

FRANCHISE DISCLOSURE DOCUMENT



Kona Ice, Inc.

5945 Centennial Circle

Florence, Kentucky 41042

Phone: 1-800-KONA-ICE (1-800-566-2423)

Fax: (859) 282-9890

Email: Tony@Kona-Ice.com

www.Kona-Ice.com

Kona Ice businesses provide flavored shaved ice, ice cream, and related products to the general public in a mobile environment (“Kona Ice Business(es)”).

The total investment necessary to begin operation of a Kona Ice franchised business is between \$145,600 and \$169,200. This includes between \$140,350 and \$147,050 that must be paid to the franchisor or its affiliates.

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 Tony Lamb, 5945 Centennial Circle, Florence, Kentucky 41042 or at 1-800-566-2423.

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, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: May 18, 2020



How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 Kona Ice business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Kona Ice franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.



What You Need To Know About Franchising *Generally*

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

Business 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.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Kentucky. 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 Kentucky than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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.

**NOTICE REQUIRED BY
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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the 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 prior to the expiration of its terms except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision 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 franchise 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 six (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 or 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 transferee 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.

The fact there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.



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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AS EXHIBIT G.



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

To simplify the language in this Franchise Disclosure Document, “KII,” “we,” “us,” and “our” means Kona Ice, Inc., the franchisor. “You,” “your,” and “Franchisee” means the business entity and its owners that buys the franchise from Kona Ice, Inc.

The Franchisor

Kona Ice, Inc. is a Kentucky corporation formed in February 2008. We operate under the name Kona Ice, Inc. and Kona Ice and no other name. Our principal business address is 5945 Centennial Circle, Florence, Kentucky 41042. We began offering Kona Ice franchises in March 2008. We operate Kona Ice businesses similar to the type being offered and have done so since June 2007. Except as described above, we have not engaged in or offered franchises in any other line of business.

Parent, Predecessors and Affiliates

We have several parent companies (our “Parents”).

KII is a wholly-owned subsidiary of Kona Ice Holdings, LLC (“Holdings”), which is a wholly-owned subsidiary of Kona Ice Intermediate Holdings, LLC (“Intermediate”), which is a wholly-owned subsidiary of Kona Ice Ultimate Holdings, LLC (“Ultimate”). The principal place of business of Holdings, Intermediate and Ultimate is 5945 Centennial Circle, Florence, Kentucky 41042.

Our affiliate, Kreations Flavoring, LLC (“Kreations Flavoring”), offers products to our franchisees. Kreations Flavoring is a Texas corporation incorporated on March 30th, 2015. Its principal business address is 4306 Ganymede Dr. Austin, TX, 78727. Kreations Flavoring sells flavoring for the Kona Ice shaved ice products.

We have another affiliate, TMJ Insurance, LLC (“Kona Insurance”), which offers comprehensive property and casualty insurance to our franchisees. Kona Insurance is an Ohio limited liability company, organized on July 2, 2019. Its principal business address is 5945 Centennial Circle, Florence, Kentucky 41402. None of our affiliates offer franchises in any line of business.

Our agent for service of process in Kentucky is Tony Lamb, 710 Chambers Road, Walton, KY 41094. Our other agents for service of process are disclosed on Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

We offer franchises (“Kona Ice Franchise(s)” or “Franchise(s)”) for the use of our “KONA ICE” trademarks, trade names, service marks, and logos (“Marks”) for the operation of Kona Ice Businesses. Kona Ice Businesses are operated under our proprietary Kona Ice system (“System”). The System may be changed or modified by us throughout your ownership of the Franchise. Kona Ice Businesses operate a mobile business which includes our proprietary Kona Ice truck, known as the Kona Entertainment Vehicle (“KEV”) with the patented “FlavorWave Self-Service System” (U.S. Patent Number 8,157,136), and other mobile units that sell flavored shaved ice, ice cream, and related products. Customers can also book the KEV or other mobile units for various events, including fundraising events, sports leagues, school events



or sports, festivals and fairs, birthday parties, corporate events, picnics, church events, block parties, daycares and preschools, etc.

As the Kona Ice Business is a mobile business, you will most likely operate your Kona Ice Franchise from your home, but you may choose to rent an executive suite office or other commercial office space. Depending on your local laws and community rules, you may be required to rent or lease storage space for your KEV at a commissary location or other location.

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C (“Franchise Agreement”). You must operate one (1) KEV per Franchise Agreement. Each Franchise will be granted an exclusive territory which will be described in the Franchise Agreement (“Protected Territory”). Your Kona Ice Business must offer only those services and products that we have authorized. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Kona Ice Business at any time at our sole discretion.

Existing franchisees also have the option to purchase other Kona Ice equipment (“Additional Equipment”). As of the Issuance Date of this Franchise Disclosure Document, we currently offer the “Kona Entertainment Trailer,” “Kona Entertainment Kiosk,” “Kona Mini Truck” and the “KEV Express Truck.” The KEV Express Truck is a smaller version of the KEV and does not have a freezer. Existing Franchisees may trade in their KEV for a KEV Express Truck (“KEV Express Conversion”). If a Franchisee does a KEV Express Conversion, all disclosures in this Disclosure Document that apply to a KEV will also apply to the KEV Express Truck (including royalty calculation and compliance with the Franchise Agreement). If a franchisee purchases a KEV Express Truck in addition to the KEV, the KEV Express Truck will be treated as Additional Equipment for purposes of royalties and compliance with the Franchise Agreement. Currently, the purchase of Additional Equipment is not mandatory and can only be purchased after your Kona Ice Business is established. Franchisees must purchase the Additional Equipment from us or our affiliates but are not required to pay an additional initial franchise fee to use the Additional Equipment. Franchisees may only use the Additional Equipment in their Protected Territory.

Market and Competition

Kona Ice Businesses target their products and services to the general public. The market for frozen desserts and confections and other food and beverage products served in a mobile dining atmosphere is competitive and well-developed. Due to the nature of shaved ice and ice cream related products, sales are seasonal with more business activity in the warm months and little to no sales in colder months. The casual dining industry is highly competitive and is often affected by changes in eating habits, by local and national conditions affecting spending habits, and by population and traffic patterns. Kona Ice Businesses will compete with other local businesses, as well as many local, regional, and national restaurant chains, grocery stores, street vendors, and other food service businesses offering similar products for mobile consumption, take out, delivery, and catering services.

You will also face normal business risks that could have an adverse effect on your Kona Ice Business. These include industry developments, such as pricing policies of competitors, consumer tastes, and supply and demand.

Industry-Specific Laws

Many states and local jurisdictions have enacted laws, rules, regulations, and ordinances which may apply to the operation of your Kona Ice Business, including those which: (a) establish general standards, specifications, and requirements for the construction, design, and maintenance of the KEV; (b) regulate matters affecting the health, safety, and welfare of your customers, such as general health and



sanitation requirements; employee practices concerning the storage, handling, and preparation of food; special health, food service, and frozen dessert machine licensing requirements; restrictions on smoking and exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness, (e) govern the use of vending machines, (f) regulate the proper use, storage, and disposal of waste, insecticides, and other hazardous materials, (g) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as “low calorie” or “fat free,” and (h) establish requirements concerning withholdings and employee reporting of taxes on tips. Additionally, most states require a food handler’s license and possibly a hawkers or peddlers license. Certain city or town clerks in the communities you plan to service may have additional licensing requirements.

The operation of your Kona Ice Business, including maintenance of the equipment, conduct and appearance of personnel, and the preparation and sale of products from your Kona Ice Business may be regulated by various governmental and municipal laws, rules, regulations, and ordinances that you must follow. Should any product dispensed at your Kona Ice Business be in violation of any applicable law or regulations, or if the food items, premises, equipment, personnel or operation of the Kona Ice Business pose a health risk to the public, the applicable governing authorities or agencies may require you to immediately close your Kona Ice Business, terminate selling operations, destroy all contaminated products, eliminate the source of contamination, and remedy all unsanitary conditions present. These governing authorities or agencies may require that you undergo and pass inspection(s) before you reopen for business.

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

You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Kona Ice Franchise despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your Kona Ice Business. Failing to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer, President, Secretary and Board Member: Tony Lamb

Mr. Lamb serves as our Chief Executive Officer, President and Secretary, and also serves as a member of our Board of Directors in Florence, Kentucky and has done so since our inception in February 2008. Mr. Lamb also serves as the President of Targett Information Services in Union, Kentucky and has done so since November 2003.

Board Member: Matthew Perelman

Mr. Perelman serves as a member of our Board of Directors in Florence, Kentucky and has done so since July 2019. Mr. Perelman is a Co-Founder and has been a Managing Partner of Garnett Station Partners, an investment firm in New York, New York focused on retail and consumer companies, since



September 2013. Mr. Perelman has been a Trustee of the Heckscher Foundation for Children since June 2016, and a Trustee of Reading Partners, both in New York, New York.

Board Member: Alexander Sloane

Mr. Sloane serves as a member of our Board of Directors in Florence, Kentucky and has done so since July 2019. Mr. Sloane is a Co-Founder and has been a Managing Partner of Garnett Station Partners, an investment firm in New York, New York focused on retail and consumer companies, since September 2013. Mr. Sloane has been a Trustee of the Heckscher Foundation for Children since June 2009 and a Trustee of America Needs You since 2011, both in New York, New York.

Board Member: Robert A. Whitehouse II

Mr. Whitehouse serves as a member of our Board of Directors in Florence, Kentucky and has done so since July 2019. Mr. Whitehouse has been the Chief Executive Officer of Eagle Financial Services, Inc. and affiliated entities in Florence, Kentucky, which focus on multi-state consumer lending, commercial real estate and furniture stores, since August 2014. Prior to joining Eagle Financial Services, Inc., Mr. Whitehouse founded and was Managing Partner at the Whitehouse Law Firm LPA in Cincinnati, Ohio from November 2006 to August 2014. In addition, Mr. Whitehouse founded and owned Pro Market Real Estate Solutions, Inc., a title services company in Cincinnati, Ohio from October 2007 to August 2014. Mr. Whitehouse is the past president and has been a member of the board of directors of the Ohio Financial Services Association in Columbus, Ohio since August 2014, and has been a member of the board of directors of the Kentucky Consumer Finance Association in Lexington, Kentucky since November 2014.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$15,000 when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your Kona Ice Business and also offsets some of our franchisee recruitment expenses. Each Franchise Agreement will grant you the right to operate one (1) KEV and Additional Equipment in the Protected Territory. If you desire to operate more than one (1) KEV, you will be required to purchase an additional Kona Ice Franchise for each KEV (unless you purchase a KEV Express Truck as Additional Equipment which you may operate in your Protected Territory). The Initial Franchise Fee is due in full at the time you sign the Franchise Agreement(s), and is deemed fully earned by us once paid and is not refundable.



Additional Franchise Reservation Fee

Franchisees may also reserve an additional franchise and territory (“Reserved Franchise”) subject to availability and our approval by paying a reservation fee of \$10,000 per territory (“Reservation Fee”) and signing the “Additional Franchise Reservation Agreement” which is attached as Exhibit H-5 to this Disclosure Document. You will be able to reserve a territory for up to 12 months. We will also give you a right of first refusal for an additional 12 months if you do not purchase the Reserved Franchise within the 12 month period. You cannot renew the Additional Franchise Reservation Agreement if you fail to purchase the Reserved Franchise. The Reservation Fee will be applied to the Initial Franchise Fee if you execute a new franchise agreement for an additional Kona Ice Franchise. The Reservation Fee is uniform and nonrefundable even if you do not open an additional Kona Ice Franchise.

Kona Entertainment Vehicle

You will be required to purchase one (1) KEV for \$119,850 from us. You will pay a nonrefundable \$5,000 deposit when you sign the Franchise Agreement and the remaining balance of \$114,850 when you take delivery of your KEV. You will be required to pay for any optional customization or additional features that you request that are not standard on the KEV. KEV payments are nonrefundable even if you do not open a Kona Ice Franchise. The KEV will come equipped with an ice shaving machine, two cold plate freezers, our proprietary music system, and our proprietary patented FlavorWave Self-Service System. This station allows the customer to choose and apply his or her own flavorings to the shaved ice product. Franchisees are required to operate at least one KEV and may operate multiple KEVs in their Protected Territory. If a franchisee purchases multiple Franchises, franchisees may purchase KEV Express Trucks instead of KEVs for the additional franchises (currently \$100,750 per KEV Express Truck).

