% of Gross Sales	No later than 8:00 AM ET on Wednesday of each week for Gross Sales earned during the prior weekly period	We will debit your bank account for the contributions to the King of Pops Cart Franchisees Brand Marketing Fund (the **"Brand Marketing Fund"**). *We currently require that you contribute 1% of weekly Gross Sales to the Brand Marketing Fund.*
Renewal Term Fee	$1,000	By the expiration of the initial term	
Transfer Fee	60% of the then current Initial Franchise Fee	Prior to transfer	The transfer fee is reduced to 40% of the then current Initial Franchise Fee if you sell your Pop Cart Business to an existing franchisee.
Initial Training Fees	A reasonable fee (currently, $250 per person for training more than two individuals)	Prior to initial training	We will provide initial training for up to two individuals at no charge. You must pay us a fee of $250 for each additional individual (beyond two) who attends initial training on your behalf.

Name of Fee	Amount	Due Date	Remarks
Additional Training Fees	A reasonable fee (currently, $350 per day per trainer)	On demand	We may charge a reasonable fee for training persons who are repeating the initial training course or replacing a person who did not successfully complete the initial training course, for any replacement Person in-Charge or manager attending the initial training course and for additional/refresher training.
Technology Fee	Up to $20 per week per user (currently, $12 per week per user)	Weekly	This fee covers the use of certain third party software, proprietary technology and other technology that we or our affiliates provide to you or allow you to access. Currently, this includes: HubSpot CRM and marketing software, SHOGO for sales analytics, Google Workspace and DEAR for ordering portal.
Cart Rental Fees	Our current rates as specified in our then current Cart Lease Commitment Form. Currently, (a) for new Carts, a one time lump sum rental payment of $1,500 for a mini sized Cart (per Cart),$1,750 for a full sized Cart (per Cart), and $7,500 for a bike Cart. These amounts cover rental for the entire term of your Franchise Agreement (and any renewals); and (b) for used full sized Carts, $140 for a two week rental period, inclusive of delivery/retrieval.	The one time lump sum rental payment must be paid when the Lease Agreement and/or Cart Commitment Form are signed. For used full sized Carts rented on a temporary basis, rental payments must be made every two weeks	See **Item 5** for more information.
Pops	Currently, $1.50 per Pop	As incurred	Perfect 10 may increase amounts charged for Pops annually by an amount not to exceed 15% of last year's price. Perfect 10 may introduce new flavors of Pops at different prices. Perfect 10 offers volume discounts described in **Item 5.**

Name of Fee	Amount	Due Date	Remarks
Third Party Technology Expenditures (Direct Purchase)	As required	Varies	We may designate third party technology you must use. See **Item 11.**
Insurance Reimbursement	Cost of premium, plus a reasonable administrative fee (currently, $200)	On demand	Should you not procure and maintain insurance coverage as required by us, we have the right procure insurance coverage and to charge the premiums to you, along with a reasonable administrative fee.
Inspection Fee	Our costs and expenses	Upon demand	Payable only if inspection is necessitated by your repeated or continuing failure to comply with any provision of the Franchise Agreement.
Supplier Evaluation Fee	Our actual cost of testing/evaluation	Upon demand	Payable only if you would like to offer products or use any supplies, equipment or services that we have not approved.
Non-Compliance Fee	$100 per day	Upon demand	Payable if you violate an operating standard, and fail to cure the violation within three days after notice.
Audit Fee	Costs and expenses	Upon demand	Payable if audit or review shows an understatement of Gross Sales for the audited or reviewed period of at least 2%.
Conference Fees	A reasonable fee	Upon demand	We may require your Person in-Charge and manager to attend one regional or national convention or conference per calendar year, and we may charge a reasonable fee to fund such conventions or conferences. You will be responsible for all travel and other expenses of attending any meeting, convention or conference.
Extension Fee	$500	Prior to development deadline	You may extend the development deadlines under a Development Agreement for a period of up to six months, upon payment of this fee and subject to certain conditions.
Interest	18% per annum or maximum interest rate allowed by law (whichever is less) from due date to date of payment	When amount owed becomes past due	Required whenever a payment to us is made after its due date.

Name of Fee	Amount	Due Date	Remarks
Late/Insufficient Funds Fee	$100 for each late payment or each draft payment that is dishonored	Upon demand	
King of Pops Cart Franchisee Advisory Council Fee	Due as assessed by the King of Pops Cart Franchisee Advisory Council, but will not exceed $250 per year	Upon demand	We will not assess fees or dues for participation in or on the King of Pops Cart Franchisee Advisory Council, but you may be required to pay dues to the King of Pops Cart Franchisee Advisory Council if the King of Pops Cart Franchisee Advisory Council, which will be controlled by franchisees, determines that fees shall be assessed. *There is currently no King of Pops Cart Franchisee Advisory Council and therefore no Franchise Advisory Council fees are assessed.*
Liquidated Damages	Will vary under circumstances	On demand	Only payable if we terminate the Franchise Agreement based on your default or if you terminate the Franchise Agreement in violation of its terms. Liquidated damages are (i) the average of your monthly Royalty Fees and Brand Marketing Fund contributions due for the last 12 months, (ii) multiplied by the lesser of 18 or the number of months remaining in the term (whichever is less); (iii) discounted to present value using the then-current prime rate of interest quoted by our principal commercial bank.
Costs and Expenses	Will vary under the circumstances	As incurred	Payable if we prevail in any legal dispute with you or if we incur costs in enforcing the terms of the Franchise Agreement against you
Indemnification	Will vary under circumstances	On demand	You agree to hold harmless, defend, and indemnify us and our affiliates, officers, directors, managers, partners, owners, employees, agents and other representatives against any claims or losses arising in connection with your Pop Cart Business, your non-compliance with law a data security incident, and your breach of the Franchise Agreement.

NOTES:

(1) "**Gross Sales**" means the total amount received by you in connection with the Pop Cart Business related to the sale of Pops, Products and any other service or merchandise (including any sales of Pops made by you by any method), excluding only the following (i) the amount of any refunds to customers for bona fide returns of goods sold; (ii) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority; and (iii) bona fide gratuities paid by customers. Payment processing fees are not deductible from Gross Sales.

(2) Your weekly **"Minimum Royalty Fee"** will range from $100 to $250. We will determine your weekly Minimum Royalty Fee based on brand awareness in your market, population, average household income and other factors that we deem relevant. Your weekly Minimum Royalty Fee will be described on the Summary Page of your Franchise Agreement; you will have an opportunity to review and consider your designated weekly Minimum Royalty Fee prior to signing. *The weekly Minimum Royalty Fee is due and payable only during your Minimum Active Operating Weeks*.

All the fees described above are payable to us or third party vendors. Payments to us are not refundable. Amounts paid to third party vendors may be refundable depending upon your arrangements with such vendors.

All fees are uniform for all King of Pops Cart Franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more King of Pops Cart Franchisees as we deem appropriate.

Item 7. ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Estimated Investment		Method of Payment	When Due	Payee
	Low ($)	High ($)			
Initial Franchise Fee (Note 1)	6,000	9,000	Lump sum	Upon execution of the Franchise Agreement	Us
Office, Warehouse/ Storage Area (Note 2)	0	4,500	Lump sum	Before opening	Lessor
Cart Rental Fees (Note 3)	1,750	5,250	Lump sum	As incurred	Us
Inventory (Note 4)	8,000	25,000	Lump sum	As incurred	Perfect 10
Signage (Note 5)	200	600	Lump sum	As incurred	Third parties
Freezers (Note 6)	1,200	3,000	Lump sum	Before opening	Third parties
Other Technology (Note 7)	50	1,500	Lump sum	As incurred	Third parties
Technology Fees (Note 8)	160	160	Lump sum	Monthly or as arranged	Us/Third parties
Vehicle (Note 9)	0	8,000	Lump sum	As arranged	Third parties
Business Licenses & Permits (Note 10)	500	1,000	Lump sum	As incurred	Government agencies

Type of Expenditure	Estimated Investment		Method of Payment	When Due	Payee
	Low ($)	High ($)			
Insurance (Note 11)	100	2,000	Lump sum	As invoiced	Insurance agent
Training, Travel and Living Expenses (Note 12)	500	4,000	Lump sum	Before opening	Airlines, hotels, etc.
Professional Fees	1,000	3,000	Lump sum	As incurred	Third parties
Additional Funds (3 months) (Note 13)	750	1,500	Lump sum	As needed during start-up period, first 90 days of business	Employees and third parties, etc.
Total Estimated Initial Investment (Note 14)	20,210	68,510			

Payments to us and our affiliates are not refundable, except as listed below. Payments to third parties may be refundable depending on your arrangements with the third party. We do not finance any part of the initial investment. Amounts in this **Item 7** assume that you are operating your Pop Cart Business during the entire initial period (i.e., the first three months of operation are designated as Minimum Active Operating Weeks).

Note 1: See **Item 5** for more information regarding the Initial Franchise Fee. A portion of the Initial Franchise Fee may be refundable if you fail to successfully complete our initial training program.

Note 2: You are not required to rent storage space. The low end assumes that you do not rent a place for storage and the high end assumes that you rent a small office, warehouse, or storage unit.

Note 3: The low end of the range includes rental fees for one new full sized Cart that is rented for the term of your Franchise Agreement and any renewals. The high end of the range includes rental fees for three new full sized Carts that are rented for the term of your Franchise Agreement and any renewals. We anticipate that most new franchisees will lease two new full sized Carts. See **Item 5** for more information.

Note 4: Includes estimated costs for your initial inventory of Pops and other supplies needed for the first three months of operation.

Note 5: Includes estimated costs for required chalkboards and specified marketing bubbles.

Note 6: You must have freezer capacity for at least 2,000 Pops and the freezers you use must meet our specifications.

Note 7: Includes estimated costs associated with a personal computer, printer, scanner, keyboard, mouse, smartphone, high-speed Internet, and a Square Chip Reader. The low end assumes that you already have most of these items, and that you must only purchase the Square Chip Reader. The high end assumes you must purchase all of these items.

Note 8: Includes the Technology Fee for the first three months of operation.

Note 9: The low estimate assumes that you already own a vehicle that you will use in the business. The high estimate assumes that you must purchase a vehicle.

Note 10: This estimate covers business and operating licenses and other permits.

Note 11: This estimate is an estimate of the cost of maintaining the insurance required by the Franchise Agreement for the first three months of operation. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, number of employees, square footage, location, etc.

Note 12: We provide initial training at no charge for up to two people, but you must arrange and pay for all food, transportation, lodging and incidental expenses for the people who attend the initial training program. The estimates included in this Item assume two people attend the initial training program. Costs vary depending on the distance traveled and the type of lodging. See **Item 11** of this Disclosure Document for a description of the initial training program.

Note 13: This estimates the funds needed to cover your expenses during the first three months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. Your costs will vary depending on how rapidly your Pop Cart Business grows. We cannot guarantee that you will not have additional expenses starting your franchised business. Your costs will depend on factors like how closely you follow our methods and procedures; your management skill, experience and business knowledge; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period.

Note 14: We relied on our investigation of the operation of businesses similar to the Pop Cart Businesses in the Atlanta, Georgia metropolitan area in compiling these estimates. You should review these figures carefully with a business advisor before making any decision to purchase a Pop Cart Business. Your actual investment and expenditure may vary from the above estimates depending on many factors including where your Pop Cart Business is situated. We do not offer direct or indirect financing to franchisees for any of these items.

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and quality of products and services throughout the System, we have the right to require that inventory, supplies, products, ingredients, equipment, and services that you purchase for resale or use in your Pop Cart Business: (a) meet specifications that we establish from time to time; and/or (b) be purchased only from suppliers or service providers that we have expressly approved; and/or (c) be purchased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates).

To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals.

The following are our current specific obligations for purchases and leases:

A. Advertising (General). All advertising and promotional activities conducted by you in any medium must be conducted in a dignified manner and shall accurately promote, describe and otherwise represent your Pop Cart Business. You agree to refrain from any advertising or promotional practice which is unethical or may be injurious to our business and/or other franchisees or the goodwill associated with the Marks. You must obtain our prior approval of all unapproved advertising and promotional materials that you desire to use in advance. You must promptly discontinue use of any advertising or promotional plans or materials upon our request. Any plans or materials submitted by you to us which have not been approved or disapproved in writing, within 30 days of receipt thereof by us, shall be deemed disapproved.

B. Internet/Digital Marketing. You may not establish a web site on the Internet/World Wide Web or on any other electronic communication network using a domain name containing “King of Pops” or any other of the Marks or any word similar to any of the Marks. We have the exclusive right to advertise on the Internet/World Wide Web and create a web site using any of the foregoing or similar or related domain names. We may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, Snapchat, Tumblr etc.), applications, keyword or ad word purchasing programs, mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, **“Digital Marketing”**) that are intended to promote the Marks, your Pop Cart Business, and the entire network of Businesses. We have the sole right to control all aspects of any Digital Marketing, including those related to your Pop Cart Business. Unless we consent otherwise in writing, you may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to your Pop Cart Business. If we do permit you to conduct any Digital Marketing, you must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. We may withdraw our approval for any Digital Marketing at any time.

C. Technology System and Required Software. We have the right to specify in the Manuals or otherwise require in writing that you acquire and use in the operation of your Pop Cart Business a Technology System (as defined in **Item 11**). We have the right, but not the obligation, to develop or have developed for us, or to designate Required Software (as defined in **Item 11**). See **Item 11** for more details.

D. Insurance. You must obtain and maintain in force, at your own expense, the insurance coverage we require, and you must meet the other insurance-related obligations in the Franchise Agreement. Our current requirements are:

(i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage for vehicles used in the Pop Cart Business in an amount of not less than $1,000,000;

(iii) Workers Compensation coverage as required by state law, but with limits of not less than $500,000 per accident, $500,000 per employee and $500,00 per policy; and

(iv) If your Gross Sales meet or exceed $750,000 annually in the prior year, you must also obtain Excess Commercial Umbrella Liability insurance with limits which bring the total of all primary underlying coverages to not less than $1,000,000 total limit of liability. Such umbrella liability will provide, at a minimum, those coverages and endorsements required in the underlying policies.

Your policies must list us and our affiliates as additional insureds and the policies must stipulate that we receive a 30 day prior written notice of cancellation. You must provide Certificates of Insurance and other evidence of coverage as specified by us in the Manuals evidencing the required coverage to us prior to Opening Date and upon annual renewal of the insurance coverage, as well as at any time upon our request. We may also require that you provide us with complete, certified copies of all required insurance policies.

E. Carts. You must lease new Carts from us on a long term basis. Your use of any other approved methods to sell/distribute Pops must be approved by us in advance.

F. Pops. You must purchase Pops from our affiliate, Perfect 10. You may not purchase Pops from any other source.

G. Chalkboard Menus. You must purchase custom-painted Chalkboard Menus from Perfect 10. The current cost of Chalkboard Menus is $275 per menu board.

We may designate other suppliers of Carts and Pops in the future. Except for Carts, Pops and Chalkboard Menus, neither we nor any affiliate is currently a supplier of any good or service that you must purchase, although we (and our affiliates) reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Our officers, Steven Carse and Nicholas Carse, own an interest in us, KOP and Perfect 10.

If you would like to offer products or use any supplies, equipment, or services that we have not approved or to purchase from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. You agree to pay us the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. We are not responsible for any suppliers or service providers that we designate or otherwise refer to you. We may, at any time, in our discretion, change, delete, or add to any of our specifications or quality standards. Such modifications, however, will generally be uniform for all franchisees. We will notify you in writing of our decision as soon as practicable following our evaluation. We will use commercially reasonable efforts to evaluate any supplier you propose within six months after your request. If you do not receive our approval within six months after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. We reserve the right to revoke approval of any product, supply, ingredient, equipment, service, supplier, or service provider for any reason, in our sole discretion, equipment, service, supplier, or service provider for any reason, in our sole discretion.

In our past fiscal year, (i) we derived $16,405 in revenue from the lease of Carts to our franchisees, which is 4.2% of our total 2022 revenue of $393,103; and (ii) our affiliate, Perfect 10, derived $824,893 in revenue from the sale of Pops to our franchisees, which is 11.2% of Perfect 10's total 2022 revenue of $7,372,723.

We and our affiliates may profit from items that you purchase or lease from us or our affiliates. We also have the right to collect and retain any rebates or refunds provided by a supplier or vendor in connection with your purchase of any items or services.

We estimate that purchases and leases made by you from approved or designated suppliers, or according to our standards and specifications, represents 75% to 85% of your total cost of establishing your Pop Cart Business and approximately 85% to 95% of your total cost of operating your Pop Cart Business.

There are currently no franchisee purchasing or distribution cooperatives within the System.

As of the date of this Disclosure Document, we do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Item 9. FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND OTHER RELATED AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

Obligation	Section	Item in Disclosure Document
(a) Site selection and acquisition/lease	NA	NA
(b) Pre–opening purchases/leases	§§ 5.A., 6.B-D.,6.F., 6.L.-M., 6.Q., and 6.R. of the FA	Items 5, 6, 7, 8 and 11
(c) Site development and other pre–opening requirements	§§ 5.A., 6.B.- 6.D., 6.L.-M, 6.Q., and 6.R.; § 1 of the DA	Items 7, 8 and 11
(d) Initial and ongoing training	§§ 5.A. and 6.B. of the FA	Items 6, 7 and 11
(e) Opening	§ 6.E. of the FA; §1 of the DA	Items 7 and 11

	Obligation	Section	Item in Disclosure Document
(f)	Fees	§§ 2.B(vii), 3, 6.B.-6.D., 6.L., 6.O., 6.Q., 6.R., 6.T., 9.B., 11.C.(iv)., and 13.R. of the FA; §§ 2 and 4 of the DA	Items 5 ,6, 7 and 11
(g)	Compliance with standards and policies/Manual	§ 6 of the FA	Items 8, 11, 13,14 and 16
(h)	Trademarks and proprietary information	§§ 6.U. and 7 of the FA	Items 13 and 14
(i)	Restrictions on products/services offered	§ 6.L.(i) of the FA	Items 8 and 16
(j)	Warranty and customer service requirements	§ 6.I. of the FA; § 4 of the Supply Agreement	NA
(k)	Territorial development and sales quotas	§ 1 of the DA	Item 12
(l)	Ongoing products/service purchases	§§ 6.C.- 6.D., 6.L., 6.Q., and 6.R. of the FA; Supply Agreement; Lease Agreement	Items 8 and 16
(m)	Maintenance, appearance and remodeling requirements	§ 6.K. of the FA	Items 7, 8 and 11
(n)	Insurance	§ 6.R. of the FA	Items 6, 7 and 8
(o)	Advertising	§ 4 of the FA	Items 6, 7, 8 and 11
(p)	Indemnification	§ 6.T. of the FA	Item 6
(q)	Owner's participation/management /staffing	§§ 6.A.,6.B.,6.H., and 6.Y. of the FA	Items 11 and 15
(r)	Records and reports	§ 6.W. of the FA	Item 6

Obligation	Section	Item in Disclosure Document
(s) Inspections and audits	§ 6.W. of the FA	Item 6
(t) Transfer	§ 11 of the FA; § 10 of the DA	Items 6 and 17
(u) Renewal	§ 2.B.-D. of the FA	Items 6 and 17
(v) Post–termination obligations	§ 9 of the FA	Item 17
(w) Non–competition covenants	§ 10 of the FA	Items 15 and 17
(x) Dispute resolution	§§ 12 and 13.D.-E. of the FA; § 11 of the DA	Item 17
(y) Personal Guaranty	§ 6.Y. of the FA	Item 15

Item 10. FINANCING

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

Item 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

All references below relate to relevant sections of the Franchise Agreement, the form of which is attached as **Exhibit B**.

Pre–Opening Assistance

Before you open your Pop Cart Business:

A. Your Site. You will not have a site. However, you must have a safe and secure location that meets our requirements as set forth in the Manuals from time to time for the delivery and storage of Pops, Products and other supplies and for the storage of the Cart(s) that you use in your Pop Cart Business. (Section 6.D.) We do not provide assistance with respect to your site. We will not own your site or lease your site to you. However, you must also enter into a Lease Agreement with us for the lease of a sufficient number of Carts to meet customer demand in your Area. (Section 6.C.)

B. Hiring and Training Employees. We provide initial training for you, or if you are an entity, your Person in-Charge, and your manager (up to two individuals total). See the description of the initial training program below. We will also provide initial training for any replacement Person in-Charge or manager and provide refresher or additional training programs or seminars from time to time. (Section 5.A.) Otherwise, you are responsible for training your employees.

C. Initial Training Program. We will conduct our initial training program. (Section 5.A.) The current initial training program is described below.

D. Operating Manuals. We will loan you one copy of the Manuals which may cover such topics as pre-opening procedures, systems and procedures, marketing, personnel and accounting and bookkeeping. You may be provided with access to the Manuals in electronic format. Additional topics may be incorporated in the Manuals from time to time, as we deem necessary. (Section 5.B.)

E. Necessary Equipment, Signs, Fixtures, Opening Inventory, and Supplies. We will provide a written list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your Pop Cart Business. (Section 5.E.) With the exception of Carts that we lease to you and the Pops and Chalkboard Menus that are sold to you by Perfect 10, we and our affiliates do not provide any necessary equipment, signs, fixtures, opening inventory or supplies to you, directly. We may provide the names of approved suppliers. With the exception of Carts, Pops and Chalkboard Menus, we and our affiliates do not deliver or install these items.

Length of Time To Open

The typical length of time between signing the Franchise Agreement and the opening of your Pop Cart Business is 30 to 45 days. Factors affecting this length of time include, among other things, the completion of required training, purchasing the equipment needed for Pop storage (i.e., freezers) and licensing requirements.

You must open your Pop Cart Business within 60 days after the effective date of the Franchise Agreement. There is no time limit for selecting and locating the site, and for site approval, as you will note have a site for your Pop Cart Business. However, if you fail to open by the opening deadline, you will be in default of the Franchise Agreement and the Franchise Agreement may be terminated by us.

Our Post-Opening Obligations

After you open your Pop Cart Business:

A. Developing products or services you will offer to your customers. Although it is our intent and practice to refine and develop services that you will offer to your customers, the Franchise Agreement does not obligate us to do so.

B. Brand Marketing Fund. We will administer the Brand Marketing Fund. (Section 4.A.) We will review advertising materials submitted by you. We may provide specific guidelines for advertising initiated by individual franchisees. Immediately upon notification to do so, you will discontinue any advertising that would, in our opinion, be detrimental, even if previously approved. (Section 4.D.) Additional information regarding the Brand Marketing Fund is below.

C. Hiring and Training Employees. We may develop and make available training tools and recommendations for you to use in training your Pop Cart Business' employees to comply with System Standards. We may update these training materials periodically to reflect changes in our training methods and procedures and changes in System Standards. (Section 6.F.) All hiring decisions and conditions of employment are your sole responsibility.

D. Periodic business review; improving and developing your Pop Cart Business; resolving operating problems you encounter. We will, upon your request, provide continuing consultation and advice regarding business, financial, operational, sales and advertising matters, type of products offered, and the operation of the Pop Cart Business. In general, we will provide such assistance by telephone or electronic communication, including webinars. We may charge a reasonable per diem/per trainer fee for any on-site assistance rendered by our personnel along with any travel and living expenses incurred by our personnel in providing on-site assistance. (Section 5.C.)

E. Pricing. We will provide guidance with respect to suggested retail prices. We may provide mandatory pricing, subject to applicable law. (Section 5.D.)

F. Administrative. We will provide our recommended procedures for administration, bookkeeping, accounting, and inventory control. We may make any such procedures part of required (and not merely recommended) procedures for our System. (Section 5.F.)

G. Website. We will maintain a website for the King of Pops brand, which will include your Pop Cart Business information. (Section 5.H.)

Advertising Approval

You must obtain our prior approval of all advertising and promotional materials that you intend to use in advance unless we have provided such materials. You must promptly discontinue use of any advertising or promotional materials upon our request. Any plans or materials submitted by you to us which have not been approved or disapproved in writing within 30 days of receipt by us are deemed disapproved.

Local Advertising Requirements

Although you are encouraged to invest in the promotion of your Pop Cart Business in your Area through local advertising, we do not require that you spend any specific amount for local advertising.

Marketing Cooperatives

We do not have the right to organize marketing cooperatives.

National Brand Marketing Fund

You must contribute an amount that we designated that is up to 2% of the Gross Sales of your Pop Cart Business to the Brand Marketing Fund. *We currently require that you contribute 1% of weekly Gross Sales to the Brand Marketing Fund.*

We oversee all advertising and promotional programs and have the sole discretion to approve or disapprove any creative concept, materials, methods, and media used in such programs, and the placement and allocation of Brand Marketing Fund contributions. You agree and acknowledge that the Brand Marketing Fund is intended to maximize national public recognition and acceptance of the Marks for the benefit of the System and our King of Pops Cart Franchisees. We undertake no obligation in administering the Brand Marketing Fund to make expenditures for you which are equivalent or proportionate to your Brand Marketing Fund contribution, or to ensure that you benefit directly or pro-rata from advertising or promotion conducted under the Brand Marketing Fund.

The Brand Marketing Fund will be used exclusively to meet any and all costs of maintaining, administering, directing, and preparing advertising activities (including the costs of preparing and conducting advertising campaigns in various media); sponsorship, marketing surveys and other public relations activities; employing advertising agencies; providing promotional brochures and other marketing materials to the franchisees operating under the System, paying the reasonable compensation of our employees or other third parties providing services related to any activity in connection with the Brand Marketing Fund and any other activities which in our opinion will contribute towards national public recognition.