KEV Compliance Fee

You may be required to pay a fee in the event that we or our affiliate needs to modify any part of the KEV from our standard specifications in order to meet with relevant state or local health department requirements in your Protected Territory. If required, these modifications usually cost between \$0 and \$5,000. These payments are nonrefundable.

Initial Inventory

We require all Franchisees to purchase an initial supply of cups and flavorings, a graphics package, and a Kona Ice welcome box that includes branded t-shirt uniforms from us before you begin operation of your Kona Ice Business. The cost of the initial inventory is \$5,500 and is to be paid prior to the start of your Kona Ice Business and is nonrefundable.

Optional Inventory

You may, but are not required to, purchase Kona Ice branded merchandise from us such as stuffed penguins, beach balls, shirts, and hats for approximately \$500, depending on the quantity you purchase. These payments are nonrefundable.

Insurance

You may, but are not required to, purchase your required insurance through our affiliate, Kona Insurance. You will be required to obtain your insurance prior to picking up your KEV. Your insurance will range from \$450 to \$1,200 for three months’ of coverage, depending on various factors, including your location and whether you have had prior issues or claims from previous operations. These initial amounts



owed may be paid up to three weeks following issuance, depending on state law. If you have had prior issues or claims from previous operations, your rates may be significantly higher. These payments are nonrefundable.

Fee Deferral

Some states have imposed a fee deferral (“Fee Deferral”). Please refer to the Addendum in Exhibit G to the Franchise Disclosure Document.

ITEM 6 OTHER FEES

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Royalty ^{(2), (3)}	\$3,000 for years one and two, \$3,500 for years three through six, \$4,000 for years seven through ten	3 equal installments due June 30, July 31, and August 31 of each year or 6 equal installments due May 31, June 30, July 31, August 31, September 30 and October 31. Payable beginning the first calendar year in which you take delivery of the KEV	This “ <u>Royalty</u> ” is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance. We reserve the right to charge additional royalties for the use of Additional Equipment. If you are renewing your franchise agreement, you are required to pay our then current successor franchise royalty payments. If you are purchasing an existing franchise agreement, the date for determining royalty payments will be determined from the date the initial franchise agreement was signed.
Additional Equipment Royalty ⁽³⁾	Varies based on the type of Additional Equipment (currently \$600 to \$2,000 per year)	Same as Royalty	You may purchase any Additional Equipment for use in your Protected Territory. You are not required to purchase any Additional Equipment during the term of the Franchise Agreement.
Reservation Fee	\$10,000 per territory	As incurred	Franchisees may reserve territories in addition to the Protected Territory. The Reservation Fee will be applied to the Initial Franchise Fee if you purchase an additional Franchise.
Territory Infringement Fee	\$1,000 plus invoice amount for first violation; \$5,000 plus invoice amount for second and subsequent violations	As incurred	Payable to us if you infringe on another Kona Ice franchisee’s Protected Territory by receiving payment for goods and/or services provided and/or rendered within the other franchisee’s Protected Territory without that franchisee’s and/or our permission. We may direct the funds at our option.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Initial Territory Adjustment Fee	\$1,000 to \$2,500	As incurred	We may, subject to availability and our approval, allow you to adjust your Protected Territory during your first 90 days of operation of your Kona Ice Business. You will be required to pay an “ <u>Initial Territory Adjustment Fee</u> .” This fee will be \$1,000 during the first 30 days of operation and \$2,500 beginning on the 31 st day. No revisions will be granted after 90 days of the delivery of the KEV.
Territory Relocation Fee	\$2,500	As incurred	This “ <u>Territory Relocation Fee</u> ” is payable to us if we approve the relocation of your Protected Territory.
Brand Fund Contribution	Currently \$500 per year	Annually on or before June 30	We have established a system wide “ <u>Brand Fund</u> .” The Brand Fund contribution amount can be raised annually by up to 10%, and/or increased for marketing projects upon approval of the “ <u>Brand Advisory Board</u> .” See Item 11 for more information.
Additional Training	Then-current fee (currently approximately \$0)	As incurred	We may charge you for training newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you may need or request. The fee amount will depend on the training required and experience level of the trainer.
Kona Email Address Fee	\$60 per email address per year	Annually on or before October 1	Payable to us for each email address we establish for you. Each franchisee entity is required to have at least one (1) Kona email address. If you purchase multiple Franchises, you will be required to have a separate email address for each Franchise.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Technology Fee ⁽⁴⁾	The then-current fee (currently \$10 to \$159.99 per month)	Due on the 15 th day of each month	During the initial term of your Franchise Agreement, the technology fee is \$10 per month as long as you operate a single KEV or KEV Express Truck during the first year. Beginning the earlier of: (i) your second year of operations, (ii) when you operate multiple KEVs (or KEV Express Trucks) or add Additional Equipment; or (iii) under a successor franchise agreement, you will pay our then current successor franchise agreement as described in Note 4. This fee covers certain technologies used in the operation of your Kona Ice Business including our proprietary MyKonaBiz operating software. Some of these technologies may be provided by us or by third parties. We reserve the right to upgrade, modify and add new technologies and software. You will be responsible for any increase in fees that result from any third party price increases, upgrades, modifications or additional software.
Insurance	Reimbursement of our costs, plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained (currently \$500 per month) plus twenty percent (20%) of the premium for an administrative cost of obtaining the insurance.
Customer Satisfaction Reimbursement	Varies under circumstances	As incurred	We may, in our sole discretion, remedy any issues with customers of your Kona Ice Business, including full reimbursement of any fees paid to you. You are required to reimburse us for any such costs.
Misappropriated Success Guide Fee ⁽⁵⁾	Will vary under the circumstances	On demand	Our “ <u>Success Guide</u> ” (as defined in Item 8) contains valuable intellectual property and trade secrets. Each franchisee will get one copy of the Success Guide. If you lose, give away, make unauthorized copies, fail to return or otherwise misappropriate all or some of the Success Guide, you will be required to pay us liquidated damages according to the formula listed in Note 5 to offset the damages that we will incur as a result of this misappropriation.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Non-Compliance Fee	\$1,000 for the first violation; \$5,000 if violation is not corrected within 30 days; \$5,000 for the second violation.	As incurred	This fee is assessed if you receive notice that you are failing to follow our system standards, failing to use the required cups and flavorings, failing to comply with the provisions of the Franchise Agreement or failing to follow the provisions of our Success Guide. This fee is in addition to any and all remedies that we have available under the Franchise Agreement. If you commit three or more violations in a single year, your Franchise Agreement may be terminated.
Payment Service Fees	Up to 3% of total charge	As incurred	If payment is made to us or our affiliates by credit card for any fee required, we may include a service fee of up to three percent (3%) of the total charge.
Late Fees	\$25 per day, plus the lesser of the daily equivalent of 12% per year simple interest or the highest rate allowed by law	On demand	Payable if any payment due to us or our affiliate is not made by the due date. Interest accrues from the original due date until payment is received in full.
Returned Check Or Insufficient Funds Fee	\$100	As incurred	Payable if any check or electronic funds transfer payment is not successful due to insufficient funds, stop payment, or any similar event.
Indemnification	Varies under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Kona Ice Business or Franchise.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement. You will also be required to pay any professional fees that we incur for certain transfers as discussed in this Item 6.
Renewal Franchise Fee	\$7,500	At the time you sign the successor franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee	\$5,000 to \$7,500	\$1,000 nonrefundable deposit at time of transfer application submittal and the remaining balance of fee at time of approved transfer	This fee is payable in connection with the transfer of your Kona Ice Business, your KEV, a transfer of ownership of your legal entity, or the Franchise Agreement. If you transfer to an existing Kona Ice franchisee, the transfer fee is \$5,000. Otherwise, it is \$7,500. If you are transferring the Franchise Agreement to an entity that you control, family, or adding minority equity owners, you will not be required to pay a transfer fee, but you must pay our actual costs, including legal fees.
Ancillary Transfer Fee	\$500	At time of approved transfer	Payable in connection with the transfer of your Additional Equipment. You will be required to pay off any loans on the Additional Equipment prior to transfer.
KEV Remodel or KEV Upgrades	Will vary under circumstances (the average in 2019 was \$17,431)	Upon execution of successor franchise agreement, upon a KEV rewrap or upon a transfer of an existing KEV (and KEV Express Truck and Additional Equipment, if any) that has not completed the required remodels	You are required to keep your KEV (and KEV Express Truck and Additional Equipment, if any) in compliance with current standards which includes a rewrap when required (at least every 7 years of operation). You may be required to pay this fee for the KEV (and KEV Express Truck and Additional Equipment, if any): (1) upon execution of successor franchise agreement for a Kona Ice Franchise that has not completed the required remodels or is not in compliance with current standards; (2) for the transfer of a Kona Ice Business that has not completed the required remodels; or (3) if they are not in compliance with current standards.
Mystery Shopper Fee	\$1,000 per occurrence	On demand	We may require you to conduct a self-shop by sending photos of your KEV. If the results of the self-shop are unsatisfactory or you do not participate, we may send a mystery shopper or similar third party to conduct a mystery shop. If the results of the mystery shop are unsatisfactory, we will conduct a mystery shop of your Kona Ice Franchise and you must pay us a fee of \$1,000 to cover our travel and expenses and you will be subject to non-compliance fees.



Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Lead Procurement Fee	\$15,000 or the third party broker fee	As incurred	Payable only in connection with the transfer to a purchaser that was referred to you through one of our leads or through a third party broker that we have a contract with. This fee is in addition to the Transfer Fee.
Audit	Cost of audit and any related accounting and legal expenses and related travel and administrative expenses (we estimate this cost to be between \$1,000 and \$10,000).	On demand	You will be required to pay these costs if an audit reveals that you have failed to submit required reports or other information that we require.

Notes:

1. **Fees.** All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us and our affiliates via electronic funds transfer (“**EFT**”) or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in **Exhibit H**). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.
2. **Royalty.** Beginning on the Opening Date, and continuing for the term of this Franchise Agreement, including any Interim Period, you agree to pay us the royalty fees listed below (the “**Royalty**”) in either three or six installments per year (“**KEV Royalty Schedule**”):

Time Period*	Total Royalty	KEV Royalty Schedule (If you make 3 installment payments per year)		KEV Royalty Schedule (If you make 6 installment payments per year)	
Years 1-2	\$3,000	June 30:	\$1,000	May 31:	\$500
		July 31:	\$1,000	June 30:	\$500
		August 31:	\$1,000	July 31:	\$500
				August 31:	\$500
				September 30:	\$500
				October 31:	\$500
Years 3-6	\$3,500	June 30:	\$1,166	May 31:	\$583
		July 31:	\$1,166	June 30:	\$583
		August 31:	\$1,168	July 31:	\$584
				August 31:	\$583
				September 30:	\$583
				October 31:	\$584



Time Period*	Total Royalty	KEV Royalty Schedule (If you make 3 installment payments per year)	KEV Royalty Schedule (If you make 6 installment payments per year)
Years 7-10 (plus any Interim Period, if applicable)*	\$4,000	June 30: \$1,333 July 31: \$1,333 August 31: \$1,334	May 31: \$666 June 30: \$666 July 31: \$667 August 31: \$666 September 30: \$666 October 31: \$667

If you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement, or, if you are a transferee, then the date for determining your KEV Royalty Schedule will be the date the initial franchise agreement was signed for the Kona Ice Business you are continuing to operate or acquired and you must pay our then current successor royalty for successor franchise agreements which is currently \$4,000 for year 11; \$4,500 for years 12 through 15 and \$5,000 for years 16 through 20.

3. **Additional Equipment Royalty.** If you purchase Additional Equipment, you will be required to pay the additional equipment royalty (“**AE Royalty**”) for such Additional Equipment, which will be noted in an amendment to the Franchise Agreement.

As of the Issuance Date of this Franchise Disclosure Document, the Additional Equipment offered, the purchase price, and the AE Royalty amount during the initial term is as follows:

Equipment	Amount	AE Royalty
Kona Entertainment Trailer	\$42,500 plus shipping	\$1,000 annually
Kona Entertainment Kiosk	\$32,500 plus shipping	\$750 annually
KEV Express Truck*	\$100,750 plus shipping	\$2,000 annually**
Kona Mini Truck	\$24,650 - \$26,850 plus shipping	\$600 annually

These amounts are subject to change. If you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement, you must pay our then current successor AE Royalty, which may be higher. You may not purchase any Additional Equipment until your KEV is operating in your Protected Territory. The AE Royalty will be due for as long as you own the Additional Equipment.