Media coverage may be local, regional or national in scope. We may prepare the advertising in-house, or we may use national and/or regional advertising agencies to produce our advertising materials. We have no obligation to spend any amounts on advertising in the vicinity of your Pop Cart Business or in proportion to your contribution.

All funds paid by you to the Brand Marketing Fund and any earnings thereon are maintained in an account separate from the other monies and shall not be used to defray any of our expenses, except for such reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Brand Marketing Fund and advertising programs for the System.

We will not maintain separate bookkeeping accounts for the Brand Marketing Fund. However, a statement of the operations of the Brand Marketing Fund will be available to you each year upon request. Such statement need not be audited.

For each of our or our affiliates' Pop Cart Businesses operating under the System, we are not obligated to make contributions to the Brand Marketing Fund on the same basis as the assessments required of comparable franchisee-owned Pop Cart Businesses.

An accounting of the Brand Marketing Fund will be prepared annually and be made available to you, which need not be audited.

Any year-end surplus or deficit marketing funds are carried over to the following year. The Brand Marketing Fund may borrow amounts from us, our affiliates or third party lenders on terms and interest rates that are commercially reasonable, as we determine in our sole discretion. None of the monies collected for the Brand Marketing Fund will be used to solicit new System franchisees or otherwise inure to our benefit, although a portion of our website may contain information regarding the Pop Cart Business franchise opportunity.

Although the Brand Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Marketing Fund at any time. The Brand Marketing Fund will not be terminated, however, until all monies in the Brand Marketing Fund have been expended for the purposes described in the Franchise Agreement.

In our past fiscal year, the Brand Marketing Fund used contributions as follows: 29.9% on production, 10.6% on media placement, and 59.5% on administrative.

Advertising Council

We currently have no council composed of franchisees that advises us on advertising policies.

Computer System

We may designate computer software programs and accounting system software that you must use in your Pop Cart Business (**"Required Software"**). We will specify the Required Software in the Manuals. We will also specify in the Manuals that you purchase certain brands, types, makes and models of electronic data collection, storage, reporting, exchange and interchange capability and services and communications, hardware systems, peripherals and equipment for use in your Pop Cart Business (collectively with the Required Software, the **"Technology System"**). You must implement and periodically make upgrades and other changes to your Technology System as we request in writing at your cost. You may purchase or lease the Technology System directly from any vendor so long as it meets our specifications.

We may charge a Technology Fee of up to $20 per week per user that covers the use of certain third party software, proprietary technology and other technology that we or our affiliates provide to you or allow you to access. Currently, this includes: HubSpot CRM and marketing software, SHOGO for sales analytics and DEAR for ordering portal. *We currently charge a Technology Fee that is $12 per week per user.*

We do not require you to license any additional Required Software beyond the software covered by the Technology Fee, therefore, the total estimated annual Required Software cost is $0 to $0.

We currently require that you have a personal computer, printer, scanner, keyboard, mouse, smartphone, high-speed Internet, and a Square Chip Reader or Good Fynd. We estimate that the initial cost of these items is $50 to $1,500. The low end assumes you already own all required items, with the exception of a Square Chip Reader, and the high end assumes that you must purchase all items.

We currently estimate that you will not incur any expenses for support services, but you will need to contact your Technology System vendors to determine your needs based on the Technology System and other systems you purchase.

The types of data to be generated or stored in your Technology System and the Required Software include customer data and sales data information regarding your sales transactions and receipts.

We will have independent, unlimited access to the information and data generated by the Technology System via the Internet or otherwise (but excluding matters relating to labor relations and employment practices). There are no contractual limitations on our right to access this information and data stored in your Technology System.

You are solely responsible for the acquisition, operation, maintenance, and upgrading of the Technology System. There are no limitations on the frequency and cost of your obligation to comply with our requirements related to the Technology System. We reserve the right to change the Technology System at any time.

We may require that you purchase a maintenance contract to service the Technology System. The third parties from whom you purchase or lease the Technology System may not have contractual obligations to provide ongoing maintenance, repairs, upgrades or updates unless you obtain a service contract or a warranty covers the product. If we designate a vendor for maintenance, repair, upgrade and update services, you must use our designated vendor for these services. We do not currently have specific support or maintenance requirements for your Technology System. We currently estimate that annual charges for support or maintenance of the Technology System are $0 to $0.

In addition, we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your rights and responsibilities concerning the software or the technology.

Manuals

The Table of Contents of the Manuals is attached as **Exhibit H** to this Disclosure Document. The Manuals are 58 pages total.

Training

Before opening your Pop Cart Business, you and/or your Person in-Charge and manager must successfully complete the initial training program before opening. Currently, all initial training is conducted in person at our headquarters in Atlanta, Georgia, however, we may elect to provide all or any portion of initial training virtually.

Our current initial training program is described below:

TRAINING PROGRAM

Subjects	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Company History and Orientation	2	0	552 Decatur Street SE Atlanta GA 30312
Cart Operations	3	3	552 Decatur Street SE Atlanta GA 30312
Software	4	0	552 Decatur Street SE Atlanta GA 30312
Marketing	3	0	To be determined.
Perfect 10 Foods	2	0	552 Decatur Street SE Atlanta GA 30312

Subjects	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Business Plan/ Visioning	1.5	0	552 Decatur Street SE Atlanta GA 30312
TOTAL	15.5	3	

Initial training is conducted quarterly, or as needed.

We will provide initial training for up to two individuals at no charge. You must pay us a fee of $250 for each additional individual (beyond two) who attends initial training on your behalf.

As of the date of this Disclosure Document, the initial training program will be administered by Kathleen Harvin, our Franchise Coordinator. She has been with us since November 2021 and has over one year of relevant experience. Currently, Steven Carse, our Chief Executive Officer, provides training assistance during the first day of training. We may use additional instructors to conduct our training programs, who may be on our training staff or may be designated suppliers or approved suppliers of ours. Our additional instructors generally have at least six months of experience in the industry.

The instructional materials for initial training include the Manuals, videos, and other training aids.

In addition, you, or if you are an entity, your Person in-Charge, your Manager and other designated employees must attend and successfully complete refresher or additional training programs or seminars required by us from time to time.

We may charge a reasonable fee for training persons who are repeating the initial training course or replacing a person who did not successfully complete the initial training course, and for any replacement Person in-Charge or manager attending the initial training course. We may also charge a reasonable fee for refresher or additional training programs or seminars.

We currently charge a fee of $350 per day per trainer for refresher or additional training, as well as our out-of-pocket expenses. You are responsible for any travel and living expenses incurred by our personnel in connection with refresher or additional training if training is provided at your Pop Cart Business' premises.

In addition, we may require your Person in-Charge to attend one or more regional or national conventions or conferences per calendar year, and we may charge a reasonable fee to fund such conventions or conferences, regardless of attendance. You will be responsible for all travel and other expenses of attending any convention or conference.

Item 12. TERRITORY

<u>Franchise Agreement – Area</u>

The Franchise Agreement does not grant you the right to operate your Pop Cart Business at a specific location. You may conduct your Pop Cart Business at any location within your Area, subject to applicable laws, but you must sell Pops from one or more Carts which meet our specifications, from approved drop-off coolers or other approved methods as specified in the Manuals from time to time. You may not sell Pops from trucks or other vehicles or from a brick and mortar location unless we expressly agree in writing that you may do so. You may not sell Pops for resale by any third party.

The scope of your Area will likely differ among franchisees, and will be determined by population density and demographics, and geographical and political boundaries. The boundaries of your Area may be described in terms of contiguous ZIP codes, street boundaries, and county boundaries or depicted on a map that is attached to your Franchise Agreement. The typical Area will be based on ZIP codes and will have a minimum of approximately 75,000 to 100,000 people.

Under the Franchise Agreement, you will not receive an *exclusive* territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control.

The Franchise Agreement grants certain territorial protections in the Area. Except as noted below, provided you are in full compliance with the Franchise Agreement, neither we nor our affiliates will sell Pops from Carts within your Area, nor grant the right to sell Pops from Carts to any person within your Area. Within your Area, we have the right to engage in any of the following activities (directly or through an affiliate), and grant others the right to engage in any of the following activities:

(i) operate or license others to operate any businesses using the Marks anywhere (including without limitation brick and mortar retail locations selling Pops (or similar products), so long as we and our affiliates do not sell Pops from Carts in your Area or license any person the right to sell Pops from Carts in your Area;

(ii) sell Pops and similar products under any trademark including the Marks at any location within or outside your Area through *other* distribution channels including but not limited to, from grocery stores, convenience stores and other retail businesses (that are not Carts), or through mail order or the Internet;

(iii) acquire, be acquired by, or merge with competitive businesses and operate or license them to operate anywhere or, at our option, convert them to businesses operating under the Marks or any other name, even if such businesses are competitive with your Pop Cart Business; and

(iv) operate or license others to sell Pops from Carts at Non-Traditional Venues (as defined below) within and outside of your Area or at events if you fail to accept the corresponding event offer in a timely manner. We also reserve the right to sell or license others to sell Pops from Carts at certain **"Large Events",** which are events that require a significant number of Pops. The number of Pops needed at an event to qualify as a **"Large Event"** will be determined by us and specified in the Manuals.

“Non-Traditional Venues” include (a) venues with limited access to the public of a capacity of 3,000-plus people, such as arenas, stadiums and other entertainment venues; and/or (b) any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider (e.g., an airport or university food court).

For all other events in your Area, we will first offer you the right to offer Pops within a reasonable time after our receipt of a request that a Pops Cart be provided at an event in your Area. Our “event offer” will be communicated through the HubSpot system (or any other system designated by us in the Manuals from time to time). You will have 24 hours from the posting of the event offer to accept the event and communicate your acceptance to the event customer. If you do not, we, another franchisee or a third party may sell Pops from Carts at such event.

Development Agreement – Development Territory

The Development Agreement will specify a Development Territory within which you will focus your development efforts. Under the Development Agreement, you will not receive an *exclusive* territory. You may face competition other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control.

However, as long as you are in compliance with the Development Agreement, neither we nor our affiliates will sell Pops from Carts within your Development Territory, nor grant the right to sell Pops from Carts to any person within your Development Territory.

We have the right to engage in any of the activities (directly or through an affiliate) in the Development Territory that are permitted in the Area under the terms of the first Franchise Agreement that you enter into under the Development Agreement.

Market Penetration and Other Contingencies

There is no minimum sales quota under Franchise Agreement or Development Agreement or requirement regarding market penetration or other contingency, and there are no other circumstances that permit us to modify your territorial rights.

However, under the Franchise Agreement, to qualify for a renewal term, you must, in addition to fulfilling the other requirements listed in the Franchise Agreement for renewal, have purchased for distribution at least 30,000 Pops in the 12-month period prior to expiration.

Options and Rights of First Refusal

The Franchise Agreement and Development Agreement do not contain any other provisions under which you might receive any options, rights of first refusal or similar rights to acquire additional Pop Cart Businesses. If you wish to establish an additional Pop Cart Business, you must apply for the grant of an additional franchise for a Pop Cart Business, which will be issued on the form Franchise Agreement then being offered by us.

Solicitations Outside of the Territory

Unless you receive our prior written approval, you may not advertise outside your Area. If we approve, you may advertise using methods that are generally circulated or broadcast throughout your Area such as social media, magazine or newspaper advertisements, use of mail zones, or radio or television broadcasts, so long as such generally circulated advertisements are not specifically targeted to reach areas or customers outside your Area.

You may operate your Pop Cart Business in areas that are outside of your Area and not in the area of another franchisee only if you have obtained our prior consent. If we do permit you to operate your Pop Cart Business outside of your Area, your Gross Sales derived from sales outside of your Area may not exceed 25% of your total Gross Sales in any calendar year. In addition, you must follow all policies, rules and requirements in the Manuals related to operating in an unassigned area and must immediately cease to operate outside the Area when directed by us.

No party is obligated to pay compensation to any other party for soliciting customers from the another franchisee's or company-owned Pop Cart Business' territory.

Competitive Businesses

As described in **Item 1**, our affiliates manufacture, sell and distribute a wide variety of Pops and other King of Pops-branded items through multiple distribution channels including wholesale to grocery/retail businesses, mail order and catering. In addition, certain of our affiliates operate King of Pops Bars which sell adult beverages, slush-tails (a "boozy-take" on Pop flavors), Pops and local craft beer. Some of these businesses may sell Pops in your Area and may compete with you.

Except as described above, neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the Franchise Agreement does not prohibit us from doing so.

Item 13. TRADEMARKS

Under the Franchise Agreement, we grant to you the right to operate a Pop Cart Business under the name "King of Pops", "King of Pups" and other Marks we authorize you to use. The Marks are owned by our indirect parent, KOP. KOP has registered the following Marks on the Principal Register of the USPTO:

Mark	Serial Number	Filing Date
KING OF POPS (word)	3977243	June 14, 2011
KING OF POPS (design)	87119827	July 11, 2017
KING OF PUPS (word)	5155873	March 7, 2017
KING OF PUPS (design)	5269151	June 6, 2017
CARTREPRENEUR	97090277	October 25, 2021

All required affidavits and renewals have been filed.

KOP and Rainbow entered into an Intellectual Property License Agreement dated March 20, 2014 (the **"License Agreement"**) under which Rainbow obtained the exclusive right to use the Marks and know-how throughout the United States and to license the Marks and know-how to Rainbow's wholly-owned subsidiaries without KOP's consent provided such wholly-owned subsidiary entered into the Consent and Acknowledgement in the form attached to the License Agreement. Effective September 1, 2021, the License Agreement was amended to permit sublicensing the Marks and know-how to King of Pops franchisees that are subject to a Franchise Agreement provided the authorized franchisee agrees to KOP's intellectual property usage guidelines and agrees to execute any and all documents required by KOP to ensure protection of the Marks and know-how. Licensees are responsible for the performance of its sub-licensees and for any breach of any terms of the License Agreement by a sub-licensee.

We entered into such Consent and Acknowledgement on December 30, 2021 and, therefore, gained the right to use and sublicense the Marks and know-how and became subject to terms and conditions of the License Agreement.

The License Agreement is for a term of 20 years, and it is terminable if any licensee (a) breaches the License Agreement; (b) fails to make payments due on time; (c) does not provide KOP with required statements or access; (d) violates laws; (e) becomes insolvent or bankrupt; (f) has made a material misrepresentation in connection with obtaining the license; or (f) uses any property owned by KOP that is not the Marks or the know-how.

With the exception of the License Agreement, there are no other agreements currently in effect which significantly limit our rights to use or license the use of the trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to your Pop Cart Business.

All required affidavits for the principal Marks have been filed. There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving the Marks listed above.

You must follow the Franchise Agreement, the Manuals and our specifications and directives when you use the Marks. The Marks are the only marks you may use to identify your Pop Cart Business. You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form, and you may not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by us. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks other than a license to use the Marks during the term of the Franchise Agreement.

You must not contest the validity or ownership of any of the Marks or assist another person in contesting the validity or ownership of any of the Marks. You must notify us immediately when you learn about an infringement of or challenge to your use of a Mark. KOP has the right to exclusively control any litigation, USPTO proceeding, or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. The Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Marks.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of the Marks, and/or use one or more additional or substitute trade name, trademark, service mark or other commercial symbol, you agree to comply with our directions within a reasonable time after your receipt of notice from us, and we shall have no liability or obligation whatsoever with respect to your modification or discontinuance of the Marks.

We do not know of any superior rights or infringing uses that could materially affect your use of the Marks.

Item 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own rights in, or licenses to, patents that are material to your Pop Cart Business. We do not have any pending patent applications.

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Manuals as well as all other sales, training, management and other materials that we have created or will create. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for your Pop Cart Business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The Franchise Agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights.

We do not know of any copyright infringement that could materially affect you.

The Manuals are proprietary and confidential that include guidelines, standards and policies for the development and operation of your Pop Cart Business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the Pop Cart Business, Pop recipes, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

During the term of your Franchise Agreement, we may disclose in confidence to you, either orally or in writing, certain trade secrets, know–how and other confidential information (collectively, **"Confidential Information"**) relating to the construction, management, operation or promotion of your Pop Cart Business. You may not, nor may you permit any person to, use or disclose any Confidential Information (including any portion of the Manuals) to any other person, except to the extent necessary for your employees to perform their functions in the operation of your Pop Cart Business. You must take reasonable precautions necessary to protect Confidential Information from unauthorized use or disclosure, including conducting orientation and training programs for your employees to inform them of your obligation to protect Confidential Information and their related responsibilities and obligations. You must obtain from your officers, directors, equity owners and managers and assistant managers confidentiality agreements in a form satisfactory to us upon our request.

Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You, or if the business is operated through an entity, a person who has authority to bind you and owns at least 50% of the equity in the entity-franchisee (the **"Person in-Charge"**) must directly supervise the operation of your Pop Cart Business and must successfully complete our training program. We have the right to rely upon the Person in-Charge's communications and decisions regarding your Pop Cart Business' operation.

Personal "on-premises" supervision by the Person in-Charge is not required. You, or if you are an entity, your Person in-Charge and your designated manager (who may be the same person as the Person in-Charge) must attend and successfully complete, to our satisfaction, prior to opening your Pop Cart Business, the initial training program described in **Item 11.** Any replacement Person in-Charge or manager may also be required to complete the initial training program. In addition, you, or if you are an entity, your Person in-Charge and your manager must attend and successfully complete refresher or additional training programs or seminars required by us from time to time.

Your Person in-Charge and manager (if required by us) must attend all in-person meetings and remote meetings (such as telephone conference calls) that we require. We may require your Person in-Charge to attend one regional or national convention or conference per calendar year, and we may charge a reasonable fee to fund such conventions or conferences. You will be responsible for all travel and other expenses of attending any meeting, convention or conference.

If your Pop Cart Business is owned by an entity, all owners and their spouse must sign our Franchise Agreement.

There is no limit on who you can hire as an on-premises supervisor. The general manager of your Pop Cart Business (whether that is you or a hired person) must successfully complete our training program.

If your Pop Cart Business is owned by an entity, we do not require that the general manager own any equity in the entity. You must keep us informed at all times of the identity of the manager of your Pop Cart Business.

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale in your Pop Cart Business only products and services that we have approved in writing. We may designate specific products or services as optional or mandatory. You must offer all products and services that we designate as mandatory. We may change the products and services you may offer periodically, and you must comply with such changes.

You must comply with our requirements regarding inventory levels as specified in the Manuals. If we do not prescribe specific standards, you must maintain a sufficient number of products to meet reasonably anticipated customer demand. We may change our inventory requirements periodically, and you must promptly comply with any such changes.

In order to preserve KOP's interests in the Marks, you must not, without our prior written approval, engage in any activities with (including without limitation doing business with by supplying Pops or Carts to) or donate any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity or other movement or agenda, if such action is taken, or may be perceived by the public to be taken, in the name of, in connection with, or in association with you, the Marks, the Pop Cart Business, us, or the System.

Except as described above, we do not impose any restrictions in the Franchise Agreement, or otherwise, limiting the goods or services which you may offer for sale.

Item 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

The table below lists certain important provisions of the Franchise Agreement. You should read these provisions in the form of Franchise Agreement attached to this Disclosure Document as **Exhibit B**.

Provision	Section in Franchise Agreement	Summary
(a) Term of the Franchise	§ 2.A.	5 years from signing.
(b) Renewal or extension of the term	§ 2.B.	The Franchise Agreement provides for two consecutive 5-year renewal terms.
(c) Requirements for you to renew or extend	§ 2.B.	You provide advance notice; you complete upgrades to bring your business into conformity with then-current standards; you have substantially complied with the Franchise Agreement and other agreements and are in full compliance at the expiration of the term; you have complied with KOP's mission, vision and values during the term of the Franchise Agreement; in the 12-month period prior to expiration, you have purchased for distribution at least 30,000 Pops; you execute new Franchise Agreement, which may contain materially different terms; your owners sign guarantee; you pay renewal fee; and you and your owners sign a release.

Provision		Section in Franchise Agreement	Summary
(d)	Termination by you	§ 8.C.	Breach by us and failure to cure breach or take reasonable steps to cure such breach within 60 days after written notice provided you are in full compliance with the Franchise Agreement. In addition, within the first four years of the Franchise Agreement you may terminate by giving us 365 days' advance written notice of termination. In consideration of our permitting early termination, you must transfer any and all assets relating to your Pop Cart Business to us or our designee on the date of termination for $1.
(e)	Termination by us without cause	None	None
(f)	Termination by us with cause	§ 8.A.	We can terminate only if you default or if certain events (described in (g) and (h) below) occur.
(g)	"Cause" defined – defaults which can be cured	§ 8.A.	You do not make any payment to us or our affiliate when due or you do not have sufficient funds in your account to cover amounts owed to us or our affiliate, and you fail to cure such non-payment or insufficiency within 10 days of notice; the designated payment method is ineffective for any reason and you fail to do all things necessary to authorize payment by the designated payment method within 10 days of notice; you misuse the Marks and fail to remedy the misuse within 10 days of notice; you fail to comply with a law that results in a threat to public health within 24 hours of notice; and any other breach of the Franchise Agreement, the Manuals and standards not cured within 10 days of notice.

Provision	Section in Franchise Agreement	Summary
(h) “Cause” defined – defaults which cannot be cured	§ 8.A.	You make a misrepresentation or material omission in your application; you intentionally revoke the designated Payment Method; you understate twice in a one year period your Gross Sales by more than 2% or you submit records that understate Gross Sales by more than 5% of your Gross Sales for any period; you fail to commence operations within 60 days after signing; you fail to complete training to our satisfaction by the required opening date; your bankruptcy/insolvency; you or any owner is convicted or pleads nolo contender to a felony or crime involving moral turpitude or engage in conduct that we believe is likely to have an adverse impact on the System; you or any owner disclose any confidential information or violate the non-competition covenants; you engage in a transfer that does not comply with the Franchise Agreement; you or any owner slanders or libels us or any of our personnel or engages in conduct that is unprofessional/threatening/intimidating towards us or our personnel; a default occurs under any other agreement between us that would permit termination (but not including a default relating to the failure to meet a development schedule under a Development Agreement); you receive a notice of default and commit another breach of the same provision within six months; and you receive two or more notices of default and you commit another breach of the Franchise Agreement in a 12-month period.
(i) Your obligations on termination/non–renewal	§ 9; § 10.B.	Obligations include payment of amounts due and our costs incurred as a result of any default; return of Manuals and other materials; cancel assumed names and notify telephone and listing companies of the termination of your right to use the telephone/listing and transfer/provide access to all social media accounts; cease using the System and the Marks; pay liquidated damages; permit us to purchase inventory and equipment; and comply with covenants not to compete. Any inventory of Pops not purchased by us may not be resold and must be promptly destroyed by you.
(j) Assignment of contract by us	§ 11.A.	No restriction on our right to assign.

	Provision	Section in Franchise Agreement	Summary
(k)	"Transfer" by you – definition	§ 11.B.	Includes (i) the sale, lease, sublease, third party management, pledge or grant of a security interest in or other encumbrance of your right in and to the Pop Cart Business or any material asset of the Pop Cart Business or the sale of substantially all of the assets of the Pop Cart Business; (ii) a merger or consolidation of you with and into another entity; (iii) the issuance or transfer of equity interests in you (whether in a single or series of transactions); or (iv) the assignment or delegation of the Franchise Agreement or any of your rights and obligations under the Franchise Agreement.
(l)	Our approval of transfer by you	§ 11.B.	No transfer permitted without our prior written approval. We may arbitrarily withhold our consent to transfer for any reason, subject to state laws.
(m)	Conditions for our approval of transfer	§ 11.C.	We have the right to require one or more of the following as conditions to our granting consent to transfer: transferor signs release, transferee of an owner (in the case of an equity transfer) enters into a written joinder, new Person in-Charge must meet the then–applicable standards for new franchisees and attend and successfully complete any prescribed training; you pay transfer fee; transferee executes our then-current form of franchise agreement for the remaining term (which may contain materially different terms) if the transfer involves a change in control; you and your owners sign a release; and you pay a transfer fee.
(n)	Our right of first refusal to acquire your Pop Cart Business	§ 11.D.	We have 30 days to purchase on the same price and terms.
(o)	Our option to purchase your Pop Cart Business	§ 11.C.	Upon expiration or termination of the Franchise Agreement, we have the option to purchase your assets and you must assign your lease to us if we request that you do so.
(p)	Death or disability	§ § 11.E. and 11.F.	Upon the death or appointment of a permanent guardian or conservatorship for you or your Person in-Charge, the deceased or permanently disabled person's interest must be transferred within 6 months. If you or your Person in-Charge is determined to be temporarily disabled and the condition does not resolve within 3 months, we may require the transfer of such person's interest within 6 months of our notice.

Provision		Section in Franchise Agreement	Summary
(q)	Non–competition covenants during the term of your Pop Cart Business	§ 10.A.	No involvement in competing business.
(r)	Non–competition covenants after your Pop Cart Business is terminated or expires	§ 10.B.	No involvement for 2 years in a competing business within your Area, a 25 mile radius of your Area or a 25-mile radius of any other Pop Cart Business' area operating at the time.
(s)	Dispute resolution by arbitration or mediation	§ 12.	Except for certain claims, so long as our principal office is in Atlanta, Georgia, arbitration shall take place in metropolitan Atlanta, Georgia.
(t)	Modification of the agreement	§ 13.L.	All amendments must be mutually agreed upon and in writing.
(u)	Integration/merger clause	§ 13.K.	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforced. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
(v)	Choice of forum	§ 13.E.	Claims not required to be arbitrated may be brought only in certain state or federal courts located in the state where our principal place of business is located at the time of suit (currently, metropolitan Atlanta, Georgia).
(w)	Choice of law	§ 13.D.	Georgia law applies.