*If you are doing a KEV Express Conversion, you will be required to trade in your KEV to us and pay shipping for the KEV Express Truck.

**If you are doing a KEV Express Conversion, you will be required to pay according to the KEV Royalty Schedule and not the AE Royalty listed in the chart above.

4. **Technology Fee.** We will provide you with certain technical services in exchange for your monthly technology fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services. We reserve the right to enter into a master license agreement with any software or technology supplier and sublicense the software or technology to



you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. We also reserve the right to create proprietary software or technology that must be used by Kona Ice franchisees, in which case we may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees. We can change the software and technology that must be used by our franchisees at any time, which may result in changes to the technology fee. Currently, we require that you utilize software provided by third party suppliers. You are required to pay these suppliers for the use of the software. The current technology fee schedule is set forth in the chart below, which shall apply the earlier of your second year of operations or once you operate multiple KEVs, KEV Express Trucks or add Additional Equipment:

Total Number of KEVs, KEV Express Trucks and Additional Equipment	Monthly Technology Fee
1 - 2	\$39.99
3 - 6	\$79.99
7 - 9	\$119.99
10+	\$159.99

5. Misappropriated Success Guide Fee. These liquidated damages are determined by taking our total revenue from our previous fiscal year, multiplied by the fraction which results from taking one divided by the current number of Kona Ice franchisees as of the date of the misappropriation, except that this fee will not, under any circumstances, be less than thirty thousand dollars (\$30,000).

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee	\$15,000	\$15,000	Lump Sum	Upon signing the Franchise Agreement	Us
KEV and Installed Equipment ⁽¹⁾	\$119,850	\$119,850	Two Installments	\$5,000 due upon signing the Franchise Agreement and the balance of \$114,850 due upon delivery or pick up of the KEV and related equipment	Us
Training Expenses ⁽²⁾	\$850	\$950	As Incurred	As Incurred	Providers of Travel, Lodging, and Food Services
KEV Delivery ⁽³⁾	\$500	\$3,000	Lump Sum	Upon delivery of the KEV and related equipment	Third Party



Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
KEV Compliance Fee	\$0	\$5,000	As Incurred	As Incurred	Us or our affiliate
KEV Insurance for 3 Months ⁽⁴⁾	\$450	\$1,200	As Agreed	As Agreed	Our affiliate or Insurance Companies
Tax, Title, and Licensing of KEV ⁽⁵⁾	\$2,000	\$6,000	Lump Sum	Upon delivery or pick up of the KEV	Government Agencies
Initial Inventory ⁽⁶⁾	\$5,500	\$5,500	Lump Sum	Before Opening	Us
Optional Inventory ⁽⁷⁾	\$0	\$500	As Incurred	As Incurred	Us, Suppliers
Permits and Licenses ⁽⁸⁾	\$250	\$1,500	Lump Sum	As Incurred	Government Agencies
Real Estate or KEV Storage ⁽⁹⁾	\$0	\$1,200	As Incurred	As Agreed	Third Parties
Computer System and Software	\$200	\$1,000	As Incurred	Before Opening	Suppliers
Additional Funds – 3 Months ⁽¹⁰⁾	\$1,000	\$8,500	As Incurred	As Incurred	Us, Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹¹⁾	\$145,600	\$169,200			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Kona Ice Franchise. You may be able to finance the purchase of your KEV (See Item 10). All expenditures paid to us or our affiliates are uniform and nonrefundable under any circumstances once paid. All expenses payable to third parties are nonrefundable, except as you may arrange for utility deposits and other payments.

1. KEV and Installed Equipment. Only the KEV may be used in the operation of your Kona Ice Business. No other truck or vehicle may be used in the operation of your Kona Ice Business. These items must be purchased from us or our affiliate.
2. Training Expenses. We will pay for hotel and airfare for one attendee for our initial training program in Florence, Kentucky. If you are in a state with a Fee Deferral, we will reimburse you for hotel and airfare for one attendee after your Kona Ice Business is open. The low estimate is for an attendee's miscellaneous travel expenses. The high estimate is for one attendee's airfare, hotel and (which will be reimbursed if you are in a Fee Deferral state) and miscellaneous travel expenses.



3. KEV Delivery. You are responsible for picking up your KEV from the manufacturer located in Elkhart, Indiana after initial training, or you may choose to have your KEV delivered. KEVs are delivered from Elkhart, Indiana. If you choose delivery, you will pay the delivery fee directly to the transportation company based on the then-current delivery rate.
4. KEV Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Kona Ice Business, your rates may be significantly higher than those estimated above. You may, but are not required to, purchase this insurance through the captive insurance program offered through our affiliate.
5. Tax, Title, and Licensing of KEV. You are required to pay all federal and state tax, title, licenses, and other costs of titling the KEV. The estimates above include a sales (or usage) tax of an estimated six percent (6%) of the purchase price of the KEV. The actual amount may be more depending on the tax rate in the jurisdiction where you title your KEV. You should check with your local county clerk's office or other governmental titling office for your state's tax rate and the exact cost to title and license your KEV.
6. Initial Inventory. You must purchase an initial inventory of ice, sugar, cups and flavorings, a graphics package, and a Kona Ice welcome box that includes branded t-shirt uniforms to begin operation of your Kona Ice Business. These items must be purchased from us or our affiliate, and you are not permitted to purchase any of these items, with the exception of ice and sugar, from alternate sources.
7. Optional Inventory. You may choose to purchase pre-packaged ice cream products from any vendor of your choosing, but you are not required to do so. You may also purchase Kona Ice branded merchandise such as stuffed penguins, beach balls, shirts, and hats from us; however you are not required to do so.
8. Permits and Licenses. You are required to pay for local permits and licenses, usually required in each city, county, and state where you operate. You should check with your local taxing authorities and with your tax advisor for the amount of such governmental charges.
9. Real Estate or KEV Storage. Because most of our Franchisees will operate their Kona Ice Business out of their residences, , this chart does not include estimates for items such as real property, real estate deposits, leases, leasehold improvements, furniture, fixtures, fixed assets, remodeling, construction, decorating costs, utility deposits, or security deposits, which will likely not apply unless you choose to acquire a business premises. In addition, we assume that you will not need to obtain desks, chairs, and other standard office supplies and equipment and do not include estimates for these items. You may be required to rent a storage area for your KEV. The low end assumes that you can store your KEV at your residence. The high estimate provides for three months of storage at an outdoor vehicle storage area.
10. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three (3)-month start-up phase of your Kona Ice Business. Expenses could include office/warehouse space (if required), utilities, special event fees, uniforms, as well as additional operating capital for other variable costs such as fuel, vehicle maintenance, Internet service, and mobile phones/telephone. In the event you intend to hire employees to operate your KEV, you should add their expected salary to this figure. These figures include \$3,000 in royalty fees and \$500 in Brand Fund contributions, which may be due within your initial three (3)-month



start-up phase. We have elected to include certain fees as line items above, including the KEV insurance payments. These fees could also be included in our Additional Funds amounts. For purposes of this disclosure, we estimated the start-up phase to be three (3) months from the date your Kona Ice Business opens for business. We have relied on our operation of similar businesses since 2007 and our franchising experience since 2008 to arrive at these estimates. You must bear any deviation or escalation in costs from the estimates that we have given. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the start-up period. Additional funds for the operation of your Kona Ice Franchise will be required after the first three (3) months of operation if sales produced by the Kona Ice Franchise are not sufficient to produce positive cash flow.

11. Figures May Vary. This is an estimate of your initial start-up expenses for one (1) Kona Ice Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

System Standards

To ensure the highest degree of quality and service is maintained, you must operate the Kona Ice Business in strict conformity with the methods, standards, and specifications we list in our proprietary and confidential operating manual (“Success Guide”), which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. System standards may regulate, among other things, the types, models, and brands of supplies, equipment, furnishings, and signs; services, products, and supplies the Kona Ice Franchise must offer; unauthorized and prohibited services and products; inventory requirements; and designated and approved suppliers of these items. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Your Kona Ice franchise must prepare and sell only the products that we designate and approve. We have the right to make modifications to these products from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service without our prior written consent. Establishing and enforcing brand standards are the mechanism by which we maintain the quality and consistency of the Kona Ice brand. If any product dispensed at your Kona Ice Business violates our System standards or any applicable laws or regulations, or poses a health risk to the public, we may require that you immediately close your Kona Ice Business and not reopen until approved to do so by us after our inspection. In order to protect the public from any risk of harm and to protect the goodwill and reputation of the System, we may seek immediate injunctive relief seeking an order to close your Kona Ice Business if you fail to close your Kona Ice Business upon our request.

We will notify you of new or modified specifications, standards, and guidelines through periodic amendments or supplements to the Success Guide or through written communication (including electronic communication). We will issue copies of our standards and specifications to you unless these standards and specifications contain our confidential information. You may be required to, at your sole expense, remodel, modernize, and redecorate the KEV so that the KEV reflects our then-current Standards as to image and quality.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Kona Ice Franchise. You must obtain the computer hardware,



software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify.

KEV Appearance

You must maintain the appearance of the KEV in accordance with our brand standards, including a rewrapping as required by us based on the condition of the KEV (but no later than 7 years after you purchase the KEV). You will be required to update the KEV appearance as follows: (1) the execution of successor franchise agreement for a Kona Ice Franchise with a KEV that has not completed the required remodels or is not in compliance with current standards; (2) for the transfer of a Kona Ice Business with a KEV that has not completed the required remodels; or (3) for a KEV that is not in compliance with current standards. See Item 11 for more information. You must use our approved supplier for the window tinting of your KEV.

Additional Equipment

If you purchase any Additional Equipment, you will be required to rewrap the equipment every seven years at your expense.

Insurance

You must obtain and maintain at your own expense and from a supplier rated “A-” or better by Best’s Insurance Reports, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have the following coverage:

- A. If you have employees, workers’ compensation insurance in an amount not less than \$500,000 or a higher amount as required by state statute or rule in the state in which your Kona Ice Business is located;
- B. Fire and lightening, extended coverage, theft, vandalism and malicious mischief, flood (if the KEV is in a Designated Flood Hazard Area), and sprinkler leakage insurance for the KEV and all fixtures, equipment, supplies and other property used in the operation of the Kona Ice Business, in an amount the greater of \$110,000 or one hundred percent (100%) of the replacement value of the same, except that an appropriate deductible clause will be permitted;
- C. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a shaved ice business located in your Protected Territory, but not less than \$1,000,000, insuring both you and us against all claims, suits, obligations, liabilities and damage, including attorney fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise;
- D. You must procure, maintain and provide evidence of automobile (truck) vehicle liability insurance covering the driving of the KEV and any Additional Equipment in an amount of not less than \$1,000,000; and
- E. Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise.



We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. You may purchase all of your insurance through the captive insurance program offered by our affiliate, Kona Insurance. The captive insurance program is a comprehensive property and casualty insurance program covering the Kona Ice Franchisee's in the following areas: Commercial Auto Liability; Commercial Auto Physical Damage; Commercial General Liability; Property Coverage and Inland Marine; Workers Compensation; and Commercial Umbrella. The program is underwritten by Great American Insurance Group and administered by Cornerstone Insurance.

All insurance policies, except for employment liability insurance policies, must name us and any affiliates we designate as additional named insured parties and provide for thirty (30) days prior written notice to us of a policy's material modification, cancellation or expiration. You must furnish us with a copy of your Certificate of Insurance within ten (10) days after the policy is issued or renewed.

Approved Products and Services

We may develop proprietary food products ("Products") and may develop and own proprietary recipes ("Proprietary Recipes"). In order to protect their trade secrets and to monitor the manufacture, packaging, processing, and sale of Products, we or our affiliate will: (i) manufacture, supply, and sell proprietary food Products to Kona Ice franchisees; and/or (ii) disclose Proprietary Recipes to a limited number of suppliers, including our affiliate.