The table below lists certain important provisions of the Development Agreement. You should read these provisions in the form of Development Agreement attached to this Disclosure Document as **Exhibit C**.

Provision		Section in Development Agreement	Summary
(a)	Term of Development	§ 5	On the last opening date specified on the Development Schedule.
(b)	Renewal or extension of the term	None, but see § 4	If you are in full compliance with the Development Schedule, you may extend development deadlines one time for each Business to be developed for up to 6 months upon payment of a fee and advance notice.
(c)	Requirements for you to renew or extend	Not Applicable	Not Applicable
(d)	Termination by you	Not Applicable	Not Applicable
(e)	Termination by us without cause	Not Applicable	Not Applicable
(f)	Termination by us with cause	§ 7	See subsections (g) and (h) below.

	Provision	Section in Development Agreement	Summary
(g)	"Cause" defined – defaults which can be cured	§ 7	For any default not listed in subsection (i) below, you have 30 days within which to cure the default.
(h)	"Cause" defined – defaults which cannot be cured	§ 7	You fail to meet the Development Schedule; we have delivered notice of default under a Franchise Agreement and you fail to cure within the required timeframe; any other agreement with you or your affiliates is terminated by us or our affiliates.
(i)	Your obligations on termination/non–renewal	Not Applicable	Not Applicable
(j)	Assignment of contract by us	Not Applicable	Not Applicable
(k)	"Transfer" by you – definition	§ 10	Includes a transfer of any interest in the Development Agreement, substantially all of your assets or any transfer of a controlling interest in you (if you are an entity).
(l)	Our approval of transfer by you	§ 10	We are not required to approve a transfer.
(m)	Conditions for our approval of transfer	Not Applicable	Not Applicable
(n)	Our right of first refusal to acquire your Pop Cart Business	Not Applicable	Not Applicable
(o)	Our option to purchase your Pop Cart Business	Not Applicable	Not Applicable
(p)	Death or disability	Not Applicable	Not Applicable
(q)	Non–competition covenants during the term of your Pop Cart Business	Not Applicable	Not Applicable
(r)	Non–competition covenants after your Pop Cart Business is terminated or expires	Not Applicable	Not Applicable
(s)	Dispute resolution by arbitration or mediation	§ 11	Except for certain claims, so long as our principal office is in Atlanta, Georgia, arbitration shall take place in metropolitan Atlanta Georgia.
(t)	Modification of the agreement	§ 12(i)	All amendments must be mutually agreed upon and in writing.
(u)	Integration/merger clause	§ 12(h)	Only the terms of the Development Agreement are binding (subject to state law). Any other promises may not be enforced. However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.

Provision		Section in Development Agreement	Summary
(v)	Choice of forum	§ 11	Claims not required to be arbitrated may be brought only in certain state or federal courts located in the state where our principal place of business is located at the time of suit (currently, metropolitan Austin, Georgia).
(w)	Choice of law	§ 11	Georgia law applies.

Item 18. PUBLIC FIGURES

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

Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in **Item 19** may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item, for example, by providing information about performance at a particular location or under particular circumstances.

The table below is a historic financial performance representation showing monthly Gross Sales for all Pop Cart Business franchisees that operated during any portion of 2022.

Monthly Gross Sales for Pop Cart Business Franchisees from January 1, 2022 to December 31, 2022													
Territory Name	State	January	February	March	April	May	June	July	August	September	October	November	December
Decatur	GA	$37	$4,201	$11,565	$8,337	$12,686	$10,533	$5,624	$8,648	$6,465	$11,638	$2,630	$1730
Brookhaven	GA	$275	$2,530	$14,668	$34,639	$46,843	$29,808	$12,376	$12,532	$11,020	$6,921	$1,435	$441
Buckhead	GA	$ -	$ -	$ -	$ -	$10,672	$21,322	$10,980	$8,826	$17,892	$13,415	$12,453	$ -
Wedgewood	TN	$100	$6,640	$1,909	$3,705	$5,832	$5,149	$9,040	$14,144	$8,869	$4,694	$2,050	$ 1,595
Belle Meade	TN	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Alpharetta	GA	$693	$1,663	$3,583	$16,833	$29,233	$32,304	$33,838	$24,406	$10,731	$10,394	$3,471	$ -
Roswell	GA	$ -	$ -	$ -	$ -	$ -	$1,786	$2,972	$3,338	$4,684	$ -	$ -	$ -
Downtown Charleston	SC	$ -	$660	$6,149	$20,152	$16,494	$20,139	$32,589	$24,538	$6,193	$30,606	$2,475	$2,862
Marietta	GA	$ -	$246	$2,737	$21,868	$30,325	$57,621	$7,920	$13,368	$15,402	$12,366	$152	$ -
Kirkwood	GA	$1,450	$3,429	$1,089	$21,255	$38,952	$22,847	$29,022	$22,159	$14,940	$4,962	$1,183	$ -
Canton	GA	$23	$743	$11,385	$9,405	$25,192	$21,984	$12,663	$17,767	$10,580	$16,693	$5,238	$ 58
Suwanee	GA	$1,920	$6,150	$12,522	$17,406	$37,299	$16,676	$22,039	$29,962	$17,765	$9,804	$2,500	$ -
Gainesville	GA	$ -	$2,021	$6,652	$6,187	$6,027	$6,377	$7,096	$14,383	$7,406	$4,528	$1,348	$960
Braselton	GA	$ -	$ -	$400	$5,487	$8,739	$4,955	$11,240	$10,854	$8,914	$4,555	$1,560	$ -
Murfreesboro	TN	$ -	$ -	$1,856	$1,814	$2,332	$989	$3,203	$1,173	$697	$ -	$ -	$-
Athens	GA	$ -	$ -	$1	$4,017	$9,377	$16,166	$8,497	$11,763	$14,656	$7,269	$2,749	$1,495
Woodstock	GA	$ -	$ -	$1	$6,543	$23,915	$15,744	$15,098	$7,839	$11,339	$11,167	$ -	$225
Chattanooga	TN	$ -	$ -	$136	$3,942	$5,936	$4,465	$9,127	$3,606	$3,500	$1,689	$ -	$ -
The Fan	VA	$ -	$ -	$ -	$ -	$1,413	$4,629	$4,903	$2,952	$3,398	$7,239	$ -	$ -
Libbie Mill	VA	$ -	$ -	$ -	$ -	$3,921	$5,798	$2,238	$7,926	$4,242	$7,711	$579	$362
Tucker	GA	$ -	$ -	$ -	$1	$2,879	$9,198	$8,944	$4,150	$3,144	$2,811	$ -	$571
Huntersville	NC	$ -	$ -	$ -	$ -	$3,298	$9,328	$12,763	$21,442	$13,748	$7,200	$840	$ -
Cumming	GA	$ -	$ -	$ -	$ -	$1,980	$6,998	$1,316	$3,323	$3,160	$6,037	$98	$508
Dallas	GA	$ -	$ -	$ -	$ -	$ -	$1	$3,163	$10,873	$9,118	$10,622	$1,360	$700
West Knoxville	TN	$ -	$ -	$ -	$ -	$ -	$ -	$297	$1,903	$1,671	$1,594	$1,381	$548
South Walton	FL	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$812	$436	$1,056	$224	$16
Dahlonega	GA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$3,023	$2,751	$3,729	$68	$494
Smyrna	GA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$7,513	$12,215	$1,776	$265
Mooresville	NC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$84	$576	$396
East Alpharetta	GA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cartersville	GA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Arlington	VA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mt. Pleasant	SC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Buford	GA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The table below is a historic financial performance representation showing total monthly Gross Sales and average, median and high-low Gross Sales by month from January to December 2022 for all Pop Cart Businesses that were active and operating for any portion of the specified month.

Monthly Gross Sales Analysis for Active Pop Cart Business Franchisees (January 1, 2022 to December 31, 2022)							
Month	Number of Active Franchisees	Total Gross Sales	Average Gross Sales	% that Met or Exceeded Average	Median Gross Sales	High Gross Sales	Low Gross Sales
January	13	$4,497	$346	3 of 13 (23%)	$37	$1,920	0
February	13	$28,283	$2,176	6 of 13 (46%)	$1,842	$6,640	0
March	17	$74,652	$4,391	6 of 17 (35%)	$1,909	$14,668	0
April	20	$181,591	$9,080	7 of 20 (35%)	$5,837	$34,639	0
May	22	$323,344	$14,697	9 of 22 (41%)	$9,058	$46,843	0
June	23	$324,816	$14,122	10 of 23 (43%)	$9,328	$57,621	0
July	24	$266,948	$11,123	9 of 24 (38%)	$8,992	$33,838	0
August	26	$285,708	$10,989	11 of 26 (42%)	$9,840	$29,962	0
September	27	$220,233	$8,157	13 of 27 (48%)	$7,513	$17,892	0
October	28	$210,997	$7,536	14 of 28 (50%)	$7,060	$30,606	0
November	28	$46,145	$1,648	9 of 28 (32%)	$1,265	$12,453	0
December	29	$13,808	$476	10 of 29 (34%)	$265	$2,862	0

<u>Notes to Financial Performance Representation</u>:

Some King of Pops Franchisees sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

1. The financial data in this **Item 19** is provided only for the Pop Cart Businesses identified with respect to each table. The first table includes Gross Sales data on a monthly basis for all Pop Cart Businesses in operation during 2022. The data for each month listed in the second table does not include data for Pop Cart Businesses that were inactive during the specified month. Neither we nor an independent accountant has independently audited or verified the information. Figures are rounded to the nearest dollar.

2. For purposes of this **Item 19**, “Gross Sales” has the same definition as stated in the first Explanatory Note below the table in **Item 6**.

3. The Pop Cart Businesses that are the source of the data in the tables offer the same types of products and services that your business will offer and operate in substantially the same manner that your business will operate. These Pop Cart Businesses’ territories may vary significantly based on size, population, and demographics.

4. You should conduct an independent investigation and evaluation of the potential performance of your territory and the costs and expenses you will incur in operating your territory. Our existing franchisees can be a valuable source of information about franchise operations, financial performance and expenses, and their experiences with their King of Pops business. You are responsible for developing your own business plan for your business, including capital budgets, financial statements, projections and other appropriate factors. We recommend that you consult with your attorney, accountant, and other advisors when developing a business plan and

when evaluating the Franchise Agreement, this Disclosure Document, and this franchise opportunity.

5. Written substantiation for the financial performance representation will be made available to you upon reasonable request.

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 your future income, you should report it to our management by contacting Steven Carse at 552 Decatur Street SE, Atlanta, Georgia, 30312, telephone: (678) 732-9321, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	32	+32
Company-Owned	2020	2	2	0
	2021	2	2	0
	2022	2	2	0
Total	**2020**	**2**	**2**	**0**
	2021	**2**	**2**	**0**
	2022	**2**	**34**	+32

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2020	0
	2021	0
	2022	0

Florida	2020	0
	2021	0
	2022	0
Georgia	2020	0
	2021	0
	2022	0
North Carolina	2020	0
	2021	0
	2022	0
South Carolina	2020	0
	2021	0
	2022	0
Tennessee	2020	0
	2021	0
	2022	0
Virginia	2020	0
	2021	0
	2022	0
	2022	0
Total	**2020**	**0**
	2021	**0**
	2022	**0**

Table 3
Status of Franchised Outlets
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi- Nations	Column 6 Non-Renewal s	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Alabama	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Florida	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Georgia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

	2022	0	21	1	0	0	0	20
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	5	1	0	0	0	4
Virginia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
Total	**2020**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2021	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**36**	**2**	**0**	**0**	**0**	**32**

Table 4
Status of Company-Owned Outlets
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Georgia	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
Total	**2020**	**2**	**0**	**0**	**0**	**0**	**2**
	2021	**2**	**0**	**0**	**0**	**0**	**2**
	2022	**2**	**0**	**0**	**0**	**0**	**2**

Table 5
Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Alabama	0	2	0
Florida	0	8	0
Georgia	0	2	0
New Jersey	0	0	0
North Carolina	0	4	0
South Carolina	0	2	0
Tennessee	0	2	0
Virginia	0	4	0
Total	**0**	**24**	**0**

We currently have no developers who have entered into Development Agreements with us.

Exhibit I contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Exhibit I contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date.

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

We are not selling a previously-owned franchised outlet now under our control.

We have not entered into confidentiality clauses with any franchisee restricting their ability to communicate with you as of the date of this Disclosure Document.

There are no trademark-specific franchisee organizations associated with our System.

Item 21. FINANCIAL STATEMENTS

Attached as **Exhibit G** of this Disclosure Document is our audited opening balance sheet as of January 3, 2022 and audited financials for our fiscal year ended December 31, 2022. Our fiscal year ends on December 31. **Because we have not been in existence for at least 3 years, we do not have available and cannot yet include in this Disclosure Document three full years of audited financial statements**.

Item 22. CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

Exhibit B.	Franchise Agreement (with Payment and Performance Guaranty)
Exhibit C.	Development Agreement
Exhibit D.	Non-Competition Agreement
Exhibit E.	King of Pops Cart Franchisee Lease Agreement
Exhibit F.	King of Pops Cart Franchisee Supply Agreement
Exhibit K.	State Specific Addenda to Franchise Agreement

EXHIBIT A

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible or the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Department of Financial Protection and Innovation *Los Angeles* 320 West 4th Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 *Sacramento* 2101 Arena Blvd. Sacramento, CA 95834 (866) 275-2677 *San Diego* 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 *San Francisco* One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
	(217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	
Maryland	Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Fl. New York, New York 10005 (212) 416-8285	New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 Attention: New York Secretary of State (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414

State	State Administrator	Agent for Service of Process (if different from State Administrator)
	Bismarck, ND 58505-0510 (701) 328-4712	Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	
Wisconsin	Administrator Division of Securities Department of Financial Institutions State of Wisconsin 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 266-0448	

EXHIBIT B

<u>Franchise Agreement</u>

(Attached)

KING OF POPS CART FRANCHISE AGREEMENT

Franchisee Name: ________________

Franchisee Number: ______________

SUMMARY PAGE

1. **Effective Date:**___________________________

2. **Your Legal Name:**____

3. **Your State of Organization** *(if applicable)*:____

4. **Principal Place of Business:** Your principal place of business is located at:_____________

____

5. **Your Area (Section 1(A)(i)):** You must operate your Pop Cart Business in the following **"Area"**:____

____

6. **Minimum Active Operating Weeks (Section 1(A)(i)):** You must operate your Pop Cart Business during the following **"Minimum Active Operating Weeks"** *(e.g., insert "from __/__/__ to __/__/__" or for a "year round market", "all 52 weeks")*:

____

____

7. **Initial Franchise Fee (Section 3(A)):**____

8. **Minimum Royalty Fee (Section 3(B)):** Your "**Minimum Royalty Fee**" for each of your Minimum Active Operating Weeks is:

Year	Minimum Royalty Fee (to be paid for each of your Minimum Active Operating Weeks)
Year 1	$____
Year 2	$____
Year 3	$____
Year 4	$____
Year 5	$____

9. **Pop Delivery Location (Section 6(D)):**

____

____

10. Your Person In-Charge (Section 6(A)): If you are an individual and own 100% of the Pop Cart Business, your "Person In-Charge" is you. If the Pop Cart Business has multiple owners, the "Person In-Charge" who must own at least 50% of the Pop Cart Business, is listed below:

____

11. Ownership (Section 6(Y)): If an entity, the following persons constitute all your owners:

Name	Percentage Ownership
______________________________	______%
______________________________	______%
______________________________	______%

12. Your Address for Notices (Section 13(P)): ______________________________________

____

13. Additional Terms *(if any)* (Section 13(W)): ______________________________________

____

____

Initials: __________ (King of Pops Franchising, LLC) __________ (You)

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KING OF POPS CART FRANCHISE AGREEMENT

This Agreement is made on the date (the **"Effective Date"**) on the Summary Page which appears after the cover page of this Agreement (the **"Summary Page"**; the Summary Page and all exhibits attached to this Agreement are incorporated herein by this reference) between **King of Pops Franchising, LLC,** a Georgia limited liability company with its principal place of business at 552 Decatur Street SE, Atlanta, Georgia, 30312 ("**Franchisor**", "**us**" or "**we**"), and the individual(s) or entity identified in Section 2 of the Summary Page (the "**King of Pops Cart Franchisee**" or "**you**") with his/her or its principal place of business as set forth on the Summary Page.

BACKGROUND:

- We and our Affiliates (as defined), through the use of valuable resources, have developed expertise in the operation of businesses (each, a **"Pop Cart Business"**) that sell hand-crafted ice pops to people and their pets made using high quality and, to the extent possible, locally-sourced ingredients (**"Pops"**; and, together with other products permitted to be sold by you by us in writing, **"Approved Products"**). The Pop Cart Businesses use full or mini mobile carts and other approved methods to offer and sell Pops and other Approved Products to customers.

- The Pop Cart Business system includes distinct elements, including, but not limited to, the Pops; the Pop Carts (as defined); the Marks (as defined); training in operations, advertising and marketing, customer service techniques, procedures and methods; our confidential Operations Manuals (the **"Manuals"**) which sets forth mandatory and suggested specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Pop Cart Business (the **"System Standards"**); all of which may be changed or enhanced from time to time (the **"System"**).

- Our Affiliate, King of Pops, Inc. (**"KOP"**), is the owner of the marks "King of Pops ", "King of Pups" and other marks and names, logos, slogans, insignia and commercial symbols designated by KOP for use in the System (collectively, the **"Marks"**). KOP has granted us the right to use and license the Marks to third parties who want to establish Pop Cart Businesses (i.e., the right to sublicense).

- You have decided that you would like to operate a Pop Cart Business, and we would like to grant you the right to do so, subject to the terms and conditions of this Agreement.

You and we agree as follows:

Section 1: GRANT

A. Grant.

(i) Subject to the terms and conditions contained herein, we grant you, and you accept, the right and obligation, to operate a Pop Cart Business in accordance with the

System Standards in the geographic area described on the Summary Page (your **"Area"**). Unless otherwise approved by us, you agree to operate the Pop Cart Business during the minimum active operating weeks as set forth on the Summary Page (the **"Minimum Active Operating Weeks"**) for the entire Initial Term (as defined in **Section 2(A)**).

(ii) You acknowledge and agree that the license granted to you hereunder is limited to the offer and retail sale of Pops and other Approved Products from one or more Pop carts which meet our specifications (each, a **"Pop Cart"**) and from approved drop-off coolers or other approved methods as specified in the Manuals from time to time (each, an **"Approved Sale Method"**). Except as indicated in Section 13 of the Summary Page or as otherwise approved by us in writing, you may not sell Pops from trucks, other vehicles or a brick and mortar location. If we consent to your selling Pops from trucks, other vehicles or a brick and mortar location, we may revoke our approval at any time and such revocation shall be effective upon delivery of written notice to you. Any amounts received by you in connection with the sale of Pops from trucks, other vehicles or brick and mortar locations shall be included in Gross Sales (as defined in **Section 3(B)).** You may not sell Pops for resale by any third party.

(iii) Except as provided in this subsection (iii), you must operate the Pop Cart Business only within your Area. You may operate your Pop Cart Business in areas that are outside of your Area and not in the protected area of another franchisee only if you have obtained our prior consent. If we do permit you to operate your Pop Cart Business outside of your Area, your Gross Sales derived from sales outside of your Area may not exceed 25% of your total Gross Sales in any calendar year. In addition, you must follow all policies, rules and requirements in the Manuals related to operating in an unassigned area and shall immediately cease to operate outside the Area when directed by us. Under no circumstances will you operate the Pop Cart Business in the protected area of another franchisee.

B. Territorial Rights. Except as provided below, if you are in full compliance with this Agreement, neither we nor our Affiliates will sell Pops from Pop Carts within your Area, nor grant the right to sell Pops from Pop Carts to any person within your Area. Within your Area, we have the right to engage in any of the following activities (directly or through an Affiliate), and grant others the right to engage in any of the following activities:

(i) operate or license others to operate any businesses using the Marks anywhere (including without limitation brick and mortar retail locations selling Pops or similar products), so long as we and our Affiliates do not sell Pops from Pop Carts in your Area or license any person the right to sell Pops from Pop Carts in your Area;

(ii) sell Pops and similar products under any trademark including the Marks at any location within or outside your Area through *other* distribution channels including but not limited to, grocery stores, convenience stores and other retail businesses (that are not Pop Carts), or through mail order or the Internet;

(iii) acquire, be acquired by, or merge with competitive businesses and operate or license them to operate anywhere or, at our option, convert them to businesses operating under the Marks or any other name, even if such businesses are competitive with your Pop Cart Business; and

(iv) operate or license others to sell Pops from Pop Carts at Non-Traditional Venues (as defined below) within and outside of your Area or at Events (as defined in **Section 1(C)**) if you fail to accept the corresponding Event Offer (as defined in **Section 1(C)**) in a timely manner; provided, however, we reserve the right to sell or license others to sell Pops from Pop Carts at Large Events (as defined in **Section 1(C)**).

The license granted to you under this Agreement is nonexclusive, and, except as provided in the first sentence of this **Section 1(B)**, you have no protected rights. We or our Affiliates may engage in any of the above activities whether or not these activities are competitive with your Pop Cart Business and regardless of proximity to your Area and impact on your sales. The activities described above are only examples, and do not limit the business activities that we and our Affiliates may undertake. All other rights to your Area are reserved to us and our Affiliates.

"Affiliate" as used in this Agreement means a person or entity that, directly or indirectly, through one or more intermediaries, has the power to direct, or cause the direction of, the management or policies of another person or entity, whether through the ownership or voting securities, by contract, or otherwise.

"Non-Traditional Venues" include (a) venues with limited access to the public of a capacity of 3,000-plus people, such as arenas, stadiums and other entertainment venues; and/or (b) any site for which the lessor, owner or operator limits the operation of its beverages and/or food service facilities to a master concessionaire or contract food service provider (e.g., an airport or university food court).

C. Events. We reserve the right to offer (and may grant others the right to offer) Pops from Pop Carts at certain Events that require a significant number of Pops (**"Large Events"**) in your Area. The number of Pops that constitute a Large Event will be determined by us from time to time in our sole discretion and will be specified in the Manual. With the exception of Large Events, for all other Events in your Area, we will first offer you the right to offer Pops (the **"Event Offer"**) at any Event scheduled to take place in your Area within a reasonable time after our receipt of a request that a Pops Cart be provided at such Event. Our Event Offer will be given to you through our HubSpot system (or any other system designated by us in the Manuals from time to time). You will have 24 hours from the posting of the Event Offer on HubSpot (or any other designated system) within which to accept the Event and communicate your acceptance to the Event customer. If you do not accept the Event Offer and communicate your acceptance to the Event customer within this time period, we may ourselves offer Pops at the Event or permit others (including without limitation other franchisees) to offer Pops at the Event. An "**Event"** includes a party, social gathering, business meeting, speaker session, workshop, tradeshow, concert, exposition, award show, conference, networking session, festival or other similar event, as determined by us in our sole discretion.

D. Advertising Outside of Your Area. Unless you receive our prior written approval, you may not advertise outside your Area. If we approve, you may advertise using methods that are generally circulated or broadcast throughout your Area such as social media, magazine or newspaper advertisements, use of mail zones, or radio or television broadcasts, so long as such generally circulated advertisements are not specifically targeted to reach areas or customers outside your Area. All Digital Marketing (as defined in **Section 4(E)**) must also comply with the requirements of **Section 4(E)**.

Section 2: TERM AND RENEWAL TERMS

A. Initial Term. The term starts on the Effective Date and expires five years from the Effective Date (the **"Initial Term"**).

B. Renewal. Upon expiration of the Initial Term, you have the right to obtain two five-year consecutive renewal terms (each, a **"Renewal Term"**; collectively, with the Initial Term, the **"Term"**) provided each of the following conditions have been fulfilled as of the expiration of the Initial Term:

(i) you give us written notice of your intent to renew not less than 30 days nor more than 120 days prior to expiration;

(ii) you complete upgrades/improvements or replacements to your Pop Cart Business and all related signage, equipment, and technology and you and your personnel have completed required training to bring the Pop Cart Business into conformity with our standards for new franchisees;

(iii) you have substantially complied with this Agreement and any other agreement between you and us or our Affiliates throughout the expiring term and are in full compliance with this Agreement and such other agreements at the date of expiration;

(iv) you have fully complied with the King of Pops' core values, purpose and vision (as specified in the Manuals) (the **"KOP Statement"**) throughout the expiring term;

(v) in the 12-month period prior to expiration, you have purchased for distribution at least 30,000 Pops;

(vi) you have executed our then-current form of franchise agreement with terms that may differ materially from this Agreement. Your owners (your **"Owners"**) must become personally obligated for your obligations under such agreement;

(vii) you have paid a Renewal Term fee equal to $1,000; and

(viii) you and your Owners release all claims against us and our Affiliates, and our owners, employees, agents and representatives in a form reasonably satisfactory to us.

C. Notice Required by Law. If we are not offering new franchises, are in the process of revising, amending or renewing our form of franchise agreement or franchise disclosure document, at the time that this Agreement expires, we may, in our discretion (i) offer to renew this Agreement upon the same terms set forth in this Agreement for a Renewal Term determined in accordance with **Section 2(B)**; or (ii) offer to extend the the-current term on a week-to-week basis following expiration for as long as we deem necessary or appropriate so that we may lawfully offer our then-current franchise agreement.

D. Month-to-Month Agreement. If you do not sign our then-current form of franchise agreement prior to expiration and you continue to accept the benefits of this Agreement after it expires, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating without a license to do so and in violation of our rights; or (ii) continued on a month-to-month basis ("**Month-to-Month Agreement**") until one party provides the other with written notice of such party's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate 30 days after receipt of the notice to terminate. In the latter case, all of your obligations will remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed at the expiration of this Agreement will take effect upon termination of the Month-to-Month Agreement.

Section 3: FEES

A. Initial Franchise Fee. On the Effective Date, you must pay us the initial franchise fee (the **"Initial Franchise Fee"**) specified on the Summary Page. The Initial Franchise Fee is non-refundable, except if we terminate this Agreement because you fail to successfully complete initial training required under **Section 6(B).** If we terminate this Agreement because you fail to complete training, we will refund you 50% of your Initial Franchise Fee provided you sign a general release in a form satisfactory to us.

B. Royalty Fee. You must pay us a continuing royalty fee that is the greater of (i) 5% of your weekly Gross Sales (as defined below); or (ii) the weekly Minimum Royalty Fee specified on the Summary Page (the **"Royalty Fee"**). "**Gross Sales**" means the total amount received by you in connection with the Pop Cart Business related to the sale of Pops, Approved Products and any other service or merchandise, excluding only the following (i) the amount of any refunds to customers for bona fide returns of goods sold; (ii) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority; and (iii) bona fide gratuities paid by customers. Payment processing fees are not deductible from Gross Sales.

C. Brand Marketing Fund Contribution. You must contribute an amount that we specify that is up to 2% of Gross Sales to the King of Pops Cart Franchisees Brand Marketing Fund (the **"Brand Marketing Fund"**). *We currently require that you contribute 1% of weekly Gross Sales to the Brand Marketing Fund.*

D. Technology Fee. We or our Affiliates may charge you a technology fee that we specify that is up to $20 per week per user for the use of certain third party software, proprietary technology and other technology that we or our Affiliates provide to you or allow you to access.

E. Non-Compliance Fee. If you violate a System Standard and fail to bring your Pop Cart Business into compliance with such System Standard within three days after we have delivered to you notice of the violation (which may be by telephone or email), you must pay us upon demand a daily non-compliance fee of $100 for each day that you are not in compliance with such System Standard. Our right to charge a non-compliance fee is in addition to any other remedy provided under this Agreement. Our damages from your failure to comply with System Standards may include loss of goodwill and other damages, and are difficult to measure and quantify; such amount is, therefore, a reasonable approximation of damages, and not a penalty.

F. Payment.

(i) You must make payments of Royalty Fees and Brand Marketing Fund contributions to us at the due dates, for the periods and using the payment method we designate from time to time (the **"Designated Payment Method"**). We may change due dates, periods and the Designated Payment Method upon 30 days advance written notice to you. You will promptly cooperate with us in all respects to implement the Designated Payment Method (including any newly implemented Designated Payment Method) and return all required documents and other authorizations within promptly after our request. Your failure to do so or to revoke any necessary authorizations for the Designated Payment Method is a material default of this Agreement.

(ii) We currently require that payments of Royalty Fees and Brand Marketing Fund contributions be made on a weekly basis and by electronic debit. Each weekly period hereunder for purpose of paying Royalty Fees and Brand Marketing Fund contributions shall run from 12.01 AM Monday morning (eastern time) to Sunday at midnight (eastern time). You must pay the Royalty Fee and Brand Marketing Fund contributions by automatic debit so that we actually receive it no later than the 8:00 AM (eastern time) on the Wednesday following each weekly period. You must sign and deliver to us the Authorization Agreement for Prearranged Payments (Direct Debits), a copy of which is attached as **Exhibit A.**

(iii) The calculation of Royalty Fees and Brand Marketing Fund contributions are made by us based on Gross Sales of your Pop Cart Business as reflected in your Technology System or based on your Gross Sales Reports delivered under **Section 6(W)** (subject to the weekly Minimum Royalty Fee requirements specified on the Summary Page). If you fail to make information available to us regarding your Gross Sales, including failing to timely submit required reports, or if the information provided is inadequate, as determined in our discretion, we may withdraw an amount due that is equal to the previous week's Royalty Fee and Brand Marketing Fund contributions (or the weekly Minimum Royalty Fee if greater). When you make information available to us regarding your Gross Sales or information sufficient to determine your Gross Sales, we will calculate the Royalty Fee and the Brand Marketing Fund contributions and provide you with a credit or you must pay us the shortfall along with any interest due, as applicable.

G. Late Payments. If any payment is not made when due, or if any electronic payment is unpaid because of insufficient funds, you must pay us immediately upon demand the overdue amount, plus interest on the overdue amount from the date it was due until paid at a rate of 18% per annum or the maximum amount permitted by Law, whichever is less. In addition, we may charge a $100 late payment fee for all such overdue payments and a $100 insufficient funds fee for each check, automated bank draft payment, or other payment method that is not honored by your financial institution. This is in addition to any other remedies we may have.

H. Our Right to Apply Payments. We may apply any payments by you to any past due indebtedness for Royalty Fee payments, Brand Marketing Fund contributions, purchases from us or our Affiliates, interest or in any other manner.

I. No Right of Set-Off. You will pay all amounts you are obligated to pay us related to your Pop Cart Business, this Agreement, or the System, without deduction, setoff, or abatement; and you will not, on the grounds of any alleged breach of this Agreement by us or for any other reason, withhold payment of any amounts owed to us.

J. Taxes. In addition to all other payments set forth in this Agreement, you will pay to us immediately on demand the amount of all sales taxes and other taxes related to any fees or transactions described in this Agreement, unless the tax is imposed based on our income.

K. CPI Adjustment. We reserve the right to increase any fixed fee, fixed payment, or fixed amount (i.e., not stated as a percentage) under this Agreement, including your Minimum Royalty Fee specified on the Summary Page, based on changes in the Index (defined below) ("**Annual Increase**"). An Annual Increase to such fees, payments, and amounts may occur only once during any calendar year and any and all Annual Increases will be made at the same time during the calendar year. **"Index"** refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index.

Section 4: ADVERTISING AND MARKETING

A. Brand Marketing Fund. The Brand Marketing Fund will be maintained and administered by us as follows:

(i) We will oversee all advertising and promotional programs and have the sole discretion to approve or disapprove any creative concepts, materials, methods, and media used in such programs and placement. The Brand Marketing Fund is intended to maximize national public recognition of the Marks for the benefit of the System. We undertake no obligation in administering the Brand Marketing Fund to make expenditures for you which are proportionate to your Brand Marketing Fund contributions, or to insure that you benefit directly or pro-rata from advertising or promotion conducted under the Brand Marketing Fund.

(ii) The Brand Marketing Fund and earnings will be used exclusively to meet costs of administering, directing, and preparing advertising activities; sponsorship, marketing surveys and other public relations activities; employing advertising agencies to assist therein; providing promotional brochures and other marketing materials to other franchisees; paying the reasonable compensation of our employees or other third parties providing services related to any activity under this provision and any other activities which, in our sole discretion, will contribute towards the King of Pops brand's national public recognition. All funds paid by you to the Brand Marketing Fund and any earnings thereon are maintained in an account separate from the other monies and shall not be used to defray any of our expenses, except for such reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Brand Marketing Fund and advertising programs for the System.

(iii) We will not maintain separate bookkeeping accounts for the Brand Marketing Fund. However, a statement of the operations of the Brand Marketing Fund will be available to you each year upon request. Such statement need not be audited.

(iv) For each of our outlets (or Affiliates) operating a Pop Cart Business under the System, we (or our Affiliate) are not obligated to make contributions to the Brand Marketing Fund, although we may do so in our sole discretion.

(v) Any year-end surplus or deficit monies in the Brand Marketing Fund are carried over to the following year. The Brand Marketing Fund may borrow amounts from us, our Affiliates or third party lenders on terms and interest rates that are commercially reasonable, as determined in our sole discretion.

(vi) Although the Brand Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the Brand Marketing Fund at any time. The Brand Marketing Fund shall not be terminated, however, until all monies in the Brand Marketing Fund have been expended for the purposes described in this Agreement.

B. Local Advertising. Although you are encouraged to invest in the promotion of your Pop Cart Business in your Area through local advertising, we do not require that you spend any specific amount for local advertising.

C. Advertising Materials and Public Relations. We or an Affiliate may develop creative materials for advertising and make such materials available to you at your own expense. We or our Affiliate may charge you a reasonable fee for any such materials. You must participate in all advertising and marketing campaigns, promotions and activities that we designate.

D. Approval of Advertising. All advertising and promotional activities conducted by you in any medium must be conducted in a dignified manner and must accurately promote, describe and otherwise represent your Pop Cart Business. You will refrain from any advertising or promotional practice which is unethical or may be injurious to the King of Pops business, the other franchisees or the goodwill associated with the Marks. You must obtain our prior approval for all advertising and promotional materials that you intend to use in advance unless we have provided such materials. You shall promptly discontinue use of any advertising or promotional materials upon our request, including any materials provided by us or previously approved by us. Any plans or materials submitted by you to us which have not been approved or disapproved in writing, within 30 days of receipt thereof by us, shall be deemed disapproved.

E. Digital Marketing. You may not establish a website on the Internet/World Wide Web or on any other electronic communication network using a domain name containing "King of Pops", any other of the Marks or any word similar to any of the Marks. We have the exclusive right to advertise on the Internet/World Wide Web and create a website using any of the foregoing or similar or related domain names. We may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, Snapchat, Tumblr etc.), applications, keyword or ad word purchasing programs, mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "**Digital Marketing**") that are intended to promote the Marks, your Pop Cart Business, and the other franchisees. We have the sole right to control all aspects of any Digital Marketing, including those related to your Pop Cart Business. Unless we consent otherwise in writing, you may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to your Pop Cart Business. If we do permit you to conduct any Digital

Marketing, you must comply with any policies, standards, guidelines, or content requirements that we establish periodically in the Manuals and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. We may withdraw our approval for any Digital Marketing at any time. You must establish all Digital Marketing accounts that we specify in the Manuals. Any and all Digital Marketing accounts that you establish in relation to your Pop Cart Business shall be our exclusive property and you must do all things necessary to provide us with access to such Digital Marketing accounts (as specified in the Manuals or otherwise) and permit us to post and delete information on your Digital Marketing accounts. Your failure to do all things deemed necessary by us (as determined in our sole discretion) to transfer ownership and provide access to your Digital Marketing accounts is a material breach of this Agreement.

Section 5: OUR RESPONSIBILITIES

In addition to our duties specified in other Sections of this Agreement, we undertake to perform the following duties:

A. Training. We will make initial training available for you, or if you are an entity, your Person In-Charge and your Manager (as defined in **Section 6(B)**) (up to two individuals total). We will provide instructors, facilities, and materials for the initial training program at no charge. Initial training may be conducted in person, or we may conduct all or any portion of initial training virtually, at our option. We may offer refresher or additional training programs or seminars from time to time. We reserve the right to charge a reasonable fee for additional persons (beyond two), for training persons who are repeating the initial training course or replacing a person who did not successfully complete the initial training course, and for any replacement Person In-Charge or Manager attending the initial training course. We may charge a reasonable fee for refresher or additional training programs. You are solely responsible for any travel and living expenses, wages, and other expenses incurred by your trainees for any training programs that we conduct.

B. Manuals. We will loan to you one copy of the Manuals. Access to the Manuals will be provided electronically. The Manuals could include audiotapes, videotapes, other electronic media, and/or written materials. The Manuals contain our System Standards that we periodically prescribe for operating a Pop Cart Business and other information on your other obligations under this Agreement. We may modify the Manuals and the System Standards periodically and you must comply with any changes within 30 days of notice. Any employment-related policies and procedures are provided as best practices only and you determine to what extent, if any, such employment-related policies and procedures contained in the Manuals should apply to your operations at the Pop Cart Business. The Manuals are Confidential Information and our property, and may not be duplicated or copied in whole or in part in any manner. You agree to follow the System Standards, as may be amended by us from time to time.You also agree to adopt and adhere to the KOP Statement contained in the Manual, as it may be revised from time to time. You acknowledge and agree that your agreement to adopt and adhere to our KOP Statement is a material inducement to our agreement to enter into this Agreement with you and represent our brand as a franchisee. You are responsible for keeping up to date on the latest copy of the Manuals. You may not disclose the Manuals to any person other than Pop Cart Business employees who need to know its contents.

C. Continuing Assistance. We will, if so requested, provide continuing consultation and advice regarding business, financial, operational, sales and advertising matters, types of products offered, and operation of the Pop Cart Business. In general, we will provide such assistance by telephone or electronic communication, including webinars. We may charge a reasonable per diem/per trainer fee for any on-site assistance rendered by our personnel along with any travel and living expenses incurred by our personnel in providing on-site assistance.

D. Pricing. We will provide guidance with respect to suggested retail prices upon request. We may provide mandatory pricing, subject to applicable laws.

E. Equipment, Signs, Fixtures, Opening Inventory, and Supplies. We will provide you a list of our specifications and approved suppliers for equipment, signs, opening inventory, and supplies necessary to open your Pop Cart Business.

F. Administration. We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control. We may make any such procedures part of required (and not merely recommended) System Standards.

G. Brand Marketing Fund. We will manage the Brand Marketing Fund,

H. Website. We will maintain a website for the King of Pops brand, which will include your business information.

Section 6: YOUR RESPONSIBILITIES

In addition to your duties specified in other Sections of this Agreement, you undertake to perform the following duties:

A. Person In-Charge. You, or if you are an entity, a principal who has a minimum of 50% ownership interest in you, must directly supervise the operation of your Pop Cart Business (the "**Person In-Charge**"). Your initial Person-in-Charge is listed on the Summary Page. We have the right to rely upon the Person In-Charge's communications and decisions regarding your Pop Cart Business' operation.

B. Training. You, or if you are an entity, your Person In-Charge and your designated manager (who may be the same person as the Person in-Charge) (the "**Manager**") must attend and successfully complete, to our satisfaction, prior to opening your Pop Cart Business, the initial training program described in **Section 5(A).** Any replacement Person In-Charge or Manager may also be required to complete the initial training program within 30 days of engagement or hire. In addition, you, or if you are an entity, your Person In-Charge and your Manager must attend and successfully complete refresher or additional training programs or seminars required by us from time to time.

C. Pops and Pop Carts. You must enter into a supply agreement with Perfect 10 Distribution, LLC for the supply of Pops for your Pop Cart Business in the form of Perfect 10 Distribution, LLC's standard supply agreement. You must also enter into a cart lease agreement with us for the lease of a sufficient number of Pop Carts (either full or mini-carts) to meet customer demand in your Area on our standard cart lease agreement. We may change the designated supplier for these items upon reasonable advance notice to you.

D. Delivery/Pick-Up Location. You must have a safe and secure location that meets our requirements as set forth in the Manual from time to time for the delivery and storage of Pops, Approved Products and other supplies and for the storage of the Pop Cart(s) that you use in your Pop Cart Business. Your delivery location is set forth on the Summary Page. You may not change or alter your delivery location without our prior written approval. We reserve the right to revise our requirements for delivery locations which may require that you adopt new procedures for delivery and install refrigeration and other equipment meeting our specifications at your delivery location from time to time. We may also permit you to pick-up your Pops at specified pick-up locations as specified in the Manuals.

E. Opening Date. You must open your Pop Cart Business for business in accordance with this Agreement no later than 60 days after the Effective Date (the **"Opening Date"**). You may not open the Pop Cart Business until you have received our written approval, which will not be unreasonably withheld provided you have complied with all pre-opening requirements.

F. Employees. All hiring decisions and conditions of employment are your sole responsibility. You must properly train all Pop Cart Business employees to perform the tasks required of their positions. You must cause your personnel to render competent and courteous service to all customers and ensure that their personal appearance and hygiene are consistent with our brand image. We may develop and make available training tools and recommendations for you to use in training the Pop Cart Business' employees to comply with System Standards. We may update these training materials periodically to reflect changes in our training methods and procedures and changes in System Standards.

G. Direct Supervision. The Pop Cart Business shall at all times be under the direct supervision of you, or if you are an entity, your Person In-Charge or Manager who has completed initial training. You shall keep us informed at all times of the identity of the Manager of the Pop Cart Business. You must have one Manager for each Area that you own, which may not be the same person unless otherwise approved by us. You may not, without our prior written approval, hire or retain a management company or third party to undertake any of the management or operational functions of the Pop Cart Business.

H. Meetings and Conferences. Your Person In-Charge and Manager (if required by us) must use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls). You will not permit your Person In-Charge or Manager to fail to attend more than two required meetings per calendar year. We may require your Person In-Charge to attend one regional or national convention or conference per calendar year, and we may charge a fee to fund such convention or conference, regardless of attendance, in an amount reasonably commensurate with our internal and out-of-pocket costs. You will be solely responsible for all travel and other expenses of attending any meeting, convention or conference.

I. Customer Complaints**.** You must use your best efforts to promptly resolve any customer complaints. We may take any action we deem appropriate to resolve a customer complaint in your Area and related to your Pop Cart Business, and we may require that you reimburse us for any expenses we incur.

J. Customer Evaluation. You must participate, at your own expense, in programs required from time to time by us for obtaining customer evaluations and/or reviewing your compliance with System Standards, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. We will share with you the results of these programs. You must meet or exceed any minimum score requirements set by us for such programs, and your failure to do so is a material breach of this Agreement.

K. Maintenance and Repairs. You must maintain your Pop Cart(s) and other equipment used in your Pop Cart Business in a high degree of repair and condition, and make such repairs, replacements and refurbishments that we require. If you fail to do so within 10 days after you receive our written notice, we have the right, in addition to all other remedies, to perform any required maintenance or refurbishing on your behalf, and you must reimburse us on demand for any expenses we incur.

L. Products, Supplies, Equipment, and Suppliers.

(i) You may offer for sale in the Pop Cart Business only Approved Products that we have approved in writing and that meet System Standards. You must offer Approved Products and that we designate as mandatory, and you may not offer for sale any product or service not approved. We may change the Approved Products you may offer periodically, and you must comply with such changes. You must comply with our requirements regarding inventory levels as specified in the Manuals. If we do not prescribe specific standards, you must maintain a sufficient number of Approved Products to meet reasonably anticipated customer demand.

(ii) We have the right to require that inventory, supplies, products, equipment, and services that you purchase for resale or use in your Pop Cart Business: (a) meet System Standards; (b) be purchased only from suppliers or service providers that we have expressly approved; and (c) be purchased only from a single source that we designate (which may include us or our Affiliates or a buying cooperative organized by us or our Affiliates). To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. You must meet any conditions required by us, our Affiliates or our designated suppliers or service providers, which may include, among others, that you meet minimum purchase quantities and pay specified shipping charges.

(iii) If you would like to offer products or use any supplies, equipment, or services that we have not approved or to purchase from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to test samples of the proposed products. You must pay us the actual cost of testing the proposed product or evaluating the proposed service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. We are not responsible for any suppliers or service providers that we designate or otherwise refer to you. We will use commercially reasonable efforts to evaluate any supplier you propose within six months after your request. If you do not receive our approval within six months after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. We reserve the right to revoke approval of any product, supply, ingredient, equipment, service, supplier, or service provider for any reason, in our sole discretion.

(iv) Our Affiliate, Perfect 10 Distribution, LLC, is currently the sole supplier of Pops to System franchisees; we are the sole supplier of Pop Carts to System franchisees.

(v) We and our Affiliates have the right to collect any rebates or refunds provided by a supplier or vendor in connection with your purchase of any items or services. We and our Affiliates have the right to profit from items that you purchase from us or our Affiliates.

(vi) Although we will endeavor to do so, we make no guaranty, warranty, or promise that we will obtain the best pricing or most advantageous terms on behalf of our franchisees. We also do not guarantee the performance of suppliers and distributors to our franchisees. We are not responsible or liable if the products or services provided by a supplier or distributor fail to conform to or perform in compliance System with Standards or our contractual terms with the supplier or distributor.

(vii) We have the right (without liability) to consult with your suppliers about the status of your account with them and to advise your suppliers and others with whom you, we, our Affiliates, and other franchisees deal that you are in default under any agreement with us or our Affiliates.

M. System Standards. You acknowledge and agree that operating and maintaining the Pop Cart Business according to the System Standards is essential to preserve and protect the goodwill of the Marks and the System. Therefore, you agree at all times to operate and maintain the Pop Cart Business according to all System Standards, as we periodically modify and supplement them. However, you retain the responsibility for the day-to-day management and operation of the Pop Cart Business and implementing and maintaining the System Standards at the Pop Cart Business. As examples, and without limitation, the System Standards may regulate any one or more of the following, in addition to the items described above:

(i) Sales and inventory requirements.

(ii) Marketing, advertising, and promotional programs and materials and media used in these programs.

(iii) The use and display of the Marks at the Pop Cart Business.

(iv) The acceptance of credit and debit cards, other payment systems, and check verification services.

(v) Bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition.

(vi) Any mandatory policies with respect to Digital Marketing.

(vii) Any other aspects of operating and maintaining the Pop Cart Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and System.

You agree that the System Standards we prescribe in the Manuals or otherwise communicate to you in writing or another tangible form (for example, via extranet or the website), are part of this Agreement as if fully set forth in this Agreement. All references to this Agreement include all the System Standards as periodically modified.

N. Compliance with Laws and Good Practices; Privacy Laws.

(i) You shall secure and maintain in force all required licenses, permits and certificates relating to the operation of the Pop Cart Business and shall operate the Pop Cart Business in full compliance with all applicable laws, including, without limitation, all government regulations relating to consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of federal and state income taxes and social security taxes.

(ii) You must comply with our reasonable instructions regarding security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, buying habits, preferences, credit-card information, and other personally-identifiable information of customers ("**Consumer Data**") and employ reasonable means to safeguard the confidentiality and security of Consumer Data. You must comply with all laws governing the use, protection, and disclosure of Consumer Data. If there is a Data Security Incident at the Pop Cart Business, you must notify us immediately after becoming aware of the actual or suspected occurrence, specify the extent to which Consumer Data was compromised or disclosed, and comply and cooperate with our instructions for addressing the Data Security Incident in order to protect Consumer Data and the King of Pops brand (including giving us or our designee access to your Technology System, whether remotely or at the Pop Cart Business). We (and our designated Affiliates) have the right, but no obligation, to take any action or pursue any proceeding or litigation with respect to the Data Security Incident, control the direction and handling of such action, proceeding, or litigation, and control any remediation efforts.

(iii) "**Data Security Incident**" means any act that (A) initiates either internally or from outside the Pop Cart Business' computers, point-of-sale terminals, and other technology or networked environment; (B) violates the law or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the System, other System franchisees, or their data or to view, copy, or use Consumer Data or Confidential Information without authorization or in excess of authorization; or (C) results in unwanted disruption or denial or service, unauthorized use of a system for processing or storage of data or changes to system hardware, firmware, or software characteristics, in each case, without our knowledge, instruction, or consent.

O. King of Pops Cart Franchisee Advisory Council. We may establish an advisory council comprised of franchisees for the purpose of fostering communication among and between System franchisees and us, as well as to establish, modify or discuss various policies applicable to the System (the **"King of Pops Cart Franchisee Advisory Council"**). If and when we establish the King of Pops Cart Franchisee Advisory Council, you may be required to become a member of the King of Pops Cart Franchisee Advisory Council, and participate in King of Pops Cart Franchisee Advisory Council meetings and programs. You may be required to pay a fee to the King of Pops Cart Franchisee Advisory Council as set by the King of Pops Cart Franchisee Advisory Council, but such fee will not exceed $250 per year.

P. Notice of Legal Proceedings. You shall notify us in writing (i) within five days of the commencement of any action, suit, or proceeding, the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Pop Cart Business; and (ii) immediately after your receipt of any notice of violation of any law.

Q. Computer Systems and Required Software.

(i) We have the right to specify in the Manuals or otherwise require in writing that you acquire and use in the operation of the Pop Cart Business certain electronic data collection, storage, reporting, exchange and interchange capability and services, including certain brands, types, makes and models of communications, hardware and software systems, peripherals and equipment, including without limitation: (a) back office accounting, inventory and management systems; and (b) point of sale systems or such other types of cash registers as we may designate or approve ("**Cash Register Systems**"); (c) physical, electronic and other security systems and procedures; (d) internet access capability and connectivity; and (e) customer-facing marketing, ordering, and service systems (together, your "**Technology System**"). We have the right, but not the obligation, to develop or have developed for us, or to designate computer software programs and accounting system software that you must use as part of your Technology System ("**Required Software**"). You must install, learn, use and integrate all updates, supplements, modifications or enhancements to the Required Software when we so require. You must implement and periodically make upgrades and other changes to your Technology System as we request in writing at your cost. You must do all things to provide us with access to the Technology system (but excluding matters relating to labor relations and employment practices).

(ii) We or our Affiliates may condition any license of proprietary software to you, or your use of technology that we or our Affiliates develop or maintain, on your signing a software license agreement or similar document that we or our Affiliates prescribe to regulate your use of, and our and your rights and responsibilities concerning, the software or the technology.

(iii) All data provided by you in any form, and whether required by this Section or any other requirement under the System or in the Manuals, including without limitation data uploaded to our computer system from your Technology Systems is and will be owned exclusively by us. We have the right to use such data in any manner that we deem appropriate without compensation to you. We may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to other franchisees.

(iv) Despite your obligation to buy, use, and maintain your Technology System according to System Standards, you have sole and complete responsibility for: (a) acquiring, operating, maintaining, and upgrading your Technology System; (b) the manner in which your Technology System interfaces with our and any third party's computer system; (c) any and all consequences if your Technology System is not properly operated, maintained, and upgraded; and (d) independently determining what is required for you to comply (and then complying with) at all times with the most current version of the Payment Card Industry Data Security Standards, and with all laws governing the use, disclosure, and protection of Consumer Data.