You must obtain services and products from: (1) designated suppliers, (2) approved suppliers, and/or (3) according to our specifications. We will issue you a list of the designated and approved suppliers. If you want to use or sell a product or service that we have not yet evaluated or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for services and products that require supplier approval), you must follow the policies and procedures contained in our Success Guide. Our approval generally will be based on the supplier's ability to consistently make the manufactured product to our standards, requirements, and/or specifications; the supplier's willingness to protect our confidential information; production, delivery, and service capability to meet supply and service commitments; and other criteria as may be detailed in the Success Guide. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. Costs associated with gaining approval may be your responsibility and/or the supplier's where existing suppliers are capable of providing an existing product. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, provider, product or service that does not continue to meet our specifications. We do not provide material benefits to you based solely on your use of designated or approved suppliers, other than that you will not be in default, will be able to renew or transfer, and will have the intangible benefit of uniform quality standards. Our affiliate, Kona Insurance, is an approved supplier of comprehensive property and casualty insurance. Some of our officers own an interest in Kona Ice, which is the only approved supplier of the KEV, the Additional Equipment and certain branded merchandise. Some of our officers own an interest in Kreations Flavoring, LLC, which is an approved supplier of flavoring. Some of our officers own an interest in Kona Insurance, which is an approved supplier of insurance. One of our directors is an officer of Eagle Financial Services, Inc., which is an approved supplier of financing. The owner of Eagle Financial Services, Inc. has an indirect small minority interest in us.

We estimate that approximately 90% of purchases required to open your Kona Ice Franchise and 15% of purchases required to operate your Kona Ice Franchise will be from us or from other approved suppliers or under our specifications. During our last fiscal year, ended December 31, 2019, we received \$18,917,612 in revenue from these required purchases. This number represents revenue and not profit from



product sales and includes those products which franchisee may choose to buy from us but are not required (such as merchandise). This number represents 68% of our total revenues of \$29,112,971.

We have negotiated purchase arrangements with suppliers and distributors for the benefit of our Franchisees, and we may receive rebates or volume discounts (maximum of 3% to 5%) from our purchase of equipment and supplies that we resell to you.

Additional Equipment

You may, but are not required to, purchase any Additional Equipment that we offer for use in your Protected Territory during the term of the Franchise Agreement. If you purchase Additional Equipment, you will be required to pay the AE Royalty as stated in Item 6.

Approval of New Suppliers

We may update the list of approved suppliers in the Success Guide. If you desire to have a non-approved supplier of a product or service designated as an approved supplier, you must submit samples of the supplier's products or services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the System. We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we will be required to respond to a request within 60 days, we generally respond to a request for an additional approved supplier within seven (7) days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Franchise Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2, 3A, & 3B	Items 7 & 11
b. Pre-opening purchases/leases	Section 3	Item 7
c. Site development and other pre-opening requirements	Sections 3, 4A, 4B, 5A, & 9	Item 11
d. Initial and ongoing training	Sections 5A, 5B, & 5C	Item 11
e. Opening	Section 3	Item 7 & 11
f. Fees	Section 4	Items 5, 6 & 7
g. Compliance with standards and policies/Franchise Operations Manual	Sections 5C, 5D and 9	Items 8, 15, & 16
h. Trademarks and proprietary information	Sections 6 & 7	Items 13 & 14
i. Restrictions on products/services offered	Sections 9B & 9D	Items 8 & 16



Obligation	Section in Franchise Agreement	Franchise Disclosure Document Item
j. Warranty and customer service requirements	Sections 1A, 1B & 9E	Not Applicable
k. Territorial development and sales quotas	Section 2	Item 12
l. On-going product/service purchases	Section 9D	Item 8
m. Maintenance, appearance, and remodeling requirements	Sections 3 & 9	Items 7, 8, & 11
n. Insurance	Section 9G	Item 7
o. Advertising	Section 10	Items 6 & 11
p. Indemnification	Section 17D	Item 6
q. Owner's participation/management and staffing	Sections 3, 5E, 5F, & 9F	Items 11 & 15
r. Records and reports	Section 11	Item 17
s. Inspections and audits	Section 12	Item 6
t. Transfer	Section 13	Item 17
u. Renewal	Section 14	Item 17
v. Post-termination obligations	Section 16	Item 17
w. Non-competition covenants	Section 16D	Item 17
x. Dispute resolution	Section 18	Item 17

ITEM 10 FINANCING

Except as stated below, neither KII nor any agent or affiliate of ours offers direct financing. We do not guarantee your note, lease or obligation. We do not have any past or present practice to sell, assign or discount to any third party, in whole or in part, any financing arrangements. We reserve the right to offer further financing or assist franchisees in obtaining financing in the future.

At their sole discretion, and if you qualify, the following lenders may offer you financing for the purchase of your KEV and/or kiosk, mini or trailer ("Financing"): (i) Eagle Financial Services, Inc. ("Eagle"); and (ii) a hybrid of Ally Financial, Inc. ("Ally") and Eagle (together, "Ally-Eagle"). Neither we nor any affiliate or agent receives any consideration for placing financing with any of these lenders. The owner of Eagle has an indirect small minority ownership interest in us. An officer of Eagle is also one of our directors.



Eagle Financing

Eagle may also offer you financing for the purchase of your kiosk, mini or trailer. You will be required to enter into a commercial promissory note (“Note”) attached in Exhibit H to this Franchise Disclosure Document. The following table summarizes the financing Eagle may offer you:

SUMMARY OF EAGLE FINANCING OFFERED⁽¹⁾	
Item Financed	Purchase price of a kiosk, mini or trailer
Amount Financed	Full balance of a kiosk, mini or trailer
Down Payment	Balance of purchase price after Financing amount has been determined
Term	36 months
APR %	9.99%
Monthly Payment	36 equal monthly installments; varies according to amount financed
Prepayment Penalty	None
Security Required	Partner or shareholder and personal guarantee and pledge of the Franchise ⁽²⁾
Liability Upon Default	Late penalty; acceleration of amounts due; fees ⁽³⁾
Loss of Legal Right On Default	Waiver of trial by jury and right to interpose any defense, set-off, or counterclaim of any nature or description ⁽⁴⁾

The Financing for a kiosk, mini or trailer is paid in 36 equal monthly installments at an interest rate of 9.99%.

Notes:

1. Eagle reserves the right to change the terms, interest rate and amounts financed.
2. If your business is a partnership, corporation or other recognized legal entity, the Note must be guaranteed individually by all partners or shareholders. The Note must be secured by the assets of the Kona Ice Franchise.
3. If you are late on your payments, Eagle can charge a late penalty. In the case of nonpayment or other default under the Note, Eagle can require immediate payment of all amounts due them, and can collect reasonable attorney fees and all costs and expenses of collection.
4. The Note requires that you waive trial by jury and the right to interpose any defense, set-off or counterclaim of any nature or description.



Ally-Eagle Financing

Ally and Eagle in combination may also offer you financing for the purchase of your KEV and initial inventory pack. You will be required to enter into the Note for Eagle and a Retail Installment Contract – Motor Vehicle – Simple Interest for Ally (“Retail Contract”) both attached in Exhibit H to this Franchise Disclosure Document. The following table summarizes the financing Ally-Eagle may offer you:

SUMMARY OF ALLY-EAGLE FINANCING OFFERED ⁽¹⁾	
Item Financed	Purchase price of one (1) KEV and initial inventory pack
Amount Financed	Full balance of KEV plus initial inventory pack, split between Ally and Eagle
Down Payment	Balance of purchase price after Financing amount has been determined
Term	60 months
APR %	For Ally portion of loan: rate based on credit application results (best results have been approved at 5%) For Eagle portion of loan: 9.99%
Monthly Payment	For Ally portion of loan: 60 equal monthly installments; varies according to amount financed and rate For Eagle portion of loan: 60 equal monthly installments; varies according to amount financed
Prepayment Penalty	None
Security Required	Partner or shareholder and personal guarantee and pledge of the Franchise ⁽²⁾
Liability Upon Default	Late penalty; acceleration of amounts due; fees ⁽³⁾
Loss of Legal Right On Default	Waiver of trial by jury and right to interpose any defense, set-off, or counterclaim of any nature or description ⁽⁴⁾

For the Ally portion of the Loan: the financing for the chassis and hard components is paid in 60 equal monthly installments of an interest rate based on credit application results.

For the Eagle portion of the Loan: the financing for the remaining portion of the KEV and inventory pack is paid in 60 equal monthly installments at an interest rate of 9.99%.

Notes:

1. Ally and Eagle reserve the right to change the terms, interest rate and amounts financed. If you elect this option, you will submit an application to Ally, and if approved by Ally, Ally will finance up to \$45,000 of your KEV. Once Ally has approved your application, a separate application is not required by Eagle. If approved, Eagle may finance the remaining balance of your KEV.



2. If your business is a partnership, corporation or other recognized legal entity, the Retail Contract and Note must be guaranteed individually by all partners or shareholders. The Retail Contract and Note must be secured by the assets of the Kona Ice Franchise.
3. If you are late on your payments, Ally and Eagle can charge a late penalty. In the case of nonpayment or other default under the Retail Contract and Note, Ally and Eagle can require immediate payment of all amounts due them, and can collect reasonable attorney fees and all costs and expenses of collection.
4. The Retail Contract and Note require that you waive trial by jury and the right to interpose any defense, set-off or counterclaim of any nature or description.

ITEM 11

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

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

Pre-opening Obligations

Before you open the Kona Ice Franchise, we (or our affiliate or designees) will provide the following assistance and services to you:

1. Because you do not have to locate a site from which to operate your Kona Ice Business, we do not provide you with assistance in doing so. You may open an office, but it is not required and does not need to be approved by us. You must find a location to store the KEV, which may be at your residence if permitted. Before you purchase the Kona Ice Franchise, you and we will jointly agree on the Protected Territory in which you will operate your Kona Ice Business. If we cannot agree on a territory location, we will not award you a Kona Ice Franchise (Franchise Agreement – Sections 3A and 3B).
2. Provide you with mandatory and discretionary specifications for the Kona Ice Business, including standards and suggested criteria for design, image, and branding of KEV and Additional Equipment (Franchise Agreement – Sections 3 and 9).
3. Identify products, supplies, and designated and approved suppliers that you must use to develop and operate the Kona Ice Business; establish minimum standards and specifications that you must satisfy while operating the Kona Ice Business (Franchise Agreement – Sections 3 and 9).
4. Loan you or make available to you on our website one (1) copy of our Success Guide. The Success Guide contains approximately 265 pages. The table of contents for the Success Guide is attached to this Franchise Disclosure Document as Exhibit E (Franchise Agreement – Section 5D).
5. Provide an initial training program (Franchise Agreement – Section 5A).
6. Provide you with the KEV. We reserve the right to establish requirements regarding the design, image, and branding of the KEV, and the right to control and approve all content of the KEV, including the right to use the KEV to advertise our brand, products, and services (Franchise Agreement – Sections 3 and 9).
7. Provide you with advice and guidance regarding your pricing policies in compliance with the applicable laws. We have the right to recommend retail prices and prescribe minimum and/or maximum



retail prices for the products and/or services offered and sold at your Kona Ice Business. (Franchise Agreement – Section 9).

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

Schedule for Opening

We estimate that it will take 2 to 12 weeks after you sign the Franchise Agreement before you open your Kona Ice Business. The factors affecting this length of time include the time necessary for you to obtain the KEV and equipment, schedule your initial training, and hire and train any necessary employees.

Continuing Obligations

During the operation of your Kona Ice Franchise, we (or our affiliates or designees) will provide the following assistance and services to you:

1. Upon reasonable request, provide advice regarding the Kona Ice Business operations based on your reports and our inspections. We also will guide you on standards, specifications, and operating procedures, and methods that Kona Ice Businesses use; purchasing required and authorized operating assets and other items and arranging for their distribution to you from us or the suppliers; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, accounting, and inventory control procedures. We will guide you through the Success Guide in bulletins or other written materials, through the use of electronic media, telephone conferences, and/or meetings at our offices or at your Kona Ice Business (Franchise Agreement – Section 5C).
2. Continue to loan you or make available to you on our website one (1) copy of the Success Guide, which may consist of electronic media, and/or written materials. We may modify the Success Guide periodically to reflect changes in System standards (Franchise Agreement – Section 5D).
3. We may periodically modify System standards, and those modifications may require you to invest additional capital in the Kona Ice Business and/or incur higher operating expenses (Franchise Agreement – Section 9).
4. License to you for your use confidential and proprietary information designed to assist you in the operation of the Kona Ice Business (Franchise Agreement – Section 7).
5. License to you for your use our Marks, as set forth in greater detail below in Item 13 (Franchise Agreement – Sections 6A and 6B).
6. Maintain and administer one or more websites to advertise, market, and promote Kona Ice Businesses and the services and products offered (each a “Website”) (Franchise Agreement – Section 10E).
7. Your KEV will come wrapped in vinyl containing the Kona Ice™ design and insignia. You are required to update the wrap as needed (but no later than 7 years). All necessary updates, removal of vinyl, and installation of vinyl must be performed at an authorized upfit facility. The upfit facilities are currently located in Florence, KY and New Braunfels, TX (Franchise Agreement – Section 3E).
8. Provide additional training to you for newly-hired personnel regarding the Kona Ice brand and System guidelines, refresher training courses, and additional training or assistance that, in our



discretion, you need or request. You may be required to pay additional fees for this training or assistance (Franchise Agreement – Section 5).

Optional Assistance

During the term of the Franchise Agreement, we (or our affiliates or designees) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new menu items, new equipment, or new techniques.
2. Maintain and administer the Brand Fund. We may dissolve the Brand Fund upon written notice (Franchise Agreement - Section 10A and 10B).
3. Hold periodic national or regional conferences to discuss business and operational issues affecting Kona Ice franchisees.
4. Our affiliate, Kona Insurance, may offer a comprehensive property and casualty insurance program to you.

Advertising

Brand Fund

We have established a Brand Fund for Kona Ice Businesses. The Brand Fund was previously called the “Advertising Fund.” You are required to pay \$500 per year to the Brand Fund for each Kona Ice Franchise you own. This amount can be raised annually by up to 10%. The amount of the Brand Fund contribution may also be increased at any time upon super-majority (75%) of the “Brand Advisory Board” (which is defined below) and upon 30 days’ notice to you of the increase. The Brand Fund may be held in a separate bank account, commercial account, or savings account, but we are not required to do so. The Brand Fund is administered by us or one of our affiliates, and we may use a professional advertising agency or media buyer to assist us with the supervision and administration of the Brand Fund. Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11.

We may reimburse ourselves, our authorized representatives, or our affiliate from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Brand Fund. We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct, or administer the Brand Fund. Any unused funds in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable. Because we do not have this fund audited, audited financial statements are not available to Kona Ice franchisees. We will provide to you each year an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year upon written request (Franchise Agreement – Section 10B). We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund payments for advertising that is principally a solicitation



for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing.

During our most recent fiscal year ended December 31, 2019, the Brand Fund was spent as follows: 44% on media placement, 22% with Google AdWords, 29% for social media, 2% on production, 1% on franchisee emails and 2% on prizes and awards.

Local Advertising

You are not required to advertise on a local basis as an individual Kona Ice Business, and you are not required to spend a minimum of your gross revenues on local marketing and promotion in your Protected Territory. You are not required to participate in a local or regional advertising cooperative. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Kona Ice franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Kona Ice Businesses, and you will not issue coupons or discounts of any type except as approved by us. We may conduct market research and testing to determine consumer trends and the marketability of new food products and services.

You will not participate in any crowdfunding campaigns or similar money-raising programs for your Kona Ice Business. You agree to cooperate by participating in our market research programs, test marketing new food products and services in the Kona Ice Business and providing us with timely reports and other relevant information regarding such market research. You must conduct and participate in promotional campaigns (“Promotions”) which may from time to time be required in the Success Guide, and you must conduct and participate in those Promotions in accordance with the policies and provisions set forth in the Success Guide. This may include requiring you to offer free products to customers on certain days or providing coupons (not to exceed \$500 per year unless authorized by the Brand Advisory Board). If we require you to conduct and participate in any Promotion, we reserve the right (but we are not required) to use a portion of the Brand Fund to defray a portion of any costs attributable to the Promotions (Franchise Agreement – Section 10D).

It is a material breach of the Franchise Agreement to use other marketing material, logos, and our Marks without obtaining our prior written approval. If you desire to use your own advertising materials, you must obtain our prior approval, which may be granted or denied in our sole discretion. We will review your request and we will respond in writing within 30 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks, and other name identification materials must be consistent with our approved standards (Franchise Agreement – Section 10B and 10D).

Internet

We have established a website for Kona Ice Businesses (“System Website”). Additionally, we reserve the right to develop a local website or local pages on the System Website. If you wish to advertise online, you must follow our online policy, which is contained in our Success Guide. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or



symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page. As long as we maintain a System Website, we will have the right to use the Brand Fund assets to develop, maintain, and update the System Website.

We are only required to reference your Kona Ice Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards. If you are in default of any obligation under the Franchise Agreement or System standards, then we may temporarily remove references to your Kona Ice Business from the Website until you fully cure the subject default(s) (Franchise Agreement – Section 10E).

Brand Advisory Board

We have created a brand advisory board (“Brand Advisory Board”) (formerly known as the “Advertising Advisory Board”) to help determine the type of advertising (television, radio, billboard, Internet, or other medium) we will use. The Brand Advisory Board has written governing documents approved by us. Members of the Brand Advisory Board would consist of franchisees and at least one franchisor representative. We will choose the number and members of the Brand Advisory Board in our sole discretion. In order to be chosen for the Brand Advisory Board, the franchisee must be in good standing, operate multiple Franchises, and be actively involved in the betterment of the Kona Ice System. A copy of these governing documents will be available to you upon written request. We have the power to form, change, or dissolve the Brand Advisory Board at any time.

Computer System

You must purchase computer hardware and software (“Computer System”) for the operation of your Kona Ice Business, but we do not require any particular brand of computer hardware or software nor do we specify the standards for computer and communication equipment and Internet access. We suggest a personal computer running Windows 10. You will need to buy and/or license third party software such as QuickBooks and Microsoft Office to use in the operation of your Kona Ice Business. Our technology fee includes access to our proprietary MyKonaBiz operating software. This hardware and software may be obtained from any computer reseller such as Amazon.com, Dell, Office Depot, or Best Buy, and will cost approximately \$200 to \$1,000. We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future. Kona Ice will not have independent access to your Computer System, but reserves the right to conduct periodic audits of any accounting records contained in your Computer System. You must periodically check your email and the portion of our website devoted to franchise owners. We reserve the right to market and sell over the Internet. You must use any credit card vendors and accept all credit cards and debit cards that we determine. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”).

We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System (Franchise Agreement – Section 3C). You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require. You will be responsible for the cost of such upgrades.

The cost of maintaining, updating, or upgrading the Computer System or its components because it will depend on your repair history, costs of computer maintenance services in your area, and technological advances, which we cannot predict at this time. We estimate the annual costs to range between \$0 and



\$2,000 but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

Computer systems in general are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date related problems and attacks by hackers and other unauthorized intruders (“E-Problems”). We have taken reasonable steps so that E-Problems will not materially affect our business. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

Training

Initial Training

Your “Managing Owner” (defined in Item 15) and any designated manager or representative that we require must complete the training program to our reasonable satisfaction before you open your Kona Ice Franchise. You will be enrolled in the initial training program which we call “Kona Kollege.” Franchisees that purchase existing Kona Ice Franchises as a result of a transfer are also required to attend Kona Kollege. We provide initial training at no cost. Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the initial training program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, and similar expenses. We plan to provide the training listed in the table below. The hours presented for each subject are estimates and may change as our training program continues to evolve.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
KEV & Equipment Operation	0	4	Our corporate office in Florence, Kentucky
KEV & Equipment Maintenance	0	4	Our corporate office in Florence, Kentucky
Field Sales and Customer Service	0	8-12	Our corporate office in Florence, Kentucky
TOTAL HOURS	0	16-20	

Notes:

1. The training may be less than the times indicated above depending on the number and experience of the attendees. Training includes actual operation of a KEV under our supervision. The instructional materials for the training program consist of the KEV and its equipment, manufacturer brochures and operational manuals, and the Success Guide.



2. Tony Lamb, our CEO, President, Secretary and Board Member, currently oversees our training program to which he brings more than 14 years of management experience.
3. Other instructors will include other franchisees who have had at least two (2) years of experience in the operation and management of a Kona Ice Business or have successfully completed Kona Kollege.

Ongoing Training

From time to time, we may require that you, designated managers, and other employees attend system wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new designated manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Kona Ice Business. If we conduct an inspection of your Kona Ice Business and determine you are not operating in compliance with the Franchise Agreement or our System standards, you may be required to temporarily close your Kona Inca Business, and we may require that you attend remedial training that addresses your operational deficiencies and pass our inspection before reopening. You may also request that we provide additional training (either at corporate headquarters or at your Kona Ice Business).

ITEM 12 TERRITORY

The Franchise Agreement for your Kona Ice Business grants you an exclusive territory based on the geographic area and population properties within that area and other relevant demographic characteristics. We will generally grant only one (1) license to a franchisee for any area with a population up to 100,000. We will use the population as listed on zip-codes.com, which is derived from known delivery information, household occupancy rates, etc., as well as any other sources that we believe are reliable for determining the current population in and around your Protected Territory. In certain densely populated metropolitan areas, a territory may be considerably smaller, while franchisees operating in less densely populated urban areas may have significantly larger areas. If the population of your Protected Territory increase by more than 25%, we may reduce the size of your Protected Territory to 100,000 people unless you purchase an additional KEV.

You will operate a single Kona Ice Business and a single KEV within the Protected Territory identified in the Franchise Agreement. You are not restricted from the amount of Additional Equipment that you may operate in your Protected Territory. Your Protected Territory will be identified in an exhibit to your Franchise Agreement. The boundaries of your territory will coincide with the boundaries of one (1) or more adjacent zip codes. You will be permitted to engage in direct advertising and solicitation of clients only within the boundaries of your Protected Territory unless we approve otherwise. Other than as described below, while the Franchise Agreement is in effect and you are not in default, we and our affiliate will not, in your Protected Territory, operate a company-owned unit or grant a franchise for a similar or competitive business. You will only have the right to operate the Kona Ice Business in your Protected Territory under the terms and conditions of the Franchise Agreement, and we reserve all other rights to ourselves and our affiliate. You may not operate, solicit, or accept orders outside your Protected Territory unless we allow otherwise in our sole discretion.

We reserve all rights not expressly granted in the Franchise Agreement. We or our affiliate may own, operate, or authorize others to own or operate Kona Ice Businesses or any other form of Kona Ice's business outside your Protected Territory, including co-branding activities, and may operate other kinds of businesses under other marks within your Protected Territory. We and our affiliate may conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not



offered under the Marks. We reserve the right to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Kona Ice Business, wherever located; and to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

Although we have not done so, we and our affiliate may sell products under the Marks within and outside your Protected Territory through any method of distribution other than through a dedicated Kona Ice Business, including sales through such channels of distribution as the Internet, mail order sales, telemarketing, or other direct marketing sales, wholesalers, unrelated retail outlets or other distribution outlets (together, “Alternative Distribution Channels”). You may not use Alternative Distribution Channels to make sales outside or inside your Protected Territory and you will receive no compensation for our sales through Alternative Distribution Channels except as described in the following paragraph.

If we engage in electronic commerce through the Internet, or sell through any other Alternative Distribution Channel, and we receive orders for any products or services calling for delivery or performance in your Protected Territory, then we will offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, our affiliate, or a third party we designate (including another Kona Ice Business) may fulfill the order, and you will be entitled to no compensation in connection with the sale.

Your Kona Ice Business and Protected Territory do not depend upon obtaining any certain sales quotas, sales goals, or market penetration. You must not relocate the Kona Ice Business without obtaining our written consent of the relocation. If you wish to purchase an additional Kona Ice Business, you must apply to us, and we may offer an additional Franchise to you.

If you wish to revise, amend, or relocate your Protected Territory, you must apply to us to do so, and we may, but are not required, to grant your request. We may condition our approval of such request on any terms or conditions which we deem reasonable, including, but not limited to, requiring you to pay an Initial Territory Adjustment Fee or a Territory Relocation Fee of \$2,500 as discussed in Item 6.

We do not grant a right of first refusal to franchisees to purchase new or existing locations, but we do allow you to reserve adjacent territories by signing the Additional Franchise Reservation Agreement and paying Reservation Fee.