R. Insurance.

(a) You must obtain and maintain insurance policies in the types and amounts as specified by us in the Manuals. If not specified in the Manual, you must maintain at least the following insurance coverage:

(i) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(ii) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage for vehicles along with any trailers used in the Pop Cart Business in an amount of not less than $1,000,000;

(iii) Workers Compensation coverage as required by state law, but with limits of not less than $500,000 per accident, $500,000 per employee and $500,00 per policy; and

(iv) If your Gross Sales meet or exceed $750,000 annually in the prior year, you must also obtain Excess Commercial Umbrella Liability insurance with limits which bring the total of all primary underlying coverages to not less than $1,000,000 total limit of liability. Such umbrella liability will provide, at a minimum, those coverages and endorsements required in the underlying policies.

(b) Your policies must list us and our Affiliates as additional insureds and the policies must stipulate that we receive a 30 day prior written notice of cancellation. You must provide Certificates of Insurance and other evidence of coverage as specified by us in the Manuals evidencing the required coverage to us prior to Opening Date and upon annual renewal of the insurance coverage, as well as at any time upon our request. We may also require that you provide us with complete, certified copies of all required insurance policies.

(c) If you do not obtain the required insurance, we may obtain it on your behalf and you must reimburse us for our out-of-pocket costs plus a reasonable administrative fee.

(d) Any failure to comply with the insurance requirements set forth in this Section is a material breach of this Agreement.

S. Public Relations. You must not make any public statements (including giving interviews or issuing press releases) regarding the System, the Pop Cart Business, or any particular incident or occurrence related to the Pop Cart Business, without our prior written approval.

T. Indemnification. To the fullest extent permitted by law, you must indemnify and hold harmless us, our Affiliates, and our and their respective owners, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and reimburse any one or more of the Indemnified Parties for, all Losses (defined below) incurred as a result of a claim threatened or asserted, an inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party, in each case, directly or indirectly arising out of: (i) your Pop Cart Business; (ii) your noncompliance or alleged noncompliance with any law, including any allegation that we or another Indemnified Party is a joint employer or is otherwise responsible for your acts or omissions relating to the Pop Cart Business' employees; (iii) a Data Security Incident; and/or (iv) your breach of this Agreement. You will not be obligated to indemnify an Indemnified Party from claims arising as a result of any Indemnified Party's intentional misconduct or gross negligence. This indemnity will continue in effect after this Agreement expires or is terminated. We may elect to assume the defense and/or settlement of any matter subject to this indemnification, at your expense and such an undertaking shall not diminish your obligation to indemnify hereunder. **"Losses"** include all obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, whether or not litigation, arbitration, or alternative dispute resolution actually is commenced.

U. Confidential Information. You acknowledge that we may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how and other confidential information relating to the management, operation and promotion of the Pop Cart Business (collectively, **"Confidential Information"**). You must not, nor will you permit any person to, use or disclose any Confidential Information (including without limitation all or any portion of the Manuals) to any other person, except that you may divulge Confidential Information only to your supervisorial or managerial personnel who must have access to it in order to perform their employment responsibilities. Confidential Information does not include and the provisions of this Section shall not apply to (i) information that becomes generally known to the public through no fault of you; (ii) information disclosed to you by a third party having legitimate and unrestricted possession of such information; (iii) information that you can demonstrate by clear and convincing evidence was within your legitimate and unrestricted possession when we and you commenced discussions concerning the sale of a Pop Cart Business to you or your Owners; or (iv) information that is not protectable as a trade secret five years after the termination or expiration of this Agreement. You shall take reasonable precautions to protect the Confidential Information from unauthorized use or disclosure, including without limitation conducting orientation and training programs for your employees to inform such employees of your obligation to protect such Confidential Information from unauthorized use or disclosure, and such employees' responsibilities and obligations therefor. At our request, you shall obtain from your supervisorial or managerial personnel who may have access to Confidential Information non-disclosure agreements, in form and substance satisfactory to us, naming us as a third-party beneficiary with the independent right to enforce the covenants therein. This Section shall survive the termination or expiration of this Agreement.

V. Modifications and Improvements to System. If you develop any modifications or improvements relating to any aspect of the System (including without limitation advertising, training materials, software, equipment and recipes) you must immediately disclose them to us and: (i) such items will be deemed a work made for hire, notwithstanding any designation of you in this Agreement as an independent contractor; (ii) you hereby assign all right, title and interest to us for any such items, and such items are or will become our sole and exclusive property, which we may use, license for use to others (including System franchisees), assign, modify, publish, or sell, all without payment of any compensation to you; and (iii) you will execute any documents we require transferring to us or evidencing the assignment of ownership to us.

W. Records; Inspections and Audits.

(i) You must keep accurate books and records reflecting all expenditures and receipts of the Pop Cart Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. You must keep such other business records as we may specify in the Manual or otherwise in writing.

(ii) You must maintain an accurate record of Gross Sales and shall deliver to us via the Internet or as otherwise directed by us a signed and verified statement of Gross Sales (**"Gross Sales Report"**) based on the periods that we specify (currently weekly), in a form that we approve and by the due dates we specify. You must submit to us other forms, records, reports, information and data relating to your Pop Cart Business as we may reasonably designate, in the form, and at the times and the places as we may reasonably require, upon request, and as specified from time to time in the Manuals or otherwise specified in writing.

(iii) We or our representatives may, from time to time, at any time during business hours inspect your Pop Carts. We have the right to videotape, photograph or otherwise record the operation of the Pop Cart Business as part of any such inspection. You shall cooperate with us in any such inspection and shall make your supervisorial or managerial personnel available to us as may be necessary to carry out such inspection. Any such inspection is at our expense, provided that if such inspection is necessitated by your repeated or continuing failure to comply with any provision of this Agreement, we may charge you for our costs incurred in making such inspection.

(iv) We may examine and audit all books and records related to the Pop Cart Business, and supporting documentation, at any reasonable time. We may require you to deliver copies of books, records and supporting documentation to a location designated by us. You must reimburse us for all costs and expenses of the examination or audit if (a) we conducted the audit because you failed to submit required reports; or (b) the audit reveals that you understated Gross Sales by 2% or more.

(v) We may from time to time require information about your financial condition, earnings, sales, profits, costs, expenses, suppliers and performance. You must provide such information promptly when so requested by us, and certify that such information is true and complete in all material respects. You agree that we may disclose such information to third parties, including regulators, prospective franchisees and franchisees within the System as we determine appropriate or necessary, in our sole discretion.

(vi) If you fail to provide us with reports in a timely manner or if we determine that you have understated Gross Sales, we reserve the right to require that you use a designated accountant for managing your financial reporting hereunder.

X. System Modifications. You acknowledge and agree that from time to time hereafter we may change or modify the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, and that you will accept, use and display any such changes in the System, as if they were part of the System on the Effective Date. You shall make such expenditures as such changes or modifications may reasonably require.

Y. Owner Information and Personal Liability. If you are an entity, your Owners and their percentage interests as of the Effective Date are listed on the Summary Page. You shall maintain a current list of all Owners of your equity interests and shall furnish the list to us upon request. Any or all of your Owners (including persons and entities who become Owners after the Effective Date) must sign and deliver to us the Joinder personally obligated them to the provisions of this Agreement (the **"Joinder"**).

Section 7: PROPRIETARY MARKS

A. Our Ownership of the Marks. KOP is the owner of the Marks, and your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by you pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by us. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of KOP's rights in and to the Marks. You acknowledge and agree that all usage of the Marks by you, and any goodwill established by your use of the Marks, shall inure to KOP's exclusive benefit and that this Agreement does not confer any goodwill or rights in the Marks upon you except for the license granted by this Agreement. You shall not contest the validity or ownership of any of the Marks or assist another person in contesting the validity or ownership of any of the Marks. All provisions of this Agreement applicable to the Marks apply to any additional Marks authorized for use by and licensed to you by us after the Effective Date.

B. Your Use of Marks. You may not use any Mark as part of any legal name or trade name, domain name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form, nor may you use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by us. You must obtain such fictitious or assumed name registrations as may be required under applicable laws. You may not "co-brand" or associate any other business activity with your Pop Cart Business in a manner which is likely to cause the public to perceive it to be related to the Pop Cart Business.

C. Unauthorized Use of Marks. You shall immediately notify us in writing of any apparent infringement of or challenge to your use of the Marks, and of any claim by any person of any right in the Marks or any similar mark of which you become aware. KOP has sole discretion to take such action as it deems appropriate, and has the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Marks. You must execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of counsel, be necessary or advisable to protect and maintain KOP's interests in the Marks.

D. Limitations on Associations with the Marks. In order to preserve KOP's interest in the Marks, you and your Owners may not engage in activities that create an unwelcome, unfair, or unpopular association with, and/or have an adverse effect on the goodwill associated with the Marks. Therefore, you must not, without our prior written approval, engage in any activities with (including without limitation doing business with by supplying Pops or Pop Carts to) or donate any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity or other movement or agenda, if such action is taken, or may be perceived by the public to be taken, in the name of, in connection with, or in association with you, the Marks, the Pop Cart Business, us, or the System (the **"Restricted Activities"**). We will determine, in our sole discretion, the activities that constitute Restricted Activities, which we may describe in more detail in the Manuals.

Section 8: TERMINATION AND DEFAULT

A. Events of Default. Any one or more of the following constitutes an **"Event of Default"** hereunder:

(i) you misrepresented or omitted material facts when applying to become a franchisee;

(ii) you do not make any payment to us or our Affiliate when due under this Agreement or otherwise or you do not have sufficient funds in your account to cover amounts owed to us or our Affiliate, and you fail to cure such non-payment or insufficiency within 10 days after we deliver notice to you;

(iii) (a) you intentionally revoke the designated Payment Method; or (b) the designated Payment Method is ineffective for any reason and you fail to do all things necessary to authorize payment by the designated Payment Method within 10 days after we deliver notice to you;

(iv) you submit to us (a) in any one year period two or more financial statements or supporting records which understate by more than 2% your Gross Sales; or (b) any financial statement or supporting record which understates Gross Sales by more than 5% of your Gross Sales for any period;

(v) you fail to commence operations by the Opening Date;

(vi) you, or if you are an entity, your Person In-Charge and/or your Manager fail to complete initial training to our satisfaction by the Opening Date;

(vii) you file a petition for relief from your debts, liabilities or obligations, or for appointment of a receiver for you or for all or a substantial portion of your assets, or make a general assignment for the benefit of creditors; or a petition is filed against you or a receiver is appointed for you or for all or a substantial portion of your assets, or a judgment is entered against you, and such petition, appointment or judgment is not stayed or vacated or otherwise discharged within 60 days or becomes unappealable or is acquiesced in or consented to by you;

(viii) you or any Owner is convicted of or plead guilty or *nolo contendre* to a felony, or a crime involving moral turpitude or consumer fraud, or any other crime or offense that we reasonably believe is likely to have an adverse effect on our System, or you or any Owner engages in conduct that we believe is likely to have an adverse effect on our System;

(ix) you use any of the Marks or any other identifying characteristic of the System, other than in compliance with this Agreement, and such misuse is not remedied within 10 days after we deliver notice to you;

(x) you breach or fail to comply with any law which results in a threat to the public's health or safety and fail to cure the non-compliance within 24 hours following receipt of notice thereof from us or applicable public officials, whichever occurs first;

(xi) you or any Owner disclose or divulge the contents of the Manuals or other trade secrets or Confidential Information contrary to **Section 6(U)** or violate the noncompete covenants in **Section 10(A)**;

(xii) any Transfer (as defined) occurs that does not comply with **Section 11**, including a failure to Transfer to a qualified successor after death or disability within the time allowed by **Section 11(E);**

(xiii) you or any Owner disparages, slanders or libels us or any of our personnel or engages in conduct that is abusive, intimidating, unprofessional and/or threatening to us or our personnel;

(xiv) a default occurs under any other agreement between us and you or any of your Affiliates (not including a default relating to failure to meet development schedules under any development agreement) provided that the default would permit us or our Affiliate to terminate that agreement (after the expiration of any cure periods provided thereunder);

(xv) (a) you receive a notice of default and commit another breach of the same provision within six months; or (b) you receive two or more notices of default and you commit another breach of this Agreement (whether or not the defaults or breaches are of the same provision), all in the same 12-month period; or

(xvi) you breach or fail to comply with any other covenant, agreement or System Standard, whether contained herein, in the Manuals or elsewhere, and fail to cure such breach or failure within 30 days after we deliver notice to you.

B. Our Remedies. If any Event of Default occurs, we may, at our election and without notice or demand of any kind, declare this Agreement, any and all other rights granted hereunder to be immediately terminated and, except as otherwise provided herein, of no further force or effect. No such termination shall relieve you of any of your obligations, debts or liabilities hereunder, including without limitation any debts, obligations or liabilities that have accrued prior to such termination. The right of termination granted herein is in addition to, and not in lieu of, any and all other rights and remedies available to us at law, in equity or otherwise, all of which are cumulative. We have no obligation at any time to perform or to comply with any of our obligations to you, whether pursuant to this Agreement or otherwise, unless (i) you have fully complied with and performed all of your obligations under this Agreement; and (ii) no Event of Default, or event which with the giving of notice or passage of time or both would become an Event of Default, exists hereunder.

C. Termination By You. You may terminate this Agreement only if:

(i) you are in full compliance with this Agreement, we commit a material breach of this Agreement, you give us written notice of the breach and we fail, within 60 days after receipt of your notice, to (a) cure the breach; or (b) take reasonable steps to begin curing the breach. Termination will be effective no less than 10 days after you deliver to us written notice of termination for failure to cure within the allowed period; or

(ii) at any time during the first four years of the Initial Term, you have the option (the **"Termination Option"**) to terminate this Agreement by delivering to us written notice of your intention to terminate this Agreement (**"Franchisee's Termination Notice"**). Termination under this Section is effective 365 days after delivery of Franchisee's Termination Notice (the **"Termination Effective Date"**). If you exercise your Termination Option hereunder, the provisions of **Sections 9(A), 10(B)** and other provisions applicable at termination or expiration of this Agreement shall apply. However, in addition to providing timely notice as provided herein, as a condition to such termination, and in consideration of our permitting you to terminate early under this subsection (ii), you must deliver all inventory, supplies, equipment and other assets related to the operation of the Pop Cart Business to us or our designee for a purchase price of $1 notwithstanding anything contained in **Section 9(C)** to the contrary.

Any attempt to terminate this Agreement without complying with this **Section 8(C)** will constitute an Event of Default by you.

Section 9: OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. General. You covenant and agree that upon expiration or termination of this Agreement for any reason:

(i) You must pay, within 10 days after the effective date of termination or expiration, any amount owed to us, which is then unpaid.

(ii) If this Agreement is terminated due to an Event of Default, you will promptly pay all damages, costs, and expenses, including reasonable attorneys' fees, costs of investigation and proof of facts, court costs, and other expenses incurred by us as a result of your default.

(iii) You must immediately return to us the Manuals, all training aids and any other materials which have been loaned to you by us. You further agree to return to us within 30 days any other manuals, computer program, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Pop Cart Business in your possession, custody or control and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of the foregoing, excepting only your copy of this Agreement and any correspondence between the parties, and any other documents which you reasonably need for compliance with any law.

(iv) You must cancel all assumed names or equivalent registrations relating to your use of any Marks.

(v) You must notify the telephone company, listing agencies and Digital Marketing accounts of the termination or expiration of your right to use any number, listing or account associated with the Marks and authorize transfer of the same to us. You must provide us with all passwords needed to provide us with access to your Digital Marketing accounts. You acknowledge that, as between us and you, we have the sole rights to and interest in all telephone numbers, listings and Digital Marketing accounts associated with any of the Marks. You further authorize us, and hereby appoint us as your attorney in fact, to direct the telephone company, listing agencies and Digital Marketing companies to transfer same to us should you fail or refuse to do so.

(vi) You shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any confidential methods, procedures and techniques associated with us and the Marks.

(vii) You shall immediately cease to operate the Pop Cart Business, and shall not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former King of Pops franchisee.

B. Liquidated Damages. In addition to any other claims we may have (other than claims for lost future Royalty Fees and Brand Marketing Fund contributions), if we terminate this Agreement based on your default or if you terminate this Agreement in violation of its terms, you must pay us liquidated damages (over and above any prior payments or past due payment obligations) calculated as follows: (i) the average of your monthly Royalty Fees and Brand Marketing Fund contributions due for the last 12 months (or for such shorter period of time that the Pop Cart Business has been open) before our delivery of the notice of default, (ii) multiplied by the lesser of 18 or the number of months remaining in the then-current term; and (iii) discounted to present value using the then-current prime rate of interest quoted by our principal commercial bank. You acknowledge and agree that the amount of liquidated damages determined in accordance with the preceding formula reasonably represents our monetary losses of Royalty

Fees and Brand Marketing Fund contributions resulting from the termination of this Agreement, and does not amount to a penalty.

C. Purchase of Equipment and Other Assets. We have the option, to be exercised within 30 days after termination or expiration of this Agreement, to purchase from you any of your supplies, equipment and other assets related to the Pop Cart Business at fair market value. Any inventory of Pops not purchased by us must be promptly destroyed. Any and all customer lists and agreements with customers shall be assigned to us immediately upon our request at no charge. If the parties cannot agree on fair market value of other items to be purchased within a reasonable time and we continue to desire to purchase the items, we will select an independent appraiser after consultation with you, and his or her determination will be final and binding. You are responsible for all costs and expenses related to the appraisal. If we exercise our option to purchase, we have the right to set off the cost of any appraisal plus all amounts then due from you to us or our Affiliates against any payments we make to you.

Section 10: COVENANTS

A. In-Term Covenants. You acknowledge that you will receive valuable, specialized training and confidential information regarding the operational, sales, promotional, and marketing methods of the System. During the Term, you, your Owners and your Owner's spouse will not, without our prior written consent, either directly or indirectly, for yourself or your Owners, or through, on behalf of, or in conjunction with any other person or entity:

(i) own, manage, engage in, be employed by, advise, or have any other interest in any Competitive Business (as defined below) at any location;

(ii) divert or attempt to divert any business or customer or potential business or customer of the Pop Cart Business to any Competitive Business, by direct or indirect inducement or otherwise;

(iii) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks; or

(iv) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by us or our Affiliate.

"Competitive Business" means (i) any business that derives over 20% of its revenue from the sale of ice pops, snow cones and other frozen treats, cakes or cupcakes, pastries, crepes or any business that looks like, copies, imitates, or operates with similar trade dress or decor to a Pop Cart Business; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Pop Cart Business operated under a franchise agreement with us).

B. After Termination, Expiration, or Transfer. For two years after the expiration or termination of this Agreement or an approved Transfer, you, your Owners and your Owner's spouse will not, without our prior written consent, either directly or indirectly, for yourself or your Owners, or through, on behalf of, or in conjunction with any other person or entity;

(i) own, manage, engage in, be employed by, advise, or have any other interest in any Competitive Business that is (or is intended to be) located within a 25-mile radius of your Area or a 25-mile radius of any other Pop Cart Business' area that is operating at the time of expiration or termination;

(ii) divert or attempt to divert any business or customer or potential business or customer of the Pop Cart Business to any Competitive Business, by direct or indirect inducement or otherwise; or

(iii) solicit for employment any person who at any time within the immediate past 12 months has been employed by us.

With respect to the Owners, the time period in this Section will run from the expiration, termination, or Transfer of this Agreement or from the termination of the Owner's relationship with you, whichever occurs first.

C. Publicly Traded Corporations. Ownership of less than 5% of the outstanding voting stock of any class of stock of a publicly traded corporation will not, by itself, violate this Section.

D. Covenants of Owners and Employees. The Owners personally bind themselves to this Section by signing this Agreement and/or the attached Joinder. You must also obtain from your officers, directors, managers, partners, owners, employees, agents and other individuals that we may designate, executed agreements containing non-compete covenants similar in substance to those contained in this Section. The agreements must be in a form acceptable to us and specifically identify us as having the independent right to enforce them.

E. Enforcement of Covenants. You acknowledge and agree that (i) the time, territory, and scope of the covenants provided in this Section are reasonable and necessary for the protection of our legitimate business interests; (ii) you have received sufficient and valid consideration in exchange for those covenants; (iii) enforcement of the same would not impose undue hardship; and (iv) the period of protection provided by these covenants will not be reduced by any period of time during which you are in violation of such covenants or any period of time required for enforcement of such covenants. To the extent that this Section or any part of it is judicially determined to be unenforceable by virtue of its scope or in terms of area or length of time, but may be made enforceable by reductions of any or all thereof, the same will be enforced to the fullest extent permissible. You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section. You acknowledge that any breach or threatened breach of this Section will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of an injunction prohibiting any conduct violating the terms of this Section. Such injunctive relief will be in addition to any other remedies that we may have.

Section 11: ASSIGNMENT

A. Assignment by Us. We have the right to transfer or assign all or part of our rights or obligations under this Agreement to any of our successors or assigns.

B. Assignment by You. You and your Owners agree that the rights and duties set forth in this Agreement are personal to you and them, and that we have granted this Pop Cart Business in reliance on the business skill, financial capacity and personal character of you and your Owners. Without our prior written consent, which we may arbitrarily withhold in our sole discretion, you and your Owners have no right or power to engage in any transaction (or series of transactions) directly or indirectly, voluntarily or involuntarily, that results in (i) the sale, lease, sublease, third party management, pledge or grant of a security interest in or other encumbrance of your right in and to the Pop Cart Business or any material asset of the Pop Cart Business or the sale of substantially all of the assets of the Pop Cart Business (an "**Asset Transaction**"); (ii) a merger or consolidation of you with and into another entity (a **"Merger Transaction"**); (iii) the issuance or transfer of equity interests in you (whether in a single or series of transactions) (an "**Equity Transfer**"); or (iv) the assignment or delegation of this Agreement or any of your rights and obligations under this Agreement (an **"Assignment**"; together with Asset Transaction, Merger Transaction and Equity Transfer, a **"Transfer"**).

C. Transfer Procedure. We have the right to require the satisfaction of any or all of the following as conditions of our consent to any proposed Transfer:

(i) the transferor shall have executed a general release, in a form we provide, of any and all claims against us and our Affiliates;

(ii) the transferee of an Owner (in the case of an Equity Transfer) shall enter into a written joinder, in a form we provide, agreeing to become personally responsible for performance under this Agreement arising after the Transfer;

(iii) if, as a result of the Transfer, the Person in-Charge will no longer be an Owner who continues to serve as the Person in-Charge (or who qualifies to serve as the Person in-Charge due to equity ownership or otherwise), the transferee must appoint a new Person in-Charge who meets our then-current educational, managerial and business standards and equity ownership requirements, successfully completes initial training programs we then require at transferee's expense and meets other qualifications we then require for new Persons in-Charge;

(iv) the transferor must pay us a transfer fee of 60% of our then-current initial franchise fee provided, however, if the transferee is an existing System franchisee, the transfer fee is reduced to 40% of our then-current initial franchise fee;

(v) at our option, if the Transfer involves a change in control of the Pop Cart Business (which shall be presumed if your Owners (if you are an entity) before the Transfer own less than 51% of the transferee after the Transfer) or if you are assigning any interest in this Agreement and the Pop Cart Business, the transferee and its owners shall execute, for a term ending on the expiration date of the Initial Term, the form of franchise agreement we then offer to new franchisees, and such other ancillary agreements we then require for new franchisees and their owners, which shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ materially from this Agreement;

(vi) the transferee shall upgrade the Pop Cart Business to conform to the then-current standards and specifications within the reasonable time we specify; and

(vii) your and your Owners shall remain liable for all of obligations that arose prior to the effective date of the Transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments we reasonably request to evidence such liability.

D. Our Right of First Refusal.

(i) If you receive a *bona fide* offer to engage in a Transfer or an Owner receives a *bona fide* offer to engage in an Equity Transfer that will involve more than 10% of your equity interests, then you must promptly notify us (an "**Offer Notice**") of such offer and provide such information and documentation relating to the offer as we may require, including all diligence and offering material provided to the prospective buyer. We have the right and option, exercisable within 30 days after our receipt of all such information, to send written notice (a "**Purchase Notice**") to the seller that we intend to purchase the seller's offered interest on the same terms and conditions as the terms in the Offer Notice. We may pay cash in place of any consideration that is not cash. If there is no published, independent market value for the non-cash consideration, then we will use the value determined by an independent appraisal by an independent appraiser selected by us, and such appraiser's determination shall be final and binding. If we elect to purchase the seller's interest, the closing shall occur within 60 days after we send the Purchase Notice.

(ii) If we do not issue a Purchase Notice, you may proceed with the transaction on the same terms as you disclose in the Offer Notice. If the sale is not completed within 120 days from the date of the Offer Notice, or there is any material change in the terms of the offer from those disclosed in the Offer Notice, you must reissue an Offer Notice to us and we will have a new period of 30 days to respond to the offer.

E. Death or Appointment of Guardian or Conservator of an Owner. Upon the death of you or any Owner (if you are an entity) that is your Person In-Charge, or the appointment of a permanent guardian or conservator to manage your or your Person In-Charge's affairs, the Owner's trustee, conservator or other personal representative may hold the deceased's interest in the Pop Cart Business for up to six months and may only transfer the deceased's interest from the estate, a testamentary trust or inter vivos trust to a third party we approve under the procedures set forth in **Section 11(C)**. We may treat the personal representative, trustee or conservator as the Person in-Charge if you have not appointed another Owner to serve as the Person in-Charge. Any failure to transfer such interest within 6 months after death or appointment of a permanent guardian or conservator or the transfer of an interest other than in compliance with **Section 11(C)** are material breaches of this Agreement.

F. Temporary Disability of an Owner. If a physician, court or administrative agency determines that your Person In-Charge has become temporarily disabled and incompetent to manage his or her own affairs, we have the right to require that a different Person In-Charge be appointed until the Person In-Charge's permanent status is determined. We may require that the Person in-Charge's interest be transferred to a third party acceptable to us within six months of notice following the conditions and procedures in **Section 11(C)** if the temporary disability does not resolve within three months after the temporary disability is determined.

Section 12: ARBITRATION

A. Disputes to be Arbitrated. Except as set forth in **Section 12(F)** below, any controversy, claim or dispute arising out of or relating to the Pop Cart Business, this Agreement or its breach, including without limitation, the scope and validity of this Agreement or any of its provisions or any claim that this Agreement or any of its provisions is invalid, illegal or otherwise voidable or void, shall be submitted to arbitration before and, unless otherwise provided herein, in accordance with the arbitration rules of the American Arbitration Association (the **"AAA"**). Notwithstanding any provision of this Agreement relating to which state laws govern this Agreement, all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) (the **"Federal Arbitration Act"**) and shall be determined by an arbitrator and not by a court. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with **Section 13(R)**.

The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

B. Entry of Judgment. Judgment upon an arbitration award may be entered in any court having jurisdiction and shall be final, binding and non-appealable. The parties hereby waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them, each shall be limited to the recovery of only the actual damages sustained.

C. Procedures. The arbitration provisions of this Section are self-executing and shall remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise, notwithstanding such failure to appear. Unless otherwise agreed to in writing by the parties, arbitration proceedings shall be held at the office of the AAA nearest to our principal office at the time such proceeding is commenced. With respect to any dispute involving $250,000 or more in claimed damages or in the value of the relief sought, arbitration proceedings shall be conducted before three arbitrators, one of which shall be chosen by us and one by you, and the third of which shall be selected by the two chosen arbitrators. If the two chosen arbitrators are unable to agree upon a third arbitrator, either we or you may petition the AAA to appoint the third arbitrator. With respect to any dispute involving less than $250,000 in claimed damages or in the value of the relief sought, arbitration proceedings shall be conducted by a single arbitrator.

D. Waiver of Consolidated, Representative or Class Actions. The parties agree that arbitration will be conducted on an individual basis and not in a class, consolidated or representative action, and only we (and our Affiliates and our and their respective officers, directors, managers, partners, owners, employees, agents and representatives, as applicable) and you may be parties to any arbitration described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving us and/or any other person. The foregoing sentence is an integral provision of the arbitration procedures set forth in this Section, and may not be severed therefrom, notwithstanding **Section 13(J)** of this Agreement. If such sentence is determined to be invalid or unenforceable in connection with a particular controversy, dispute, or claim, then this entire Section shall be stricken from this Agreement and neither party shall be deemed to have consented to arbitration of such controversy, dispute, or claim.

E. Excepted Disputes. Notwithstanding anything contained herein, we reserve the right to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute and to make claims relating to unpaid amounts owed by you in any court of competent jurisdiction.

F. Survival of Arbitration Provisions. The provisions of this Article shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Section 13: MISCELLANEOUS

A. Independent Contractor. Under no circumstances are you our fiduciary. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. You will hold yourself out to the public as an independent contractor operating your Pop Cart Business pursuant to a license from us and agree to a public notice of that fact if we so request. You agree that, since you are an independent business owner, and not our employee, you and not us, must make all periodic filings and payments for your business for all required federal and state taxes, payments, or filings (including all income, unemployment, and payroll taxes, such as FICA, FUTA, and SECA payments). Your agreement to this has materially induced us to enter this Agreement and but for your making this agreement, we would not have done so. You will operate the Pop Cart Business, and otherwise act in connection therewith, as an independent business owner, and will not act, or omit to act, in any manner that will cause you or your employees to be our or Affiliate's employees for any purpose.

B. Employees. Neither you nor any employee of yours shall, in any manner, directly or indirectly, expressly or by implication, be construed to be an employee of ours for any purpose; which purposes will specifically include, but will not be limited to, any mandated or other insurance coverage or tax; or contributions or requirements related to withholdings imposed, levied, or fixed by any federal, state, city, or other governmental agency. Employees at the Pop Cart Business are your employees and will be under your control in implementing and maintaining operational standards at the Pop Cart Business. As the franchisor of Pop Cart Businesses, we do not engage in any employer-type activities for which you are responsible such as employee selection, promotion, termination, hours worked, rates of pay, work assigned, discipline and working conditions.

C. Time. Time is of the essence to the performance of all obligations of the parties to be performed under this Agreement.

D. Governing Law. This Agreement takes effect upon its acceptance and execution by us. The parties entered into this Agreement in the State of Georgia and this Agreement shall be interpreted and construed under the laws of the State of Georgia, except to the extent governed by the Federal Arbitration Act and United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.).

E. Jurisdiction and Venue. Subject to **Section 12(E)**, except for matters to be submitted to arbitration as provided in **Article 12**, any claims relating to this Agreement or the Pop Cart Business must be filed in a federal or state court for the district or county where we have our principal place of business at the time suit is filed. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

F. Remedy. No right or remedy conferred upon or reserved by the parties by this Agreement is intended to be, nor shall it be, exclusive of any other right or remedy contained in the Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

G. Waiver. Any failure by us to exercise any power reserved to us by this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, is a waiver of our right to demand exact compliance with any of the terms herein. Our waiver of any particular default or breach by you shall not affect or impair our rights with respect to any subsequent breach of the same; nor shall any delay or forbearance by us to exercise any right arising out of any breach by you of any of the terms hereof, affect or impair our right to exercise the same. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery to you of ten days prior written notice.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government which did not arise from a violation or alleged violation of any law; (2) acts of God; (3) fires, strikes, embargoes, war, pandemics, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payment of Royalty Fees, Brand Marketing Fund contributions or other amounts due hereunder.

H. Limitation on Liability. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE AND OUR AFFILIATES SHALL NOT BE HELD LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR YOUR POP CART BUSINESS, WHETHER SUCH LIABILITY ARISES FROM BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR ANY OTHER CAUSE OF ACTION OR THEORY OF LIABILITY. IN NO EVENT WILL OUR AND OUR AFFILIATES' TOTAL CUMULATIVE LIABILITY UNDER OR ARISING OUT OF THIS AGREEMENT EXCEED THE AMOUNT OF THE INITIAL FRANCHISE FEE PAID BY YOU. These exclusions and limitations of liability shall apply regardless of whether we and our Affiliates have been advised of the possibility of such damages, and regardless of whether a remedy fails its essential purpose. These exclusions and limitations of liability form an essential basis of the bargain between the parties, and, absent any of these exclusions or limitations of liability, the provisions of this Agreement, including, without limitation, the economic terms, would be substantially different.

I. Binding Effect. This Agreement is binding upon the parties hereto and their respective assigns and successors in interest, subject to **Article 11**.

J. Severability and Substitution of Valid Provisions. All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law shall be substituted for the notice or other requirements hereof.

K. Entire Agreement; Merger of Prior Agreements. This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to the Pop Cart Business and supersede all prior discussions, understandings, and agreements concerning the same subject matter, subject to the provisions of any Development Agreement pursuant to which this Agreement is issued, and any and all prior agreements between you (or your owners) and us with respect to your distribution of Pops shall be merged into and superseded by this Agreement. Such Development Agreement may include deadlines with respect to opening that will supersede any similar deadline contained herein.

L. Amendments and Modifications. This Agreement may be amended or modified only by a written document signed by each party hereto.

M. Survival. Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer, including, but not limited to, **Sections 6(T)** (Indemnification) and **6(U)** (Confidential Information) and **Articles 9** (Obligations Upon Termination), **10** (Covenants), and **12** (Arbitration).

N. No Third Party Beneficiaries. Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement.

O. Construction. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. If the term "you" as used herein is applicable to one or more persons, the singular usage includes the plural; and the masculine and neuter usages include the other and feminine.

P. Notices. Unless a provision herein expressly specifies that notices or communication may be given in another manner, all notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices to you will be sent to the address set forth on the Summary Page.

Notices to us must be sent to:

King of Pops Franchising, LLC
552 Decatur Street SE
Atlanta, Georgia, 30312
Attention: President/CEO

Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon actual or attempted delivery when sent by registered or certified mail or overnight delivery service.

Q. Varying Standards. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, at our sole discretion and as we may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which we deem to be of importance to the successful operation of System franchisees. We are not obligated to grant to you a like or similar variation.

R. Enforcement. If either party seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party is entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding. If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs of collection and expenses that we incur including, but not limited to, reasonable accounting, attorneys', arbitrators', and related fees.

S. Acknowledgements and Representations. You and each Owner hereby acknowledges and represents as follows:

(i) The information (including without limitation all personal and financial information) that you and your Owners have furnished or will furnish to us relating to the subject of this Agreement is true and correct in all material respects and includes all material facts necessary to make such information not misleading in light of the circumstances when made.

(ii) You represent and warrant to us that, as of the Effective Date, neither you nor any of your Owners is designated under applicable laws, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the **"Order"**) as a person with whom business may not be transacted. Further, you and your Owners do not and will not, engage in any terrorist activity, are not affiliated with and do not support any individual or entity engaged in or supporting terrorist activity, and are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in or supporting terrorist activity.

T. Business Judgment. You understand and agree that we may change the System, the System Standards and the Pop Cart Business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including without limitation our judgment of what is in the best interests of the System at the time our decision is made or discretion is exercised.

U. Joint and Several Liability. If two or more people sign this Agreement as "King of Pops Cart Franchisee", each will have joint and several liability. If you are an entity, and if there are multiple Owners signing the Joinder below, each will have joint and several liability.

V. Release. You and each of your legal and beneficial owners for themselves and their Affiliates, and for their and their respective Affiliates' directors, officers, shareholders, partners, members, managers, employees, and agents, and for the predecessors, successors, assigns, heirs, administrators, and executors of any of them (the **"Franchisee Parties"**) hereby forever releases, acquits, remises, and discharges us, our Affiliates, our and our Affiliates' directors, officers, shareholders, members, managers, employees, and agents, and the predecessors, successors, assigns, heirs, administrators, and executors (the **"Franchisor Parties"**) of any of them from and against any and all obligations, debts, liabilities, demands, claims, actions, causes of action, losses, and damages (actual, consequential, multiplied, exemplary, enhanced, punitive, or otherwise), of any nature or kind, contingent or fixed, known or unknown, at law or in equity, or otherwise for any matter, accruing or arising prior to the date of this Agreement (collectively **"Claims"**), arising out of or related to any prior licensing, distribution or other business relationship between you, the Franchisee Parties, or any of them, on the one hand, and us, the Franchisor Parties, or any of them, on the other hand, including, without limitation, any Claim relating to the offer or sale of such licensing or distribution rights. Notwithstanding anything to the contrary contained herein, these releases shall not impact any obligation created under this Agreement, nor shall these releases constitute a waiver or estoppel with respect to any representation contained in the current franchise disclosure document provided to you in connection with this Agreement. The Franchisee Parties represent that they have each had the opportunity to consult with counsel regarding the meaning and import of the releases granted in herein and are giving these releases voluntarily.

W. Additional Terms. The parties may provide additional terms by including the terms on the Summary Page. To the extent that any provisions of the Summary Page are in direct conflict with the provisions of this Agreement, the provisions of the Summary Page shall control.

X. Franchisee Acknowledgements. No statement, questionnaire, or acknowledgment signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, a franchise seller or other person acting on our behalf. This provision supersedes any other term contained herein or any other document executed by you in relation to this Agreement.

[Signature Page to Franchise Agreement]

Agreed as of the Effective Date:

KING OF POPS FRANCHISING, LLC

By:_____________________________
Name:__________________________
Title:___________________________

KING OF POPS CART FRANCHISEE:

[*if an individual:*]

____
Name:__________________________

____
Name:__________________________

____
Name:__________________________

[*if an entity:*]

____

By:_____________________________
Name:__________________________
Title:___________________________

(*Check if applicable*) At the same time as the parties execute this Agreement, they are also executing a Rider to this Agreement pursuant to:

_________________________ Virginia
_________________________ Other

JOINDER

The parties signing below are all your beneficial and legal owners. Each of these parties (a) represents and warrants that he or she has reviewed and understands the foregoing King of Pops Cart Franchise Agreement between ___________ and King of Pops Franchising, LLC; and (b) agrees that he or she is jointly and severally liable for the timely and complete performance and payment of all your obligations under such Agreement and is bound by all the terms of the Agreement as if he or she were an original signatory under such Agreement.

[*if an entity, all owners should sign below*]

____
Name:________________________

____
Name:________________________

____
Name:________________________

EXHIBIT A

Authorization Agreement for Prearranged Payments (Direct Debits)

King of Pops Cart Franchisee Information

(a) King of Pops Cart Franchisee Name:

(b) Business Mailing Address (city, state, zip):

(c) Contact Name, Address and Phone number (if different than above):

(d) King of Pops Cart Franchisee E-mail Address:

Bank Account Information

(a) Bank Name: (b) Bank Account No.:

(c) Bank Routing No.:

Authorization: The above King of Pops Cart Franchisee hereby authorizes the Bank listed above to honor and charge the Bank Account listed above for electronic funds transfers or drafts drawn on the Bank Account and payable to King of Pops Franchising, LLC. The amount of such charge shall be set forth in a notice from King of Pops Franchising, LLC presented to the Bank on Wednesday of each week. The King of Pops Cart Franchisee agrees to execute such additional documents as may be reasonably requested by King of Pops Franchising, LLC or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until King of Pops Franchising, LLC has have received written notification from the King of Pops Cart Franchisee in such time and manner as to afford King of Pops Franchising, LLC and the Bank to act on such notice. The King of Pops Cart Franchisee understands that the termination of this authorization does not relieve the King of Pops Cart Franchisee of its obligations to make payments to King of Pops Franchising, LLC.

[INSERT KING OF POPS CART FRANCHISEE NAME]

Signature: Date:

EXHIBIT C

<u>Development Agreement</u>

(Attached)

KING OF POPS CART BUSINESS DEVELOPMENT AGREEMENT

THIS KING OF POPS CART BUSINESS DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered into on _______________ ("**Effective Date**") by and between **King of Pops Franchising, LLC**, a Georgia limited liability company ("**we**", **"our"** or **"us"**) and _________ , a ______________ ("**you**" or **"your"**).

BACKGROUND:

- We and our affiliates, through the use of valuable resources, have developed expertise in the operation of businesses (each, a **"Pop Cart Business"**) that sell hand-crafted ice pops to people and their pets made using high quality and, to the extent possible, locally-sourced ingredients (the **"Pops"**) from full or mini mobile carts (**"Pop Carts"**) and other approved methods.

- The Pop Cart Business system includes distinct elements, including, but not limited to, standards and procedures for business operations; training in operations; advertising and promotional programs; customer service techniques; procedures and methods; our confidential Operations Manuals; technical assistance; the Pop Carts; and the marks "King of Pops ", "King of Pups" and other marks and names, logos, slogans, insignia and commercial symbols designated for use by Pop Cart Businesses, all of which may be changed or enhanced from time to time (the **"System"**).

- You have entered into a Franchise Agreement with us as of even date herewith (the **"First Franchise Agreement"**) under which you have obtained the right to operate a single Pop Cart Business.

- You wish to have the right to develop additional Pop Cart Businesses in the Development Territory (as defined below), and we desire to grant you the right to develop additional Pop Cart Businesses, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. **Grant of Development Rights.**

(a) Subject to the terms of this Agreement, we grant you the right to develop ___ Pop Cart Businesses within the geographic area specified on **Exhibit A** (the **"Development Territory"**) according to the mandatory development schedule set forth on **Exhibit B** to this Agreement (the **"Development Schedule"**). Time is of the essence with respect to your obligations under the Development Schedule.

(b) During this Agreement's term only, provided you are in full compliance with this Agreement, neither we nor our affiliates will sell Pops from Pop Carts within your Development Territory, nor grant the right to sell Pops from Pop Carts to any person within your Development

Territory. The protections described in this **Section 1(b)** are the only restrictions on our and our affiliates' activities within the Development Territory. Except for such restrictions, you acknowledge and agree that we and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Development Territory, including, without limitation, those we reserve in the First Franchise Agreement.

(c) After this Agreement expires or is terminated under **Sections 7** or **8**, we and our affiliates have the right, without any restrictions whatsoever, to (i) establish and operate, and grant to others the right to establish and operate, Pop Cart Businesses within the Development Territory; and (ii) continue to engage, and grant to others the right to engage, in any other activities we (and our affiliates) desire within the Development Territory.

2. Development Fee. The total amount of the Development Fee is $__________, which is equal to (a) the initial franchise fee payable under the First Franchise Agreement, plus $6,000 multiplied by the number of additional Pop Cart Businesses to be developed by you hereunder in the Development Territory (the **"Development Fee"**). No initial franchise fees shall be due under the First Franchise Agreement and subsequent Franchise Agreements entered into hereunder notwithstanding anything to the contrary contained in any Franchise Agreement. The Development Fee is fully earned when received by us, and is non-refundable in consideration of administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you herein.

3. Franchise Agreements.

(a) The franchise agreement for each subsequent Pop Cart Business developed hereunder (together with the First Franchise Agreement, the **"Franchise Agreements"**) will be entered into by the Signing Deadline (as defined) and shall be in the form of the franchise agreement being offered generally by us at the time each such Franchise Agreement is executed, except that (i) no initial franchise fee shall be due thereunder; and (ii) the Development Deadlines (as defined) for opening specified on the Development Schedule shall supersede any deadlines for opening set forth in the Franchise Agreements.

(b) We may, in our sole discretion, permit one or more Franchise Agreements to be executed by your affiliates; provided that (i) you own a controlling ownership interest in the affiliated entity; and (ii) we approve the ownership structure of, and each owner in, the affiliated entity.

4. Extension. Notwithstanding the Development Schedule, provided that you are in full compliance with this Agreement and all Franchise Agreements, you may extend the Development Deadlines that apply to a single Pop Cart Business to be developed hereunder once for a period not to exceed six months provided that you (a) pay an extension fee of $500; and (b) provide us with written notice at least 60 days in advance of the Development Deadlines being extended prior to the tolling of the applicable Development Deadline.

5. Term. The term of this Agreement and all rights granted hereunder shall expire on the last Opening Deadline specified in the Development Schedule, subject to earlier termination in accordance with this Agreement.

6. Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you if you shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your Pop Cart Business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless appealed or a supersedeas bond is filed); or if you are dissolved; or if execution is levied against your Pop Cart Business or property; or if suit to foreclose any lien or mortgage against the premises or equipment of any Pop Cart Business developed hereunder is instituted against you and not dismissed within 30 days; or if your real or personal property shall be sold after levy thereupon by any sheriff, marshal, or constable.

7. Termination Upon Notice. Upon the occurrence of any of the following events of default, we may, at our option, terminate this Agreement and all rights granted hereunder or take any of the actions described in **Section 8** below, without affording you any opportunity to cure the default, effective immediately upon the provision of written notice to you:

(a) you fail to meet any obligation under the Development Schedule;

(b) we have delivered a formal written notice of default to you (or your approved affiliate) under any Franchise Agreement or another franchise agreement between us and you (or your approved affiliate) for a Pop Cart Business, and you (or your approved affiliate) fail to cure that default within the required timeframe;

(c) any Franchise Agreement, or another franchise agreement, between us and you (or your approved affiliate) for a Pop Cart Business is terminated by us in accordance with its terms due to your or your affiliate's default; or

(d) any other violation of this Agreement by you that is not cured within 30 days after we have given you written notice of the same.

Termination of this Rider under clause (a) above shall not cause a termination of any franchise rights granted under any Franchise Agreement or another franchise agreement, between us and you (or your approved affiliate) for a Pop Cart Business.

8. Actions in Lieu of Termination. If we are entitled to terminate this Agreement in accordance with **Section 7** above, we have the right to undertake any one or more of the following actions instead of terminating this Agreement:

(a) we may terminate or modify any rights that you may have with respect to protection in the Development Territory, as granted under Section 1 above, effective ten days after delivery of written notice thereof to you;

(b) we may modify the boundaries of the Development Territory; and/or

(c) we may reduce or eliminate the number of Pop Cart Businesses that you may establish and operate under this Agreement.

If any right is modified in accordance with this **Section 8**, such action shall be without prejudice to the right to terminate this Agreement in accordance with **Section 7** above, and we shall have the right to retain all Development Fees paid by you, and/or to terminate any other rights under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement. Upon termination or expiration of this Agreement, we shall be entitled to establish, and to license others to establish, Pop Cart Businesses in the Development Territory (except as may be otherwise provided under any existing franchise agreement that has been executed between us and you or your approved affiliates).

9. Sublicensing. You may not franchise, license, subfranchise, or sublicense others to develop and operate Pop Cart Businesses. Only you (and/or approved affiliates) may construct, develop, open, and operate Pop Cart Businesses, and this Agreement does not give you (or your approved affiliates) any independent right to use the marks "King of Pops ", "King of Pups" and other marks and names, logos, slogans, insignia and commercial symbols designated for use by Pop Cart Businesses. The right to use our names, marks and commercial symbols is granted only under a franchise agreement signed directly with us. This Agreement only grants you potential development rights if you fully comply with its terms.

10. Transfer. You and each of your owners understands and acknowledges (a) that the rights and duties set forth in this Agreement are personal to you and your owners; (b) that we have granted the rights described in this Agreement in reliance on your and/or your owners' business skill, financial capacity, and personal character; and (c) that we have granted the rights herein with the expectation, and based on the representations of you, that you and no other persons or entities, will develop, own or operate Pop Cart Businesses in the Development Territory. Accordingly, you and your owners shall not transfer substantially all of your assets or a controlling interest in you (if you are an entity).

11. Disputes. The arbitration provisions contained in Section 12 of the First Franchise Agreement and choice of law provisions contained in Section 13(D) of the First Franchise Agreement are hereby incorporated herein by this reference and shall apply *mutatis mutandis* to any controversy, claim or dispute arising out of or relating to this Agreement or its breach. Except for matters to be submitted to arbitration, any claims relating to this Agreement must be filed in a federal or state court for the district or county where we have our principal place of business at the time suit is filed. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

12. Miscellaneous.

(a) Under no circumstances are you our fiduciary. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

(b) This Agreement takes effect upon its acceptance and execution by us.

(c) No right or remedy conferred upon or reserved by the parties by this Agreement is intended to be, nor shall it be, exclusive of any other right or remedy contained in the Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(d) Any failure by us to exercise any power reserved to us by this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with any of the terms herein. Our waiver of any particular default or breach by you shall not affect or impair our rights with respect to any subsequent default or breach of the same, similar or different nature; nor shall any delay, forbearance, or omission of us to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants hereof, affect or impair our right to exercise the same; nor shall such constitute a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery to you of ten days prior written notice.

(e) Time is of the essence to the performance of all obligations of the parties to be performed under this Agreement.

(f) Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government which did not arise from a violation or alleged violation of any Law; (2) acts of God; (3) fires, strikes, embargoes, war, pandemics, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payment of amounts owed at the time of the occurrence or payment of royalties, advertising fund contributions or other amounts due afterward.

(g) All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law requires a greater prior notice of the termination of this Agreement than is required hereunder, or require the taking of some other action not required hereunder, the prior notice or other action required by such law shall be substituted for the notice or other requirements hereof.

(h) This Agreement and the documents referred to herein constitute the entire agreement between you and us with respect to development rights granted hereunder and supersede all prior discussions, understandings, representations, and agreements concerning the same subject matter. This Agreement includes the terms and conditions on the Exhibits, attachments, and the recitals of this Agreement, all of which are incorporated into this Agreement by this reference.

(i) This Agreement may be amended or modified only by a written document signed by each party hereto.

(j) Each provision of this Agreement that expressly or by reasonable implication is to be performed, in whole or in part, after the expiration, termination, or transfer of this Agreement will survive such expiration or termination.

(k) Except as expressly otherwise provided herein, no third party shall have the right to claim any of the benefits conferred under this Agreement.

(l) The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs. If the term “you” as used herein is applicable to one or more persons, the singular usage includes the plural; and the masculine and neuter usages include the other and feminine.

(m) All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices to you will be sent to the address set forth below your signature. Notices to us must be sent to:

King of Pops Franchising, LLC
552 Decatur Street St.
Atlanta, Georgia 30312
Attention: President/CEO

Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon attempted delivery when sent by registered or certified mail or overnight delivery service.

(n) If either party seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding. If we incur costs and expenses due to your failure to pay when due amounts owed to us, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur including, but not limited to, reasonable accounting, attorneys', arbitrators', and related fees.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in duplicate on the Effective Date.

WE:

KING OF POPS FRANCHISING, LLC

By:___________________________
Name:________________________
Title:__________________________

YOU:

[*if an individual:*]

____
Name:________________________

____
Name:________________________

____
Name:________________________

[*if an entity:*]

____

By:___________________________
Name:________________________
Title:__________________________

EXHIBIT A
DEVELOPMENT AREA

[attach map(s) as necessary]

Agreed:

WE:

KING OF POPS FRANCHISING, LLC

By:____________________________
Name:__________________________
Title:___________________________

YOU:

[*if an individual:*]

____
Name:__________________________

____
Name:__________________________

____
Name:__________________________

[*if an entity:*]

____

By:____________________________
Name:__________________________
Title:___________________________

EXHIBIT B
DEVELOPMENT SCHEDULE

You agree to establish and operate Pop Cart Businesses in the Development Territory according to the following Development Schedule:

Number	**Signing Deadline**	**Opening Deadline**	**Cumulative Total # of Pop Cart Businesses** *(in operation by the Opening Deadline)*
#1	Concurrently with this Agreement		1
#2			2
#3			3
#4			4
#5			5
#6			6
#7			7

Notes:

(1) By each **"Signing Deadline"**, you must have signed copy of our then-current standard form of Franchise Agreement.