ITEM 13 TRADEMARKS

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the proprietary Marks. We are the owner of the registrations of the following trademarks with the United States Patent and Trademark Office (“USPTO”):



Mark	Filing or Registration Date	Serial or Registration No.	Status
KONA ICE	January 20, 2009	3,563,488	Registered on the Principal Register
PENGUIN DESIGN 	May 26, 2009	3,625,423	Registered on the Principal Register
KONA ICE	October 1, 2013	4,410,379	Registered on the Principal Register
	October 27, 2015	4,839,900	Registered on the Principal Register
	September 8, 2015	4,807,108	Registered on the Principal Register

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. All required affidavits have been filed.

No agreement significantly limits our right to use or license the Marks in any manner material to the Kona Ice Business. We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks. You must follow our rules when using the Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your KEV that you are an independently owned and operated licensed franchisee of Kona Ice, Inc. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Kona Ice Business or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us.



We will defend you against any claim brought against you by a third party that your use of the Marks in accordance with the Franchise Agreement infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three (3) days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue, or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have patent protection of our FlavorWave Self-Service Station. This station allows the customer to choose and apply his or her own flavorings to the shaved ice product.

Our patent protection is summarized below:

Patent Title	Patent Number	Issue Date	Type
Mobile Confectionary Apparatus with Protectable Dispensing System	8,157,136	April 7, 2012	Mechanical
Liquid Toppings Dispensing System	9,321,387	April 26, 2016	Mechanical
Liquid Toppings Dispensing System	9,751,447	September 5, 2017	Mechanical

Our right to use or license this patent is not materially limited by any agreement or known infringing use. There are no agreements or claims of infringement which limit the use of our patents or pending patents.

There are no determinations in effect that significantly limit our rights to use or license others to use the patents in any manner material to the franchise by the United States Patent and Trademark Office, the Patent Trial And Appeal Board, or the patent administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or litigation involving the patent.

We will defend you against any claim brought against you by a third party that your use of our patent in accordance with the Franchise Agreement that infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation



relating to our patent. We have no obligation to pursue any infringing users of our patent. If we learn of an infringing user, we will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. You must notify us within three (3) days if you learn that any unauthorized party is using the patent. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving the patents.

You must tell us within three (3) days if you learn about an infringement or challenge to our use of this patent. We will take action that we think is appropriate. The Franchise Agreement does not require us to take any affirmative action when we are notified of an infringement. We are not required to participate in your defense nor are we required to indemnify you for expenses or damages in a proceeding involving a patent, patent application, or copyright licensed to you. You must also agree not to contest our interest in these or our other trade secrets.

If we decide to add, modify, or discontinue the use of an item or process covered by a patent or copyright, you must also do so. We have no liability to you in connection with this exchange. Upon expiration of the Franchise Agreement you may not use our patent.

We claim copyrights in the Success Guide, which contains trade secrets, advertising and marketing materials, the Website, and similar items used in operating a Kona Ice Business. We have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating your Kona Ice Business (and must stop using them if we so direct you).

There are no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state. We need not protect or defend copyrights, although we intend to do so if in the Kona Ice Franchise System's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Success Guide, passwords, and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Kona Ice Businesses; marketing and advertising programs for Kona Ice Businesses; any computer software or similar technology that is proprietary to us or the Kona Ice Franchise System; knowledge of, specifications for, and suppliers of operating assets and other products and supplies; and knowledge of the operating results and financial performance of Kona Ice Businesses other than your Kona Ice Business.

All ideas, concepts, techniques, or materials concerning a Kona Ice Business, whether or not they are protected intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Kona Ice Franchise System, and works-made-for-hire for our use. If any item does not qualify as a "work-made-for-hire" for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action, including executing an assignment agreement or other documents, that we request to show our ownership or to help us obtain intellectual property rights in the subject item(s).

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure and non-competition



agreements with those having access to such information. We may regulate the form of confidentiality agreement that you use and must be included as a third party beneficiary with independent enforcement rights in that agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are required to own your Kona Ice Franchise in a legal entity. The sole purpose of your legal entity will be the development and operation of a Kona franchise. The Kona Ice Franchise shall be managed by one of your owners who is a natural person with at least a twenty-five percent (25%) ownership interest and voting power in the entity (“Managing Owner”). During the term of the Franchise Agreement, the Managing Owner shall directly supervise and participate in the day-to-day operation of the Kona Ice Business.

Because our franchisees who have actually been owner/operators in the past have generally proven to have greater success than passive owners, we require you to be an active owner and operator of your Kona Ice Business for at least the first 60 days that you operate as a Kona Ice franchisee.

Under certain circumstances, after the first 60 days of operation, we may allow you to appoint a designated manager (“Designated Manager”), who has been approved by us, to run the day-to-day operations of the Kona Ice Business. The Designated Manager must successfully complete our Kona Kollege training program (See Item 11). The Designated Manager need not have an ownership interest in the Kona Ice Business. If you replace a Designated Manager for any reason, the new Designated Manager must satisfactorily complete our Kona Kollege training program at your own expense.

Any Designated Manager and any officer that does not own equity in the Franchisee entity, must sign the “System Protection Agreement,” the form of which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents, or representatives that may have access to our confidential information must sign a “Confidentiality Agreement” (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit H. Each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) of the Franchisee entity must sign an “Owners Agreement,” the form of which is attached to the Franchise Agreement as Attachment C. We also require that the spouses of the Kona Ice Franchise owners sign the Owners Agreement. The Owners Agreement extends the obligations of the Franchise Agreement to each owner and their spouse with each owner and spouse bound to and liable for the terms of the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only products and services that have been approved and specified by us in the Success Guide and any updates that are incorporated in the Success Guide from time to time. You may not offer for sale any products or services not specifically approved by us in writing. There are no limitations on our rights to make changes to the required products and services offered by you.

You may not establish an account or participate in any social networking sites, crowdfunding campaigns, or blogs or mention or discuss the Kona Ice Franchise, us, or our affiliate, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales.



ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
(a) Length of the Franchise term	Section 1D	Ten (10) years.
(b) Renewal or extension of the term	Section 14A	If you are in good standing and you meet other requirements, you may apply for two (2) successive terms of ten (10) years.
(c) Requirements for Franchisee to renew or extend	Sections 14A & 14B	The term “renewal” refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchise after the initial term of your Franchise Agreement expires. Written notice must be provided and you must be fully compliant with the Franchise Agreement. You must sign our then-current Franchise Agreement and ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, e.g., higher royalty and advertising contributions) from the Franchise Agreement that covered your original term. You will be required to pay the highest tier of royalty payment under the new franchise agreement (meaning that you will not be able to take advantage of any step-up royalty schedules that may be offered to new franchisees).
(d) Termination by Franchisee	Section 15A	You may terminate the Franchise Agreement if you are in compliance with it and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice.
(e) Termination by franchisor without cause	Not Applicable	Not Applicable.
(f) Termination by franchisor with cause	Section 15B	We can terminate upon, among other things, certain violations of the Franchise Agreement by you.



Provision	Section in Franchise Agreement	Summary
(g) “Cause” defined - curable defaults	Section 15B	You have three (3) days to cure health, safety, or sanitation law violations or failure to operate safely. You have ten (10) days to cure monetary defaults. You have 30 days to cure the operational defaults listed in Section 15B.
(h) “Cause” defined - non-curable defaults	Section 15B	Non-curable defaults: the defaults listed in Section 15 of the Franchise Agreement.
(i) Franchisee’s obligations on termination/non-renewal	Section 16	Obligations include ceasing operating the franchised business; ceasing use of all confidential information, trade secrets and trademarks; delivering property containing the trademarks; cancelling assumed similar name registrations; payment of outstanding amounts and damages; return of Success Guide; assignment of phone numbers to us; and compliance with all other covenants.
(j) Assignment of contract by franchisor	Section 13A	No restriction on our right to assign.
(k) “Transfer” by Franchisee - definition	Section 13B	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in you (if you are an entity), the KEV, Franchise Agreement, the Kona Ice Franchise or any interest in the Kona Ice Franchise.
(l) Franchisor’s approval of transfer by Franchisee	Sections 13B & 13C	We have the right to approve all transfers, including the transfer of Additional Equipment.
(m) Conditions for franchisor’s approval of transfer	Section 13C	Our requirements for approving the transfer of this Franchise Agreement include, but are not limited to: full compliance with the Franchise Agreement; all amounts paid in full; completion of training; transfer fee paid; agreement of transferee to all terms of Franchise Agreement; the execution of other possible documents including a general release; the transferee meets certain suitability requirements and passes our training program; the transferee and its owners or affiliates and family members are not involved in a competitive business; the transferee agrees to remodel the KEV and any Additional Equipment; and we will be reimbursed for the fees of our broker or other placement agent. You must also fully de-identify your KEV if



Provision	Section in Franchise Agreement	Summary
		you wish to transfer it to any party besides us or another franchisee.
(n) Franchisor's right of first refusal to acquire Franchisee's business	Section 13G	We have 30 days to match any offer for your Kona Ice Business or your KEV.
(o) Franchisor's right to purchase Franchisee's business	Section 16E	We may, but are not required to, purchase your Kona Ice Franchise, inventory, KEV, or equipment at fair market value if your Kona Ice Franchise is terminated for any reason by giving you written notice of our intent to exercise this option within 30 days after the date of termination or expiration of the Franchise Agreement.
(p) Death or disability of Franchisee	Section 13E	Franchisee must be a legal entity. Upon the Managing Owner's death or disability, the Managing Owner's interest must be assigned to a qualified party within 90 days of death or disability of the Managing Owner or the Franchise Agreement may be terminated.
(q) Non-competition covenants during the term of the Franchise	Section 8	Neither you, your principal owners, nor any immediate family members of you or your principal owners may participate in a diverting business, have no owning interest in, loan money to, or perform services for a competitive business anywhere. You may not interfere with us, our affiliates, or any other Kona Ice Franchise.
(r) Non-competition covenants after the Franchise is terminated or expires	Sections 16D	Owners cannot have an interest in, own, manage, operate, finance, control, or participate in any competitive business within a 20-mile radius from any Kona Ice Business, whether owned by us or a franchisee, that is operating or under development, for two (2) years. Owners may not solicit any customer of Kona Ice or any Kona Ice Franchise for two (2) years.
(s) Modification of the agreement	Section 18L	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Success Guide is subject to change at any time in our discretion. Modifications of the Franchise Agreement are permitted on renewal.



Provision	Section in Franchise Agreement	Summary
(t) Integration/merger clause	Section 18N	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state, FTC, or federal law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 18F & 18G	Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently Florence, Kentucky), subject to applicable state law.
(v) Choice of forum	Section 18I	All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Florence, Kentucky), subject to applicable state law.
(w) Choice of law	Section 18H	Kentucky law, except for The Kentucky Business Opportunity Investment Act applies, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote the Franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Tony Lamb, 5945 Centennial Circle, Florence, KY 41042 and 1-800-566-2423, the Federal Trade Commission, and the appropriate state regulatory agencies.



ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2017 - 2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	797	931	+134
	2018	931	1061	+130
	2019	1061	1181	+120
Company-Owned	2017	15	16	+1
	2018	16	22	+6
	2019	22	14	-8
Total Outlets	2017	812	947	+135
	2018	947	1083	+136
	2019	1083	1195	+112

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2017 - 2019

State	Year	Number of Transfers
Alabama	2017	0
	2018	1
	2019	0
Arizona	2017	1
	2018	3
	2019	0
Arkansas	2017	0
	2018	2
	2019	2
California	2017	6
	2018	8
	2019	8
Colorado	2017	0
	2018	1
	2019	2



State	Year	Number of Transfers
Delaware	2017	1
	2018	0
	2019	0
Florida	2017	5
	2018	8
	2019	7
Georgia	2017	2
	2018	0
	2019	2
Idaho	2017	0
	2018	1
	2019	0
Illinois	2017	1
	2018	1
	2019	0
Iowa	2017	1
	2018	0
	2019	0
Kentucky	2017	0
	2018	1
	2019	0
Louisiana	2017	0
	2018	1
	2019	0
Maryland	2017	1
	2018	1
	2019	1
Michigan	2017	2
	2018	1
	2019	3
Minnesota	2017	0
	2018	0
	2019	1
Mississippi	2017	1
	2018	3
	2019	0



State	Year	Number of Transfers
Missouri	2017	0
	2018	1
	2019	1
Nevada	2017	0
	2018	0
	2019	1
New Jersey	2017	1
	2018	2
	2019	1
New Mexico	2017	0
	2018	1
	2019	0
New York	2017	0
	2018	1
	2019	1
North Carolina	2017	0
	2018	4
	2019	1
Ohio	2017	0
	2018	0
	2019	2
Oklahoma	2017	0
	2018	3
	2019	1
Pennsylvania	2017	1
	2018	1
	2019	1
South Carolina	2017	1
	2018	2
	2019	1
Tennessee	2017	0
	2018	2
	2019	1
Texas	2017	11
	2018	8
	2019	2



State	Year	Number of Transfers
Virginia	2017	1
	2018	1
	2019	1
Washington	2017	0
	2018	0
	2019	1
West Virginia	2017	0
	2018	0
	2019	1
Wisconsin	2017	0
	2018	1
	2019	0
Wyoming	2017	0
	2018	2
	2019	0
Totals	2017	36
	2018	61
	2019	42

Table No. 3

Status of Franchised Outlets
For Years 2017 - 2019

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2017	19	1	0	0	0	0	20
	2018	20	3	0	0	0	0	23
	2019	23	2	0	0	0	0	25
Alaska	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Arizona	2017	24	7	0	0	0	0	31
	2018	31	2	0	0	4	0	29
	2019	29	0	0	0	0	0	29
Arkansas	2017	11	4	0	0	0	0	15
	2018	15	1	0	0	1	0	15
	2019	15	2	0	0	0	0	17



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
California	2017	97	11	0	0	1	0	107
	2018	107	20	0	0	1	0	126
	2019	126	12	0	0	0	0	138
Colorado	2017	15	9	0	0	0	0	24
	2018	24	5	0	0	0	0	29
	2019	29	6	0	0	0	0	35
Connecticut	2017	1	1	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Delaware	2017	1	1	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Florida	2017	77	17	0	0	1	0	93
	2018	93	18	0	0	3	0	108
	2019	108	10	0	0	2	0	116
Georgia	2017	45	7	0	0	0	0	52
	2018	52	11	0	0	0	0	63
	2019	63	9	0	0	0	0	72
Hawaii	2017	9	0	0	0	1	0	8
	2018	8	0	0	0	2	0	6
	2019	6	0	0	0	0	0	6
Idaho	2017	5	0	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	1	0	0	0	0	6
Illinois	2017	10	2	0	0	0	0	12
	2018	12	1	0	0	0	0	13
	2019	13	5	0	0	0	0	18
Indiana	2017	21	3	0	0	0	0	24
	2018	24	1	0	0	0	0	25
	2019	25	4	0	0	0	0	29
Iowa	2017	4	1	0	0	0	0	5
	2018	5	2	0	0	0	0	7
	2019	7	1	0	0	0	0	8
Kansas	2017	6	1	0	0	0	0	7
	2018	7	3	0	0	0	0	10
	2019	10	3	0	0	0	0	13



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Kentucky	2017	12	2	0	0	0	0	14
	2018	14	1	0	0	0	0	15
	2019	15	3	0	0	0	0	18
Louisiana	2017	20	0	0	0	0	0	20
	2018	20	1	0	0	0	0	21
	2019	21	1	0	0	0	0	22
Maryland	2017	29	2	0	0	1	0	30
	2018	30	0	0	0	0	0	30
	2019	30	3	0	0	1	0	32
Massachusetts	2017	2	0	0	0	0	0	2
	2018	2	1	0	0	0	0	3
	2019	3	0	0	0	0	0	3
Michigan	2017	10	1	0	0	0	0	11
	2018	11	4	0	0	0	0	15
	2019	15	5	0	0	2	0	18
Minnesota	2017	6	0	0	0	0	0	6
	2018	6	0	0	0	0	0	6
	2019	6	1	0	0	1	0	6
Mississippi	2017	10	3	0	0	0	0	13
	2018	13	0	0	0	0	0	13
	2019	13	1	0	0	0	0	14
Missouri	2017	16	5	0	0	0	0	21
	2018	21	3	0	0	0	0	24
	2019	24	2	0	0	0	0	26
Nebraska	2017	4	0	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Nevada	2017	4	3	0	0	0	0	7
	2018	7	2	0	0	0	0	9
	2019	9	3	0	0	0	0	12
New Hampshire	2017	8	0	0	0	0	0	8
	2018	8	0	0	0	0	0	8
	2019	8	1	0	0	0	0	9
New Jersey	2017	13	3	0	0	0	0	16
	2018	16	5	0	0	0	0	21
	2019	21	3	0	0	0	0	24



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
New Mexico	2017	7	0	0	0	0	0	7
	2018	7	0	0	0	0	0	7
	2019	7	1	0	0	0	0	8
New York	2017	11	1	0	0	0	0	12
	2018	12	0	0	0	0	0	12
	2019	12	2	0	0	0	0	14
North Carolina	2017	31	5	0	0	0	0	36
	2018	36	8	0	0	0	0	44
	2019	44	6	0	0	0	0	50
Ohio	2017	25	6	0	0	0	0	31
	2018	31	6	0	0	0	0	37
	2019	37	4	0	0	0	0	41
Oklahoma	2017	13	2	0	0	0	0	15
	2018	15	0	0	0	0	0	15
	2019	15	1	0	0	1	0	15
Oregon	2017	2	3	0	0	0	0	5
	2018	5	2	0	0	0	0	7
	2019	7	3	0	0	0	0	10
Pennsylvania	2017	20	4	0	0	1	0	23
	2018	23	4	0	0	0	0	27
	2019	27	4	0	0	0	0	31
Rhode Island	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
South Carolina	2017	15	4	0	0	0	0	19
	2018	19	7	0	0	0	0	26
	2019	26	4	0	0	0	0	30
Tennessee	2017	18	4	0	0	0	0	22
	2018	22	2	0	0	0	0	24
	2019	24	2	0	0	0	0	26
Texas	2017	133	20	0	0	0	0	153
	2018	153	22	0	0	0	0	175
	2019	175	11	0	0	0	0	186
Utah	2017	2	0	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	1	0	0	0	0	3



State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Virginia	2017	21	2	0	0	0	0	23
	2018	23	5	0	0	0	0	28
	2019	28	4	0	0	0	0	32
Washington	2017	3	1	0	0	0	0	4
	2018	4	2	0	0	0	0	6
	2019	6	6	0	0	0	0	12
West Virginia	2017	3	0	0	0	0	0	3
	2018	3	1	0	0	1	0	3
	2019	3	0	0	0	1	0	2
Wisconsin	2017	9	0	0	0	0	0	9
	2018	9	1	0	0	2	0	8
	2019	8	1	0	0	0	0	9
Wyoming	2017	2	2	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	0	4
Totals	2017	797	139	0	0	5	0	931
	2018	931	144	0	0	14	0	1061
	2019	1061	128	0	0	8	0	1181

Table 4

Status of Company-Owned Outlets
For Years 2017 - 2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Kentucky	2017	15	0	5	0	4	16
	2018	16	0	14	0	8	22
	2019	22	0	8	0	16	14
Total Outlets	2017	15	0	5	0	4	16
	2018	16	0	14	0	8	22
	2019	22	0	8	0	16	14



Table No. 5

Projected Openings as of
December 31, 2019 for 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	6	0
Arizona	1	3	0
Arkansas	0	8	0
California	9	21	0
Colorado	0	5	0
Delaware	1	2	0
Florida	5	23	0
Georgia	2	15	0
Idaho	1	0	0
Illinois	1	6	0
Maryland	1	3	0
Massachusetts	1	2	0
Michigan	0	7	0
Minnesota	2	3	0
Mississippi	1	4	0
Nebraska	2	5	0
New Jersey	1	2	0
Nevada	1	5	0
North Carolina	1	4	0
North Dakota	1	2	0
Ohio	2	3	0
Oklahoma	1	0	0
Pennsylvania	1	2	0
South Carolina	2	4	0
Texas	5	4	0
Utah	1	5	0
Virginia	4	4	0
Washington	2	2	0
Totals	49	150	0

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit F. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Kona Ice Franchise terminated, cancelled, not



renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one (1) year period ending December 31, 2019, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit F. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Kona Ice System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three (3) fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Kona Ice System. If you buy a Kona Ice Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations that have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: unaudited financial statements as of February 29, 2020 and audited financial statements as of December 31, 2019, 2018, and 2017. Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

Exhibit C	Franchise Agreement
Exhibit D	Franchise Disclosure Questionnaire
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Kona Ice Franchise

ITEM 23 RECEIPTS

The last page of this Franchise Disclosure Document, Exhibit J, is a detachable document in duplicate. Please detach, sign, date, and return one (1) copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.



EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS



**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

<u>CALIFORNIA</u> <u>State Administrator and Agent for Service of Process:</u> Commissioner Department of Business Oversight 320 W. 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 (866) 275-2677 <u>HAWAII</u> Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722 <u>Agent for Service of Process:</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722 <u>ILLINOIS</u> Illinois Attorney General Chief, Franchise Division 500 S. Second Street Springfield, IL 62706 (217) 782-4465 <u>INDIANA</u> Secretary of State Securities Division Room E-018 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360 <u>Agent for Service of Process:</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 <u>MICHIGAN</u> Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117 <u>MINNESOTA</u> Department of Commerce Commissioner of Commerce 85 Seventh Place East, Suite 280 St. Paul, MN 55101-3165 (651) 539-1600 <u>NEW YORK</u> <u>Administrator:</u> NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 <u>Agent for Service of Process:</u> New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492 <u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 E. Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712	<u>RHODE ISLAND</u> Department of Business Regulation 1511 Pontiac Avenue, Bldg. 68-2 Cranston, RI 02920 (401) 462-9527 <u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563 <u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 <u>Agent for Service of Process:</u> Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 <u>WASHINGTON</u> <u>State Administrator:</u> Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760 <u>Agent for Service for Process:</u> Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 <u>WISCONSIN</u> Department of Financial Institutions Division of Securities 201 W. Washington Avenue Madison, WI 53703 (608) 266-3364
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Rev. 09/2019



EXHIBIT B
FINANCIAL STATEMENTS



THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.



KONA ICE, INC.

BALANCE SHEETS FOR THE TWO MONTHS ENDED FEBRUARY 29, 2020 AND THE YEAR ENDED DECEMBER 31, 2019

	<u>February 2020</u>	<u>2019</u>
Assets		
Current:		
Cash	\$ 3,430,968	\$ 5,282,693
Inventory	6,362,250	5,158,697
Accounts receivable - net	2,257,485	1,049,172
Prepaid expenses	<u>77,359</u>	<u>194,803</u>
Total current assets	<u>12,128,062</u>	<u>11,685,365</u>
Fixed Assets:		
Property and equipment	3,006,466	2,684,622
Less: Accumulated depreciation	<u>(1,013,830)</u>	<u>(978,650)</u>
Total fixed assets	<u>1,992,636</u>	<u>1,705,972</u>
Other:		
Security deposits	750	750
Other assets	22,706	22,317
Deferred tax asset	165,201	165,201
Accounts receivable - related party	2,865,970	2,865,971
Note receivable - related party	<u>-</u>	<u>-</u>
Total other assets	<u>3,054,627</u>	<u>3,054,239</u>
Total assets	<u><u>\$ 17,175,324</u></u>	<u><u>\$ 16,445,576</u></u>

KONA ICE, INC.**BALANCE SHEETS (CONTINUED)
FOR THE TWO MONTHS ENDED FEBRUARY 29, 2020
AND THE YEAR ENDED DECEMBER 31, 2019**

	<u>February 2020</u>	<u>2019</u>
Liabilities		
Current:		
Notes payable - current portion	\$ 10,531	\$ 8,792
Accounts payable	2,841,633	2,953,553
Accrued expenses	1,132,879	607,903
Deferred royalty revenue	1,339,899	1,444,671
Deferred franchise fee revenue	-	9,254,500
Deferred Konvention fee revenue	-	182,291
Customer deposits	<u>1,833,272</u>	<u>1,458,871</u>
Total current liabilities	<u>7,158,213</u>	<u>15,910,581</u>
Long-term:		
Notes payable - net of current portion	<u>49,192</u>	<u>52,397</u>
Total long-term liabilities	<u>49,192</u>	<u>52,397</u>
Total liabilities	<u>7,207,406</u>	<u>15,962,978</u>
Equity		
Additional paid in capital	4,370,075	4,320,075
Retained earnings (deficit)	<u>5,597,843</u>	<u>(3,837,477)</u>
Total equity	<u>9,967,918</u>	<u>482,598</u>
Total liabilities and equity	<u>\$ 17,175,324</u>	<u>\$ 16,445,576</u>

KONA ICE, INC.