(2) The Pop Cart Business must be open by the **"Opening Deadline"** and you must have the specified **"Cumulative Total # of Pop Cart Businesses"** open and operating by the Opening Deadlines that are specified in the last column.

The deadlines specified above are collectively referred to as the **"Development Deadlines"** and shall supersede any deadlines set forth in the Franchise Agreements entered unto hereunder.

Agreed:

WE:

KING OF POPS FRANCHISING, LLC

By:____________________________
Name:__________________________
Title:___________________________

YOU:

[*if an individual:*]

____
Name:___________________________

____
Name:___________________________

____
Name:___________________________

[*if an entity:*]

____

By:______________________________
Name:___________________________
Title:____________________________

EXHIBIT D

Non-Competition Agreement

(Attached)

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

THIS AGREEMENT ("**Agreement**") is made this ______________ by and between ___________________________ ("**Franchisee**"), and __________________________, who is an officer, director, manager, partner, owner, employee, agent or a person in a managerial position with, Franchisee ("**Member**").

BACKGROUND:

A. King of Pops Franchising, LLC, a Georgia limited liability company ("**Franchisor**") owns a format and system (the "**System**") relating to the establishment and operation of businesses that sell hand-crafted ice pops to people and their pets made using high quality and, to the extent possible, locally-sourced ingredients (**"Pops"**; and, together with other products permitted to be sold by Franchisor, **"Approved Products"**) using use full or mini mobile carts and other approved methods (each, a **"Pop Cart Business"**).

B. The Pop Cart Businesses operate under the name "King of Pops" (or other names designated by Franchisor, the "**Marks**").

C. Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Pop Cart Business (the "**Franchise**");

D. Member, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or knowhow concerning the management, operation or promotion of the Pop Cart Businesses which may be communicated to Member or of which Member may be apprised by virtue of Franchisee's operation under the terms of the Franchise Agreement (**"Confidential Information"**). Any and all information, knowledge, knowhow, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which the Member can demonstrate came to his or her attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

2. Covenant Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of his or her position with Franchisee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) Member covenants and agrees that during the term of Member's employment with, engagement by, or ownership interest in, Franchisee, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity: (i) own, manage, engage in, be employed by, advise, or have any other interest in any Competitive Business (as defined below) at any location; (ii) divert or attempt to divert any business or customer or potential business or customer of the Pop Cart Business to any Competitive Business, by direct or indirect inducement or otherwise; (iii) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks; or (iv) directly or indirectly solicit for employment any person who at any time within the immediate past 12 months has been employed by Franchisor.

"Competitive Business" means (i) any business that derives over 20% of its revenue from the sale of ice pops, snow cones and other frozen treats, cakes or cupcakes, pastries, crepes or any business that looks like, copies, imitates, or operates with similar trade dress or decor to a Pop Cart Business; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than a Pop Cart Business operated under a franchise agreement with Franchisor).

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity: (i) directly or indirectly own, manage, engage in, be employed by, advise, or have any other interest in any Competitive Business that is (or is intended to be) located within a 25-mile radius of _________ {insert Franchisee's "Area" under the Franchise Agreement} or a 25-mile radius of any other Pop Cart Business' area that is operating at the commencement of the Post-Term Period; or (ii) solicit for employment any person who at any time within the immediate past 12 months has been employed by Franchisor.

(d) As used in this Agreement, the term **"Post-Term Period"** shall mean a continuous uninterrupted period of two years from the date of: (a) a transfer permitted under **Section 11** of the Franchise Agreement with respect to Member; and/or (b) termination of Member's employment with, engagement by and/or ownership interest in, Franchisee.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by

any court, then it is the intent of the parties that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Franchisor.

5. Delay. No delay or failure by Franchisor or the Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, Franchisee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement as of the date first written above.

FRANCHISEE:	**MEMBER:**
______________________________	______________________________
By:___________________________	By:___________________________
Name:_________________________	Name:_________________________
Title:__________________________	Title:__________________________

EXHIBIT E

King of Pops Cart Franchisee Lease Agreement

(Attached)

KING OF POPS CART FRANCHISEE LEASE AGREEMENT

THIS KING OF POPS CART FRANCHISEE LEASE AGREEMENT (this **"Lease"**), dated _______________, is entered into by and between **KING OF POPS FRANCHISING, LLC**, a Georgia limited liability company with its principal place of business at 552 Decatur Street SE, Atlanta, Georgia, 30312 ("**we**" or **"us"**) and ______________, [an individual or __________ ______________ [type of entity/state]] (**"you"**).

BACKGROUND:

You entered into a Franchise Agreement with us dated _____________ (the **"Franchise Agreement"**) under which you will operate a business (the **"Pop Cart Business"**) that sells hand-crafted ice pops (and other approved products) to people and pets from full or mini mobile carts, bikes and other methods of distribution authorized by KOP from time to time (the **"Carts"**). Under the Franchise Agreement, you are required to lease Carts from us, subject to the terms and conditions of this Lease.

You and we agree as follows:

1. GENERAL.

(a) You will lease from us, and we will lease to you, the Carts described in the applicable Cart Lease Commitment Form, subject to the terms and conditions of this Lease and the Cart Lease Commitment Form. A **"Cart Lease Commitment Form"** is a form issued by you to us in our standard format, which may be revised by us from time to time, that includes (at a minimum) (i) a list of the quantity and type of Carts to be leased; (ii) the rental period and rent due for each type of Cart; (iii) the requested delivery date; and (iv) the delivery location or pick up window for the leased Carts. Our current Cart Lease Commitment Form is attached as Schedule 1. We may revise the Cart Lease Commitment Form from time to time to specify new or different terms which shall be effective upon delivery to you, subject to **Section 3(h)**.

(b) You must issue Cart Lease Commitment Forms to us via the DEAR portal (or any replacement portal designated by us) or any other method specified by us from time to time. By issuing a Cart Lease Commitment Form to us, you agree to lease the Carts under the terms and conditions of this Lease and the Cart Lease Commitment Form. We are not obligated to supply any Carts until we have received and accepted a Cart Lease Commitment Form issued by you. You understand and acknowledge that certain Carts may not always be available.

(c) We may delay the fulfillment of a validly issued and accepted Cart Lease Commitment Form or fulfill only part of the Cart Lease Commitment Form due to a Force Majeure Event (as defined below). However, we will use commercially reasonable efforts to (i) promptly notify you if we become aware of any delays/inability to fulfill any validly issued and accepted Cart Lease Commitment Form; and (ii) mitigate any delay or inability to fulfill such Cart Lease Commitment Form. A **"Force Majeure Event"** includes an event that causes a delay in performance that is beyond our reasonable control including fire, pandemics, supply chain issues, earthquakes, weather, acts of terrorism, or any other acts of God, power failures, electrical or mechanical difficulties, strikes, lockout, work stoppages or other labor disturbances, and governmental regulations or restrictions.

(d) Any additional, contrary or different terms contained in any Cart Lease Commitment Form submitted by you will not modify this Lease or be binding on the parties unless such terms have been accepted by our authorized representative.

2. TERM. The term of this Lease commences on the date hereof and continues for the initial term of the Franchise Agreement, including any validly exercised renewal terms, subject to earlier termination as provided herein.

3. RENT AND DELIVERY RATES; PAYMENT.

(a) Rental amounts for certain types of Carts may be specified on the Cart Lease Commitment Form as a single lump sum payment which must be paid when the Cart Lease Commitment is submitted by you (the **"Lump Sum Rental Payment"**). Lump Sum Rental Payments cover all rent due for the entire term of your Franchise Agreement, including any validly exercised renewals, unless otherwise specified on the applicable Cart Lease Commitment Form.

(b) Rental amounts for other types of Carts may be specified as periodic which means rental payments are due on a continuing basis during the rental term (**"Periodic Rental Payments"**). The rental term may be weekly, monthly, or annual periods (or any other period designated by us from time to time).

(c) Current Lump Sum Rental Payments, Periodic Rental Payments and delivery/retrieval rates and rental periods for various Carts are as specified on Schedule 1.

(d) You must pay delivery/retrieval fees and rental payments on the due dates and using the payment method we designate from time to time. For Periodic Rental Payments, we currently require payment by electronic debit in the manner prescribed for payments of royalties and advertising fund payments in the Franchise Agreement. We may change due dates and periods and the designated payment method upon 30 days advance written notice to you.

(e) If any payment is not made when due, or if any electronic payment is unpaid because of insufficient funds, you must pay us immediately upon demand the overdue amount, plus interest on the overdue amount from the date it was due until paid at a rate of 18% per annum or the maximum amount permitted by law, whichever is less. In addition, we may charge a $100 late payment fee for all such overdue payments and a $100 insufficient funds fee for each check, automated bank draft payment, or other payment method that is not honored by your financial institution. This is in addition to any other remedies we may have.

(f) Periodic Rental Payments that only cover a partial period will be pro-rated as appropriate.

(g) Delivery/retrieval fees and rental amounts (including, without limitation, Lump Sum Rental Payments where the Franchise Agreement is terminated by you or us prior to the end of the initial term of the Franchise Agreement) are not refundable under any circumstances.

(h) We reserve the right to increase rental rates by up to 15% each year, with such increase becoming effective 30 days after delivery of written notice to you (which may be delivered via email). Any price increase to Periodic Rental Payments will cause Periodic Rental Payments due for Carts previously rented by you under Cart Lease Commitment Forms to increase to the then-current periodic rental rate. Price increases shall not require you to pay additional amounts for Carts for which you have previously paid Lump Sum Rental Payments, however, any increase in Lump Sum Rental Payments will apply to additional Carts that you rent after the effective date of the increase.

(i) We reserve the right to charge a reasonable delivery/retrieval fee, and we may increase delivery/retrieval fees from time to time.

4. COMPLIANCE WITH STANDARDS: MAINTENANCE AND LOSS. You agree to comply with and immediately implement upon reasonable advance notice any policies, standards, guidelines, or requirements that we establish periodically with respect to the Carts' décor, signage, color-scheme and usage. You must keep the Carts in good repair and condition and furnish any and all parts required to keep the Carts in good mechanical working order, at your own cost. Commencing on the actual delivery or pick-up date of your Cart, you assume the entire risk of loss and damage to the Carts from any and every cause whatsoever. No loss or damage to the Carts or any part thereof will impair any obligation under this Lease, which will continue in full force and effect through the term of the Lease. In the event of loss or damage of any kind whatsoever to a Cart, you must, at our sole option: (a) place the same in good repair, condition and working order; (b) replace the same with a like Cart in good repair, condition and working order; or (c) pay us the replacement cost of the Cart.

5. ENCUMBRANCES; TAXES. You will keep the Carts free and clear of all liens and encumbrances. You are responsible for all license and registration fees and other amounts due arising out of the use or operation of the Carts, together with any penalties or interest thereon, whether or not the same is assessed against or in the name of us or you.

6. OUR PAYMENT OF AMOUNTS DUE ON YOUR BEHALF. In case of your failure to comply with Sections 4 or 5 we have the right, but are not obligated, to pay any amounts necessary to maintain the Carts or otherwise due with respect to the Carts, and you must reimburse us for all amounts advanced within 14 days after our demand.

7. INDEMNITY. You hereby indemnify and must hold us harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney's fees and costs, arising out of, connected with, or resulting from your use of the Carts or breach of this Lease.

8. TERMINATION; REMEDIES

(a) This Lease is terminable by either party if the other party fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by such party and such failure is not cured within 30 days after written notice is delivered to such party describing the breach.

(b) Any default under the Franchise Agreement is a default under this Lease permitting use to immediately terminate this Lease, subject to the applicable cure period provided under the Franchise Agreement with respect to such default. In addition, a default under this Lease is a default under the Franchise Agreement permitting us to immediately terminate the Franchise Agreement, subject to any relevant cure period provided under this Lease with respect to such default.

(c) Upon any termination of this Lease, you must immediately pay all amounts owed hereunder.

(d) This Lease and all Cart Lease Commitment Forms shall automatically terminate without further action if the Franchise Agreement is terminated or expires.

(e) Upon any expiration or termination of this Lease, you must allow us to promptly retrieve the Carts, and they must be in good repair, condition and working order, ordinary wear and tear excepted. In addition, the following provisions shall survive expiration of termination of this Lease: Sections 4-7, 8, Section 9(c) and this Section 9(e). We will charge you the applicable Cart retrieval fee as specified in our then-current Cart Lease Commitment Form.

9. MISCELLANEOUS.

(a) The Carts are, and shall at all times be and remain, our sole and exclusive property. You have no right, title or interest in the Carts with the exception of the leasehold interest granted under this Lease.

(b) This instrument and the agreements referenced herein constitute the entire agreement between the parties on the subject matter hereof and it shall not be amended, altered or changed except by a further writing signed by the parties hereto. If you have entered into a prior lease for Carts with us, the terms and conditions of this Lease shall supersede and govern for all purposes your lease of Carts from us effective on the date hereof.

(c) All notices and other communications required or permitted under this Lease will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service.

Notices to us must be sent to:

King of Pops Franchising, LLC
552 Decatur Street SE
Atlanta, Georgia 30312
Attention: Chief Executive Officer

Notices to you must be sent to the address for notices specified below your signature: Either party may change its address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon actual or attempted delivery when sent by registered or certified mail or overnight delivery service.

(d) Each party to this Lease binds itself, its successors and assigns to the other party and to the successors and permitted assigns of such other party with respect to all the covenants, agreements and obligations contained in this Lease. You may not assign this Lease, in whole or in part, without our prior written consent.

(e) Headings used in this Lease are provided for convenience only and shall not be used to construe meaning or intent.

(f) In any action arising out of or relating to this Lease or the Carts, in no event shall we or any of our affiliates be liable to you for more than total amounts paid to us hereunder during the prior 12 month period.

(g) If either you or us seeks to enforce this Lease in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

(h) The parties irrevocably waive trial by jury in any action or proceeding, whether at law or in equity, properly brought by either of them against the other, whether or not there are other parties in such action or proceeding. The arbitration provisions contained in Section 12 of the Franchise Agreement and choice of law provisions contained in Section 13(D) of the Franchise Agreement are hereby incorporated herein by this reference and shall apply *mutatis mutandis* to any controversy, claim or dispute arising out of or relating to this Lease or its breach. Except for matters to be submitted to arbitration, any claims relating to this Lease must be filed in a federal or state court for the district or county where we have our principal place of business at the time suit is filed. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

(i) All of our remedies are cumulative, and may be exercised concurrently or separately.

(j) In the event of any conflict between a Cart Lease Commitment Form and this Lease, the terms of this Lease shall control.

[Signatures Appear on the Following Page]

[Signatures to Cart Lease Agreement]

IN WITNESS WHEREOF, each party hereto has caused this Lease to be executed as of the day and year first above written.

Franchisor:

KING OF POPS FRANCHISING, LLC

By:____________________

Name:__________________

Title: __________________

You:

[INSERT LEGAL NAME IF AN ENTITY]

By:____________________

Name:__________________

Title: __________________

Address: ________________
____
____

[IF AN INDIVIDUAL]

By:____________________

Name:__________________

Address: ________________
____
____

Schedule 1

Cart Lease Commitment Form

USED CART RENTAL				
Type	Bi-Weekly Rental Amount (per Cart)	Number	Rental Period	Delivery/Retrieval Charge (each way)
Used Full Size Cart	$140		2 weeks	NA

Delivery or Pick Up Location: ____
____

Requested Delivery or Pick Up Date/Time:____

Periodic rental payments are due as follows: _________________________.

NEW CART RENTAL				
Type	Rental Amount (Lump Sum) (per Cart)	Number	Rental Period	Delivery/Retrieval Charge (each way)
Full Size Cart	$1,750		Term of the Franchise Agreement (and renewals)	NA
Mini Size Cart	$1,250		Term of the Franchise Agreement (and renewals)	NA
Bike Cart	$7,500		Term of the Franchise Agreement (and renewals)	NA

Delivery or Pick Up Location: ____
____

Requested Delivery or Pick Up Date/Time:__________________________________

(1) One lump sum payment of the full rental amount per Cart is due upon acceptance by us. This amount covers rent for the duration of the Franchise Agreement, and all renewals.

EXHIBIT F

King of Pops Cart Franchisee Supply Agreement

(Attached)

KING OF POPS CART FRANCHISEE SUPPLY AGREEMENT

THIS KING OF POPS CART FRANCHISEE SUPPLY AGREEMENT (this **"Agreement"**), dated _______________, is entered into by and between **PERFECT 10 DISTRIBUTION, LLC**, a Georgia limited liability company with its principal place of business at 552 Decatur Street SE, Atlanta, Georgia, 30312 ("**we**" or **"us"**) and ______________, [an individual or __________ _____________ [type of entity/state]] (**"you"**).

BACKGROUND:

You entered into a Franchise Agreement with our affiliate, King of Pops Franchising, LLC dated _____________ (the **"Franchise Agreement"**) under which you will operate a business that sells hand-crafted ice pops (**"Pops"**) (and other approved products) to people and pets from full or mini mobile carts (the **"Pop Cart Business"**). Under the Franchise Agreement, you are required to purchase Pops from us and you may, in the future, be required to purchase or you may choose to purchase other designated products from us from time to time (the **"Other Products"**), subject to the terms and conditions of this Agreement. As used herein, **"Products"** shall collectively refer to Pops and Other Products.

You and we agree as follows:

1. GENERAL; PURCHASE ORDERS.

(a) You will purchase from us, and we will sell to you, the Products described in the applicable Purchase Order, subject to the terms of this Agreement and the relevant Purchase Order. A **"Purchase Order"** is a purchase order issued by you to us in our standard format, which may be revised by us from time to time, that includes (at a minimum) (i) a list of the types of Products to be purchased; (ii) the quantity of each type of Product ordered; and (iii) the delivery location or pick-up window.

(b) You must issue Purchase Orders to us via the DEAR portal (or any replacement portal designated by us) or any other method specified by us from time to time. By issuing a Purchase Order to us, you agree to purchase the ordered Products, under the terms and conditions of this Agreement and the Purchase Order. We are not obligated to supply any Products to you until we have received and accepted a Purchase Order issued by you. You understand and acknowledge that we have a constantly rotating flavor offering of Pops and that certain flavors may not always be available. Purchase Orders for Products must be placed prior to the specified order cutoff time which may change from time to time.

(c) The purchase price of the Pops ordered by you under Purchase Orders shall be our then current pricing offered to the King of Pops franchise system franchisees. Current pricing for the Pops that we currently offer are as specified on Schedule 1. We may introduce new Pop flavors from time to time at higher prices. Pricing for Other Products that we may offer shall be at our then current pricing offered to the King of Pops franchise system franchisees. We reserve the right to charge a reasonable delivery fee for Products.

(d) We reserve the right to increase prices for Pops by up to 15% per year with such increase being effective 30 days after delivery of written notice of such price increase to you. We also have the right to increase delivery charges and prices for Other Products each year with such increase being effective 30 days after delivery of written notice of such price increase to you. Notices of price increases hereunder may be delivered by email. We may discontinue offering any Product at any time.

(e) We may delay the fulfillment of a validly issued and accepted Purchase Order or fulfill only part of the Purchase Order due to a Force Majeure Event (as defined below). However, we will use commercially reasonable efforts to (i) promptly notify you if we become aware of any delays/inability to fulfill any validly issued and accepted Purchase Order; and (ii) mitigate any delay or inability to fulfill such Purchase Order. A **"Force Majeure Event"** includes an event that causes a delay in performance that is beyond our reasonable control including fire, pandemics, supply chain issues, earthquakes, weather, acts of terrorism, or any other acts of God, power failures, electrical or mechanical difficulties, strikes, lockout, work stoppages or other labor disturbances, and governmental regulations or restrictions.

(f) Any additional, contrary or different terms contained in any Purchase Order submitted by you will not modify this Agreement or be binding on the parties unless such terms have been accepted by our authorized representative.

(g) You must comply with any minimum Product purchase quantity established by us from time to time.

2. PAYMENT.

(a) You must make payment for amounts due hereunder on the due dates and using the payment method we designate from time to time. We currently require payment by electronic debit in the manner prescribed for payments of royalties and advertising fund payments in the Franchise Agreement. We may change due dates, periods and the designated payment method upon 30 days advance written notice to you.

(b) If any payment is not made when due, or if any electronic payment is unpaid because of insufficient funds, you must pay us immediately upon demand the overdue amount, plus interest on the overdue amount from the date it was due until paid at a rate of 18% per annum or the maximum amount permitted by law, whichever is less. In addition, we may charge a $100 late payment fee for all such overdue payments and a $100 insufficient funds fee for each check, automated bank draft payment, or other payment method that is not honored by your financial institution. This is in addition to any other remedies we may have.

3. TERM. The term of this Agreement commences on the date of this Agreement and expires five years from such date, unless earlier terminated as provided herein.

4. WARRANTY.

(a) We represent and warrant that all Products, at the time of receipt by you (i) will be of a merchantable quality; and (ii) have been prepared, packaged and shipped strictly in accordance with all applicable laws and regulations, including but not limited to all food safety, sanitation, packaging and labelling laws. For avoidance of doubt, this warranty is predicated on proper storage and handling by you after delivery of the Products. Commencing on the actual delivery date, you assume the entire risk of loss and damage to the Products from any and every cause whatsoever. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION 4(A) WE DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER WITH REGARD TO THE PRODUCTS, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED.

(b) We must receive notice of any delivery of non-conforming Products, or shortage, loss, or damage to the Products, within 24 hours following your receipt of such Products. Notwithstanding the foregoing, if any shipment of Products that has a latent defect that is not visible or readily identifiable at the time of delivery, we must be notified within three business days after the date of delivery of such shipment. If we are notified within the time periods specified in this Section, you will receive a credit on your account to be applied against future deliveries for all non-conforming Products, provided the Products are made available for pick-up by us (if we so request) and you otherwise cooperate in the return of the non-conforming Products in their original containers/packaging. If no notice of non-conformance, or shortage, loss, or damage of any Product is given by you to us by the times specified in this Section, the right to assert such matters is waived.

5. INDEMNITY. You hereby indemnify and must hold us harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including without limitation reasonable attorney's fees and costs, arising out of, connected with, or resulting from your sale of Products and/or your breach of this Agreement.

6. TERMINATION; REMEDIES.

(a) This Agreement is terminable by either party if the other party fails to observe, keep or perform any other provision of this Agreement required to be observed, kept or performed by such party and such failure is not cured within 30 days after written notice is delivered to such party describing the breach.

(b) Any default under the Franchise Agreement is a default under this Agreement permitting us to immediately terminate this Agreement, subject to any relevant cure period provided under the Franchise Agreement with respect to such default. In addition, a default under this Agreement is a default under the Franchise Agreement permitting us to immediately terminate the Franchise Agreement, subject to any relevant cure period provided under this Agreement with respect to such default.

(c) Upon any termination of this Agreement, you must immediately pay all amounts owed hereunder.

(d) This Agreement shall automatically terminate without further action if the Franchise Agreement is terminated or expires.

(e) The following provisions shall survive expiration of termination of this Agreement: Sections 5, 6(c), 6(e), and 7. Upon any termination of this Agreement, you agree that your right to sell and distribute Products is terminated and that you will destroy any and all Products purchased by you hereunder and provide us with written certification of the same within 48 hours after our request.

7. <u>MISCELLANEOUS</u>.

(a) This instrument and the agreements referenced herein constitute the entire agreement between the parties on the subject matter hereof and it shall not be amended, altered or changed except by a further writing signed by the parties hereto.

(b) All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service.

Notices to us must be sent to:

Perfect 10 Distribution, LLC
552 Decatur Street SE
Atlanta, Georgia 30312
Attention: Chief Executive Officer

Notices to you must be sent to the address for notices specified below your signature. Either party may change its address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon actual or attempted delivery when sent by registered or certified mail or overnight delivery service.

(c) Each party to this Agreement binds itself, its successors and assigns to the other party and to the successors and permitted assigns of such other party with respect to all the covenants, agreements and obligations contained in this Agreement. You may not assign this Agreement, in whole or in part, without our prior written consent.

(d) Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

(e) In any action arising out of or relating to this Agreement or the Products, in no event shall we or any of our affiliates be liable to you for more than total amounts paid to us for Products in the prior 12 month period.

(f) If either you or us seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

(g) The parties irrevocably waive trial by jury in any action or proceeding, whether at law or in equity, properly brought by either of them against the other, whether or not there are other parties in such action or proceeding. The arbitration provisions contained in Section 12 of the Franchise Agreement and choice of law provisions contained in Section 13(D) of the Franchise Agreement are hereby incorporated herein by this reference and shall apply *mutatis mutandis* to any controversy, claim or dispute arising out of or relating to this Agreement or its breach. Except for matters to be submitted to arbitration, any claims relating to this Agreement must be filed in a federal or state court for the district or county where we have our principal place of business at the time suit is filed. The parties waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

(h) All of our remedies are cumulative, and may be exercised concurrently or separately.

[Signatures Appear on the Following Page]

[Signatures to Supply Agreement]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day and year first above written.

Us:

PERFECT 10 DISTRIBUTION, LLC

By:____________________

Name:__________________

Title: __________________

You:

[INSERT LEGAL NAME]

By:____________________

Name:__________________

Title: __________________

Address: ________________
____
____

[IF AN INDIVIDUAL]

By:____________________

Name:__________________

Address: ________________
____
____

Schedule 1

Pricing Per Unit and Delivery Fees for Pops

[INSERT PRICING]

EXHIBIT G

Financial Statements

(Attached)

KING OF POPS FRANCHISING, LLC

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

AS OF JANUARY 3, 2022

KING OF POPS FRANCHISING, LLC

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NICHOLS, CAULEY & ASSOCIATES, LLC
1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@nicholscauley.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
King of Pops Franchising, LLC
Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KING OF POPS FRANCHISING, LLC, which comprise the balance sheet as of January 3, 2022, and the related statements of changes in member's equity and cash flows for the period July 23, 2021 (inception date) through January 3, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of King of Pops Franchising, LLC as of January 3, 2022 , and the results of its cash flows for the period July 23, 2021 (inception date) through January 3, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KING OF POPS FRANCHISING, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Nichols, Cauley + Associates, LLC

Nichols, Cauley and Associates, LLC
Kennesaw, Georgia
March 16, 2022

KING OF POPS FRANCHISING, LLC
BALANCE SHEET
JANUARY 3, 2022

Assets	
Current assets	
Cash	$ 50,000
Total current assets	50,000
Total assets	$ 50,000
Member's Equity	
Member's equity	$ 50,000
Total member's equity	$ 50,000

The accompanying notes and independent auditors' report are an integral part of these financial statements.

KING OF POPS FRANCHISING, LLC
STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE PERIOD FROM JULY 23, 2021 (INCEPTION DATE) THROUGH
JANUARY 3, 2022

Member's Equity, July 23, 2021	$	-
Contributions		50,000
Member's Equity, January 3, 2022	$	50,000

The accompanying notes and independent auditors' report are an integral part of these financial statements.

KING OF POPS FRANCHISING, LLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM JULY 23, 2021 (INCEPTION DATE) THROUGH JANUARY 3, 2022

Cash flows from financing activities		
Member contributions	$	50,000
Net cash provided by financing activities		50,000
Net increase in cash and cash equivalents		50,000
Cash at July 23, 2021		-
Cash at January 3, 2022	$	50,000

The accompanying notes and independent auditors' report are an integral part of these financial statements.

KING OF POPS FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 3, 2022

1. BUSINESS AND ORGANIZATION

KING OF POPS FRANCHISING, LLC, a Georgia limited liability company (the "Company") was formed under the laws of the state of Georgia on July 23, 2021. It's principal place of business is located at 552 Decatur Street SE, Atlanta, Georgia 30312.

The Company is engaged in the operation and management of the King of Pops franchising system, including specifically but without limitation the licensing of certain King of Pops intellectual property and confidential information to authorized franchisees. The Company offers franchisees the operation of a "Pop Cart Business" that sells hand-crafted ice pops for people and pets made using high quality ingredients from Pop Carts (and other approved methods) under the name of "King of Pops", "King of Pups" and related names in various states across the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the Company are presented using the accrual basis of accounting whereby revenues are recognized when they are earned, and expenses are recognized when they are incurred. The Company follows accounting principles generally accepted in the United States of America.

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

Cash, Cash Equivalents and Restricted Cash
The Company considers cash and cash equivalents to consist of cash at banks and all highly liquid investments with original maturities of three months or less. The Company maintains its cash balances at one bank, the total of which is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. January 3,2022, the Company's cash balances were fully insured.

Income Taxes
The Company is a single member LLC. Accordingly, it is treated as a disregarded entity for federal and state income taxes. As such, all income and losses are reported by Rainbow Umbrella, LLC, (Rainbow) the parent entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition
In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 and subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in accounting principles generally accepted in the United States of America. ASU 2014-09 also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Franchise Sales

Franchise sales comprise revenue from the sale or renewal of franchises. A fee is charged upon sale or renewal. Under this arrangement, franchisees are granted the right to operate a Pop Cart Business using the "King of Pops" franchising system for an initial term of five (5) years with the right to renew for two (2) additional consecutive successor terms of five (5) years each subject to certain conditions being met. The Company is required to provide initial training regarding the system and provide assistance in accordance to the Franchise Agreement.

A franchisee can purchase two or more Pop Cart businesses under a Development Agreement for a reduced Franchise fee.

January 3, 2022, there were no franchise businesses in operation.

3. RELATED PARTY ACTIVITY

Trademark name and Mark

The trademark name and design "King of Pops" and "King of Pups" are owned by Rainbow's parent, King of Pops, Inc. (KOP). KOP has registered the Mark (names, logos, slogans, insignia and commercial symbols) on the Pincipal Register of the USPTO.

KOP and Rainbow entered into an intellectual Property License Agreement dated March 20, 2014 (the "License Agreement") under which Rainbow obtained the exclusive right to use the Marks and know-how throughout the United States and to license the Marks and Know-how to Rainbow's wholly-owned subsidiaries without KOP's consent provided such wholly-owned subsidiary entered into the Consent and Acknowledgement in the form attached to the License Agreement.

The License Agreement is for a term of 20 years, and it is terminable if any licensee (a) breaches the License Agreement; (b) fails to make payments due on time: (c) does not provide KOP with required statements or access; (d) violates laws; (e) becomes insolvent or bankrupt: (f) has made a material misrepresentation in connection with obtaining the license: or (f) uses any property owned by KOP that is not the Marks or know-how.

3. RELATED PARTY ACTIVITY (CONTINUED)

Effective September 1, 2021, the License Agreement was amended to permit sublicensing the Marks and know-how to King of Pops Franchising, LLC's franchisees that are subject to a Franchise Agreement provided the authorized franchisee agrees to KOP's intellectual property usage guidelines and agrees to execute any and all documents required by KOP to ensure protection of the Marks and know-how.

The Company entered into a Consent and Acknowledgement on December 30, 2021, and, therefore, gained the right to use and sublicense the Marks and Know-how and became subject to terms and conditions of the License Agreement.

4. CONTINGENCIES

COVID-19
In March 2020, the World Health Organization categorized COVID-19 as a pandemic and the President of the United States declared a national emergency. As of January 03,2021, the COVID-19 pandemic did not have a financial impact on the Company. Should the COVID-19 pandemic continue for a prolonged period or impact the Company more significantly than it has to date, the Company's financial condition and cash flows could be impacted in more significant ways.

Legal Claims
Occasionally, in the ordinary course of business, the Company may be party to legal claims or proceedings of which the outcomes are subject to significant uncertainty. In accordance with FASB Accounting Standards Codification (ASC) 450, Contingencies, the Company will assess the likelihood of an adverse judgement for any outstanding claim, as well as, ranges of probable losses. When it has been determined that a loss is probable and the amount can be reasonably estimated, the Company will record a liability. For the period July 23, 2021 (inception date) through January 3, 2022, there were no material legal contingencies requiring accrual or disclosure.

5. INCOME TAXES

The Company operates as a limited liability company treated as a disregarded entity for tax purposes. Accordingly, all tax effects of the Company's income or loss are passed through to the Member and no provision or liability for Federal Income Taxes is included in these financial statements. The Member's tax returns are subject to examination by taxing authorities in the jurisdictions in which it operates in accordance with the normal statutes of limitations in the applicable jurisdiction. The statute of limitations for state purposes is generally three years, but may exceed this limitation depending upon the jurisdiction involved. Returns that were filed within the applicable statute remain subject to examination. As of January 3,2022, no taxing authorities have proposed any adjustment to the Member's tax position.

6. RIGHT OF FIRST REFUSAL

The Company has the right to Right of First Refusal of any bona fide offer to transfer of 10% or more of the Franchisee's equity interest.

7. CONTRIBUTED CAPITAL

   On January 3, 2022, the Member contributed $50,000.

8. SUBSEQUENT EVENTS

   The Company has evaluated all subsequent events through March 16, 2022, the date these financial statements were available to be issued and determined that no additional events are required to be disclosed or recorded in the financial statements.

KING OF POPS FRANCHISING, LLC

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

with
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Member
King of Pops Franchising, LLC

Opinion

We have audited the accompanying financial statements of King of Pops Franchising, LLC (the "Company"), which comprise the balance sheet as of December 31, 2022 and the related statements of income and member's equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of their operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Smith and Howard

April 3, 2023

KING OF POPS FRANCHISING, LLC
BALANCE SHEET
DECEMBER 31, 2022

ASSETS

Current Assets		
Cash	$	50,000
Accounts receivable, net of allowance for doubtful accounts		7,676
Due from parent		148,272
	$	205,948

LIABILITIES AND MEMBER'S EQUITY

Current Liabilities		
Accounts payable and accrued expenses	$	6,786
Contract liabilities		16,200
Total Current Liabilities		22,986
Member's Equity		182,962
	$	205,948

The accompanying notes are an integral part of these financial statements.

KING OF POPS FRANCHISING, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2022

Revenue		
Franchise fees	$	183,098
Royalties		163,253
Brand marketing fees		19,847
Cart fees		16,405
Technology fees and other		10,500
		393,103
Operating Expenses		260,141
Net Income		132,962
Member's Equity, Beginning of Year		50,000
Member's Equity, End of Year	$	182,962

The accompanying notes are an integral part of these financial statements.

KING OF POPS FRANCHISING, LLC
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities:		
Net Income	$	132,962
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in:		
Accounts receivable		(7,676)
Due from parent		(148,272)
Accounts payable and accrued expenses		6,786
Contract liabilities		16,200
Net Cash Provided by Operating Activities		-
Net Change in Cash		-
Cash at Beginning of Year		50,000
Cash at End of Year	$	50,000

The accompanying notes are an integral part of these financial statements.

KING OF POPS FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – DESCRIPTION OF BUSINESS

King of Pops Franchising, LLC (the "Company"), was formed in 2021 and is engaged in the business of selling and supporting franchises for the operation of a businesses that sell hand-crafted ice pops for people and pets made using high quality ingredients from pop carts (and other approved methods) under the name "King of Pops", "King of Pups" and related names.

The Company is a wholly owned subsidiary of Rainbow Umbrella, LLC ("the Parent"), a Georgia limited liability company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

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

Accounts Receivable

Accounts receivable consist of amounts for royalties, brand marketing, cart rental, technology fees earned by the Company. The Company uses the reserve method of accounting for doubtful accounts. At December 31, 2022, the Company had an allowance for doubtful accounts of $15,274.

Due from Parent

In the normal course of business, collections of accounts receivable and payments for vendors and payroll are handled on behalf of the Company by the Parent. The amounts due from Parent represent amounts collected by the Parent in excess of amounts paid to vendors and for payroll being held in the Parent's operating cash account. This is presented as a current asset as the funds are available for the Company's use on an as needed basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenues for the Company are disaggregated into the following revenues streams:

Franchise Fees: The Company sells franchises which grant franchisees a right to operate within a designated territory. These franchises are conveyed through a Franchise Agreement. The sale of the franchises is reflected within Franchise Fees in the accompanying statement of income and member's equity.

Following execution of the Franchise Agreement, the franchisee completes a training program. The training program is completed typically 30-45 days following execution of the Franchise Agreement. Upon completion of the training program, the franchisee begins operations in their designated territory. The right to operate within the territory represents the Company fulfilling its performance obligation over the Franchise Agreement. Revenues associated with the training program are recognized upon completion of the training program. Remaining revenues from the sale of the franchise agreement, if any, are recognized on a straight-line basis, beginning upon completion of the training program, over the term of the Franchise Agreement, which is 5 years. Revenues collected in advance of completion of the training program are deferred and included in contract liabilities on the accompanying balance sheet. Collection of Franchise Fees typically occurs upon execution of the Franchise Agreement.

Royalty and Brand Marketing Fees: The Company collects Royalty and Brand Marketing Fees that range from 1% to 5% of a franchisee's monthly sales. These fees are considered variable consideration. GAAP requires variable consideration that is to be recognized over the term of the franchise agreement to be estimated at the inception of the Franchise Agreement. Deferred revenue and a note receivable would be recognized at inception of the Franchise Agreement based on this estimate. GAAP specifically excludes these fees from this treatment. Given the nature of the business, the constraints associated with estimating these fees cannot be overcome in order to determine an estimate of the variable consideration that would not be likely to result in a significant reversal. Accordingly, the fees are recognized in the month in which services are performed for customers. Amounts receivable associated with Royalties and Brand Marketing are included within Accounts receivable on the accompanying balance sheet.

Cart Fees: As part of the Franchise Agreement, franchisees execute a rental agreement which allows for them to rent carts from the Company on an as needed basis upon submission of a commitment form. These commitment forms are typically short term in nature and accordingly do not meet the requirements of a lease under GAAP. Cart fees are recognized at a point in time upon delivery of the cart to the franchisee.

Technology Fees and Other: These fees are charged to franchisees associated with use of certain third-party software and proprietary software and technology required by the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and accounts receivable. The Company maintains its cash in bank deposits which, at times, may exceed federally-insured limits. The Company has not experienced any losses in such accounts. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

Property and Equipment

Property and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The cost and accumulated depreciation for property and equipment sold, retired, or otherwise disposed of are relieved from the accounts, and resulting gains and losses are recognized currently. Minor maintenance, repairs, and renewals are expensed as incurred.

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes with the earnings and losses of the entity being included in the member's income tax returns. Consequently, the Company's income or loss is presented without a provision or credit for federal and state income taxes.

The Company annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Company takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In general, the Company is no longer subject to tax examinations since their 2021 inception.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

EXHIBIT H

Manual

Table of Contents

Section Name	# of Pages in Section
5.6 Employee Franchise Credit	1
5.7 Referring other Franchisees	1
5.7 At-Will Employment	1
5.10 Conducting Performance Evaluations	1
5.11 Discipline Procedures	1
5.12 Separation / Termination Procedures	1
6.0 DAILY OPERATING PROCEDURES	
6.1 Introduction	1
6.2 The Pop Season	1
6.3 Vacations	1
6.4 Suggested Hours of Operation	1
6.5 Cart Slinger Procedures	1
6.5.1 Packing your Cart	1
6.5.2 Slinger Checklist	1
6.5.3 Communicating with Guests	1
6.6 Manager Procedures	1
6.6.1 Ordering Pops	1
6.6.2 Storing your Inventory	1
6.6.4 Prepaid Events	1
6.6.5 Retail Sales	1
6.6.6. First time event	1
6.6.7 Event with Sales History	1
6.6.8 Deciding which flavor pops to bring for Cart Sales Events	1
6.7.1 Maintaining a Positive Environment	1
6.7.4 Feedback Management	1
6.8 Merchandising Procedures	1
6.8.1 Using Signage	1
6.9 Opening/ Closing Shift Checklist	1
6.9.1 Opening Shift Checklist	1
6.9.2 Closing Shift Checklist	1
6.10 Inventory Management	1
6.10.1 Receiving Deliveries	1
6.10.2 Picking up Orders	1
6.10.3 Product Ordering Procedures	1

Section Name	# of Pages in Section
6.10.4 Paying your invoices	1
6.10.5 Product Receiving Procedures	1
6.10.6 Storing, Labeling, and Rotating Procedures	1
6.10.7 Tracking Inventory and Waste	1
6.10.8. Ordering from Approved Suppliers	1
6.11 Operational and Financial Reporting	1
6.11.1 Analyzing the Reports	1
6.11.2 Cash Management System	1
6.11.3 Manager End of night deposits	1
6.13 Safety Procedures	1
6.13.1 Crisis Management Policy	1
6.13.2 Reporting Accidents	1
7.0 SALES PROCEDURES	
7.1 King of Pops Event Sales Process	1
7.1.1 Identifying Potential Opportunities	1
7.1.1.a Music Festivals	1
7.1.1.a Food Truck Groups	1
7.1.1.b Community Websites, Next Door, Craigslist & Yard Sale Sites	1
7.1.1.c Breweries	1
7.1.2 Generating Leads	1
7.1.3 Making the Initial Contact	1
7.1.4 King of Pops Sales Presentation	1
7.1.5 Offerings Available	1
7.1.6 Suggested Pricing for Pre-Sold Events	1
7.1.7 Handling Objections	1
7.1.8 Closing Sales	1
7.1 King of Pops Prepaid Sales Process	1
7.2 King of Pops Flavor Offerings	1
8.0 MARKETING	
8.1 Introduction	1
8.2 Promoting King of Pops in Your Area	1
8.3 List of approved photographers in your area.	1
8.4 Use of Traditional Media	1
8.5 Use of Social Media	1

There are a total of 58 pages in the Manual.

EXHIBIT I

List of Current and Former Franchisees

Current Franchisees

Below are the names, addresses and telephone numbers of our franchisees as of December 31, 2022:

	Franchisee Name	Contact Name	Territory Name	Address	Telephone
Florida Pop Cart Businesses (1 total)					
1.	Haynes Family LLC	Alison Haynes	South Walton	233 Mill Pond Cove Freeport Florida 32439	678-978-8534
Georgia Pop Cart Businesses (20 total)					
1.	KOP Decatur LLC	Michael Vajda	Decatur	180 Mead Road, Decatur GA 30030	678-778-2000
2.	The Davey Group LLC	Dustin Davey	Canton	754 Midway Xing, Canton GA 30114	678-858-2592
3.	Fresh Pops LLC	Ashley DelFavero	Brookhaven	1441 Canoochie Dr NE, Brookhaven GA 30319	404-516-5859
4.	Fresh Pops LLC	Ashley DelFavero	Buckhead	1441 Canoochie Dr NE, Brookhaven GA 30319	404-516-5859
5.	Marietta Collaborative LLC	Liz Roberts	Marietta	329 Freyer Drive NE Marietta GA, 30060	770-634-6429
6.	Colon Collective LLC	Angel Colon	Suwanee	2005 Woodmarsh Cir Auburn GA 30011	347-874-3921
7.	KOP Gainesville LLC	Emily Jones	Gainesville	4259 Riviere Point Gainesville, Ga 30507	770-561-3694
8.	KOP Gainesville LLC	Emily Jones	Braselton	4259 Riviere Point Gainesville, Ga 30507	770-561-3694
9.	Freckworks LLC	Liz Freck	Alpharetta	130 Bridle Trail Ct. Roswell, GA 30076	678-907-0755
10..	KOP Kirkwood LLC	Jamescia Thomas	Kirkwood	187 Locust St NE Atlanta GA 30317	404-330-2988
11.	KOP Classic City, LLC	Brian + Taylor Joseph	Athens	160 Bentwood Trail, Winterville GA 30628	804-971-2795
12.	Pop Off LLC	Wade + Jess Roberts	Woodstock	333 Kimberleys Xing Jasper, GA 30143	863-412-0874

13.	Blue Ladybug LLC	Mikesha Middlebrook	Tucker	3939 Lavista Road, Suite E-457, Tucker, GA 30084	404-432-9372
14.	CummingPops LLC	Chad + Ashley Wolfe	Cumming	5490 Mirror Lake Dr Cumming, GA 30028	470-328-1799
15.	KOP Dahlonega LLC	Ingrid Burnell	Dahlonega	6555 Evans Drive Cumming GA 30041	470-621-1200
16.	TrayJay LLC	Tracey Guinyard	Smyrna	5710 Registry Oaks Lane Mableton, GA 30126	310-804-5852
17.	The Lively Group LLC	Amber Pert	East Alpharetta	3845 Ridge Point Dr. Suwanee, GA 30024	407-529-6594
18.	TKGKT Ventures	Theron Gober	Cartersville	116 Bridle Ridge Ln Canton, GA 30114	770-655-4919
19.	KOP Gainesville LLC	Emily Jones	Buford	4259 Riviere Point Gainesville, Ga 30507	770-561-3694
20.	Hard Way Holdings, LLC	Lauren Barber	Dallas	72 Stewart Way Dallas, Ga 30132	770-778-3585
North Carolina Pop Cart Businesses (2 total)					
1.	KOP Lake Norman, LLC	Samantha Mwangi	Huntersville	13614 Berkley Ave, Huntersville, NC 28078	952-994-4098
2.	Bellingham Provisions, LLC	Mitchell Gober	Mooresville	1412 Bellingham Dr Mooresville NC 28115	678-772-1340
South Carolina Pop Cart Businesses (2 total)					
1.	FOH Corporation	Oscar Hines	Downtown Charleston	6031 Wedgewood Dr Hanahan, SC 29410	843-284-6804
2.	FOH Corporation	Oscar Hines	Mt. Pleasant	6031 Wedgewood Dr Hanahan, SC 29410	843-284-6804
Tennessee Pop Cart Businesses (4 total)					
1.	Local 360 LLC	Chris Gardner	Belle Meade	492 Southgate Ave., Nashville, TN 37203	615-732-9945
2.	Tennessee Rainbow Pops LLC	Russ David	Chattanooga	3012 Peggy Lane Chattanooga, TN 37404	423-544-5692
3.	Rocky Top Pops LLC	Jess and Colin McChesney	West Knoxville	4201 Valencia Rd, Knoxville TN 37919	949-903-0072
4.	Local 360 LLC	Chris Gardner	Wedgewood Houston	492 Southgate Ave., Nashville, TN 37203	615-732-9945
Virginia Pop Cart Businesses (3 total)					
1.	MJ Sinsley LLC	Kristen Walker	The Fan	9629 Prince James Terrace, Chesterfield, VA. 23832	804-350-4400

2.	MJ Sinsley LLC	Kristen Walker	Libbie Mill	9629 Prince James Terrace, Chesterfield, VA. 23832	804-350-4400
3.	By Vivien LLC	Vivien Tsang	Arlington	1910 S. Joyce St. Arlington, VA 22202	202-506-3029

Below are the names, addresses and telephone numbers of franchisees that entered into Franchise Agreements from January 1, 2023 to the issuance date of this Disclosure Document:

	Franchisee Name	Contact Name	Territory Name	Address	Telephone
Florida Pop Cart Businesses (_2_ total)					
1	Bradenton Pops LLC	Janette Gagnon	Bradenton	911 43rd street W, Bradenton, Florida	404- 935-1563
2	Think X LLC	Javonn Wright	Ponte Vedra	380 Burbank Ave, Apt 9203, Ponte Vedra, FL 32081	904- 501-3739
Georgia Pop Cart Businesses (_3_ total)					
1	Fresh Pops LLC	Ashley DelFavero	Chamblee	1441 Canoochee Dr NE, Brookhaven GA 30319	404-516-5859
2	Pop Culture LLC	Jimmy Russell	East Atlanta	2625 Crestdale circle SE, Atlanta GA 30316	828-699-8265
3	Colon Collective LLC	Angel Colon	Truist Park	2005 Woodmarsh Cir Auburn GA 30011	347-874-3921
North Carolina Pop Cart Businesses (_1_ total)					
1	Terrill Hospitality LLC	Michael Terrill	Matthews	7701 Blythwood Ln, Charlotte, NC 28227	423-774-3804

Former Franchisees (Left System from January 1, 2022 to December 31, 2022):

Below are the names, and last known addresses and telephone numbers of our franchisees who have been terminated, not renewed or otherwise ceased operating from January 1, 2022 to December 31, 2022.

Franchisee Name	Contact Name	Address	Telephone
Bland Builders Company Inc.	Broderick Bland	2405 8th Avenue, Apt 450 Nashville, TN 37204	404-402-7014
Freckworks LLC	Liz Freck	130 Bridle Trail Ct. Roswell, GA 30076	678-907-0755

Below are the names and last known addresses and telephone numbers of our franchisees who transferred their franchise from January 1, 2022 to December 31, 2022:

NONE

Former Franchisees (Left System from January 1, 2023 to Issuance Date):

Below are the names, and last known addresses and telephone numbers of our franchisees who have been terminated, not renewed or otherwise ceased operating from January 1, 2023 to the issuance date of this Disclosure Document:

NONE

Below are the names and last known addresses and telephone numbers of our franchisees who transferred their franchise from January 1, 2023 to the issuance date of this Disclosure Document:

NONE

EXHIBIT J

State Specific Addenda to Disclosure Document

(Attached)

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

The following statements are added to Item 17(h):

> Under 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 do 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.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

> Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

EXHIBIT K

State Specific Addenda to Franchise Agreement

NONE

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	NA
Hawaii	NA
Illinois	NA
Indiana	NA
Maryland	NA
Michigan	NA
Minnesota	NA
New York	NA
North Dakota	NA
Rhode Island	NA
South Dakota	NA
Virginia	PENDING
Washington	NA
Wisconsin	NA

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23
RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If King of Pops Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, King of Pops Franchising, LLC or one of its affiliates in connection with the proposed franchise sale. [Michigan law requires that King of Pops Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If King of Pops Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on **Exhibit A.**

Issuance date: April 3, 2023.

The franchise sellers for this offering are: Steven Carse, Nick Carse, and ____________________ whose business address is 552 Decatur Street SE, Atlanta, Georgia, 30312 and whose telephone number is (678) 732-9321.

We authorize the respective agents identified on **Exhibit A** to receive service of process for us in the particular state. I, personally, and as a duly authorized officer of the prospective franchisee (if the franchisee is an entity), hereby acknowledge receipt from King of Pops Franchising, LLC of the Franchise Disclosure Document (to which this Receipt is attached) dated April 3, 2023. This Disclosure Document includes the following exhibits:

A. List of State Administrators and Agents for Service of Process
B. Franchise Agreement
C. Development Agreement
D. Non-Competition Agreement
E. King of Pops Cart Franchisee Lease Agreement
F. King of Pops Cart Franchisee Supply Agreement
G. Financial Statements
H. Table of Contents to Manuals
I. List of Current and Former Franchisees
J. State Specific Addenda to Disclosure Document
K. State Specific Addenda to Franchise Agreement

____
Signature (individually and as an officer)

____
Print Name

____
Date Disclosure Document Received

____
Print Franchisee's Name (if an entity)

TO BE RETAINED BY YOU

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If King of Pops Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make payment to, King of Pops Franchising, LLC or one of its affiliates in connection with the proposed franchise sale. [Michigan law requires that King of Pops Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If King of Pops Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on **Exhibit A.**

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K. State Specific Addenda to Franchise Agreement

____
Signature (individually and as an officer)

____
Print Name

____
Date Disclosure Document Received

OUR COPY; RETURN TO US

____
Print Franchisee's Name (if an entity)

____