**STATEMENTS OF INCOME
FOR THE TWO MONTHS ENDED FEBRUARY 29, 2020
AND THE YEAR ENDED DECEMBER 31, 2019**

	<u>February 2020</u>	<u>2019</u>
Revenues	\$ 4,996,330	\$ 29,112,971
Cost of goods sold	<u>2,428,394</u>	<u>16,846,820</u>
Gross profit	2,567,937	12,266,151
Operating expenses:		
Selling, general and administrative expenses	<u>2,015,351</u>	<u>7,613,951</u>
Operating income	<u>552,585</u>	<u>4,652,200</u>
Other income (expense):		
Other income - net	113,437	274,938
Interest income	221	349,523
Gain on sale of property and equipment	12,000	150,714
Interest expense	(642)	(81,704)
Bad debt recovery (expense)	<u>-</u>	<u>9,585</u>
Total other income (expense)	<u>125,016</u>	<u>703,056</u>
Income before income taxes	<u>677,601</u>	<u>5,355,256</u>
Income tax (expense) benefit:		
Current	(201,550)	(304,052)
Deferred	<u>-</u>	<u>165,201</u>
Total income tax (expense) benefit	<u>(201,550)</u>	<u>(138,851)</u>
Net income	<u><u>\$ 476,051</u></u>	<u><u>\$ 5,216,405</u></u>

Kona Ice, Inc.

**Financial Statements
Years Ended December 31, 2019 and 2018
With Independent Auditors' Report**

KONA ICE, INC.
Financial Statements
Years Ended December 31, 2019 and 2018

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Independent Auditors' Report

To the Stockholder of
Kona Ice, Inc. (A Wholly-Owned Subsidiary of Kona Ice Holdings, LLC)
Florence, Kentucky

We have audited the accompanying financial statements of Kona Ice, Inc., (a corporation), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, equity, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kona Ice, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 1 to the financial statements, the Company has adopted on January 1, 2019, Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). Adoption of ASC 606 has resulted in an increase in deferred revenue and decreased in retained earnings of \$8,737,500 and expanded disclosures. Our opinion is not modified with respect to this matter.



May 11, 2020
Crestview Hills, Kentucky

KONA ICE, INC.

Balance Sheets December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current:		
Cash	\$ 5,282,693	\$ 2,154,172
Inventory	5,158,697	2,150,437
Accounts receivable - net	1,049,172	331,090
Prepaid expenses	<u>194,803</u>	<u>110,905</u>
Total current assets	<u>11,685,365</u>	<u>4,746,604</u>
Fixed assets:		
Property and equipment	2,684,622	3,140,538
Less: Accumulated depreciation	<u>(978,650)</u>	<u>(1,112,992)</u>
Total fixed assets	<u>1,705,972</u>	<u>2,027,546</u>
Other:		
Security deposits	750	750
Other assets	22,317	162
Deferred tax asset	165,201	-
Accounts receivable - related parties	2,865,971	2,446,485
Note receivable - related party	<u>-</u>	<u>7,000,000</u>
Total other assets	<u>3,054,239</u>	<u>9,447,397</u>
Total assets	<u><u>\$ 16,445,576</u></u>	<u><u>\$ 16,221,547</u></u>

(Continued)

KONA ICE, INC.

Balance Sheets (Continued) December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Liabilities		
Current:		
Notes payable - current portion	\$ 8,792	\$ 44,684
Accounts payable	2,953,553	1,184,985
Accrued expenses	607,903	819,139
Deferred royalty revenue	1,444,671	1,344,438
Deferred franchise fee revenue	9,254,500	205,000
Deferred Konvention fee revenue	182,291	505,751
Customer deposits	<u>1,458,871</u>	<u>1,573,811</u>
Total current liabilities	<u>15,910,581</u>	<u>5,677,808</u>
Long-term:		
Notes payable - net of current portion	52,397	103,267
Line of credit	<u>-</u>	<u>3,000,000</u>
Total long-term liabilities	<u>52,397</u>	<u>3,103,267</u>
Total liabilities	<u>15,962,978</u>	<u>8,781,075</u>
Equity		
Common stock - 1,000 shares authorized, issued and outstanding - \$0 and \$.20 par value at December 31, 2019 and 2018, respectively	-	200
Additional paid in captial	4,320,075	-
Retained earnings (deficit)	<u>(3,837,477)</u>	<u>7,440,272</u>
Total equity	<u>482,598</u>	<u>7,440,472</u>
Total liabilities and equity	<u><u>\$ 16,445,576</u></u>	<u><u>\$ 16,221,547</u></u>

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Statements of Income Years Ended December 31, 2019 and 2018

	2019	2018
Revenues	\$ 29,112,971	\$ 28,019,505
Cost of goods sold	16,846,820	15,039,017
Gross profit	12,266,151	12,980,488
Operating expenses:		
Selling, general and administrative expenses	7,613,951	10,005,227
Operating income	4,652,200	2,975,261
Other income (expense):		
Other income - net	274,938	203,287
Interest income	349,523	788,580
Gain on sale of property and equipment	150,714	108,354
Interest expense	(81,704)	(143,452)
Bad debt recovery (expense)	9,585	(59,208)
Total other income (expense)	703,056	897,561
Income before income taxes	5,355,256	3,872,822
Income tax (expense) benefit:		
Current	(304,052)	-
Deferred	165,201	-
Total income tax (expense) benefit	(138,851)	-
Net income	<u>\$ 5,216,405</u>	<u>\$ 3,872,822</u>

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Statements of Equity Years Ended December 31, 2019 and 2018

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings (Deficit)</u>
Balance at December 31, 2017	\$ 200	\$ -	\$ 6,186,814
Net income	-	-	3,872,822
Distributions	<u>-</u>	<u>-</u>	<u>(2,619,364)</u>
Balance at December 31, 2018	200	-	7,440,272
Adoption of ASC 606	-	-	(8,737,500)
Net income	-	-	5,216,405
Return of capital	(200)	-	-
Contributions	-	4,320,075	-
Distributions	<u>-</u>	<u>-</u>	<u>(7,756,654)</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 4,320,075</u>	<u>\$ (3,837,477)</u>

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Statements of Cash Flows Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net income	\$ 5,216,405	\$ 3,872,822
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	239,172	421,400
Gain on sale of property and equipment	(150,714)	(108,354)
Changes in:		
Inventory	(3,008,260)	(153,097)
Accounts receivable - net	(718,082)	(98,565)
Prepaid expenses	(83,898)	(51,316)
Other assets	(22,155)	-
Deferred tax asset	(165,201)	-
Accounts payable	1,768,568	2,742
Accrued expenses	(211,236)	279,313
Deferred revenue	88,773	70,754
Customer deposits	(114,940)	68,961
	<u>2,838,432</u>	<u>4,304,660</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Advances on notes receivable - related party	-	(4,000,000)
Payments from notes receivable - related party	7,000,000	3,000,000
Advances on accounts receivable - related party	(419,486)	(367,389)
Capital expenditures for property and equipment	(666,333)	(1,161,468)
Proceeds from sale of property and equipment	956,560	258,664
	<u>6,870,741</u>	<u>(2,270,193)</u>
Net cash provided by (used in) investing activities		
Cash flows from financing activities:		
Advances on line of credit	-	1,000,000
Payments on line of credit	(3,000,000)	-
Principal payments on long-term debt	(143,873)	(58,720)
Contributions	4,320,075	-
Return of capital	(200)	-
Distributions	(7,756,654)	(2,619,364)
	<u>(6,580,652)</u>	<u>(1,678,084)</u>
Net cash used in financing activities		

(Continued)

KONA ICE, INC.

Statements of Cash Flows (Continued)
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net change in cash	3,128,521	356,383
Cash beginning of year	<u>2,154,172</u>	<u>1,797,789</u>
Cash end of year	<u>\$ 5,282,693</u>	<u>\$ 2,154,172</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 81,704</u>	<u>\$ 143,452</u>
Cash paid during the year for taxes	<u>\$ 235,000</u>	<u>\$ -</u>

Supplemental disclosure of non-cash transactions:

During 2019 and 2018, the Company purchased vehicles with proceeds from long-term debt in the amount of \$57,111 and \$-0-, respectively.

As of January 1, 2019, the Company adopted ASC 606 resulting in an increase in deferred revenue and a decrease in retained earnings of \$8,737,500.

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Kona Ice, Inc. (the "Company") is a corporation providing franchise services and operating trucks, mini karts, trailers, and kiosks in the shaved ice industry throughout the United States of America. They contract directly with individuals for the purchase of a shaved ice truck and a territory in which to operate. The Company provides marketing services and advertising for the franchisees.

Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, "Leases," which provides guidance on the recognition of leases. The standard requires lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet. The new guidance will continue to classify leases as either finance or operating, with classification affecting the pattern of expense recognition in the statements of income. This guidance will be effective for the Company for the fiscal year ending December 31, 2021. The Company is currently in the process of evaluating the effect of adoption of this ASU on its financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. The standard modifies the impairment model for most financial assets and certain other instruments to utilize an expected loss methodology in place of the currently used incurred loss methodology. The standard will be effective for the Company for the fiscal year ending December 31, 2021. The Company is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles ("GAAP") 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 reported period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date except for retainage amounts which are due within 30 days of contract completion. In substantially all instances, the Company has lien rights. Currently, the Company may charge interest on delinquent accounts receivable. Accounts receivable are stated at the amount billed to the customer.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that may not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balances that will not be collected. Management also uses past experiences and future economic conditions in estimating the total uncollectible amount. Based on these criteria, the allowance for doubtful accounts at December 31, 2019 and 2018 is \$35,400.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost and are depreciated over their useful lives using both the accelerated and straight-line methods. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant betterments are capitalized.

Warranty Accrual

The Company warrants the parts and equipment on the Kona Entertainment Vehicle for two years, except for the chassis which is warrantied by the manufacturer. The warranty accrual is a reasonable estimate by management based on incurred warranty expense on previous sales.

	2019	2018
Beginning accrual balance	\$ 108,000	\$ 108,000
Less: Claims	(30,274)	(194,658)
Plus: Additional provisions	119,537	194,658
Ending accrual balance	<u>\$ 197,263</u>	<u>\$ 108,000</u>

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs charged to operations were \$566,354 and \$463,550 for the years ended December 31, 2019 and 2018, respectively.

Income Taxes

Effective July 3, 2019, the Company elected, under Section 1361(a)(2) of the Internal Revenue Code, to be taxed as a corporation. Prior to that date the Company was taxed as an S corporation. Under those provisions, most of the tax benefits and liabilities from the corporation passed directly to the shareholders. Accordingly, no provision for federal income taxes was made before the Company elected to be taxed as a corporation.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for the difference between the basis of assets and liabilities for financial statement versus income tax purposes. The differences relate primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes), amortization, prepaid expenses, inventory, and deferred revenue. The deferred tax assets or liabilities represent the future tax consequences of those differences, which will be either taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Company adheres to the GAAP provisions of Accounting for Uncertainty in Income Taxes. These provisions clarify the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Revenue Recognition

On January 1, 2019, the Company adopted ASU 2014-09 "Revenue from Contracts with Customers" and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The Company's revenues come from transactions with franchisees for new truck, used truck, and equipment sales, operating supplies, franchise fees, royalties, marketing fees, truck upgrades and repairs, and Konvention (annual franchisee meeting) attendance fees, all which fall under the scope of ASC 606.

The Company adopted ASC 606 using the modified retrospective method applied to all contracts not completed as of December 31, 2018. Results for reporting periods beginning after December 31, 2018 are presented under ASC 606 while prior period amounts continue to be reported in accordance with legacy GAAP. The new revenue guidance changes the revenue recognition of initial franchise fees. Previously, the Company recognized the initial franchise fee as revenue when the franchisee's truck was delivered. Under the new guidance, the Company recognizes the franchise fee over the life of the franchise (10 years).

Franchise fee revenue recognized during 2019 was \$1,770,000. Prior to implementation of ASC 606 the franchise fee revenue would have been \$2,154,000 resulting in a decrease of revenue recognized of \$384,000. The Company recognized a reduction of \$8,737,500 to retained earnings as the cumulative effect of adoption of the accounting change as of January 1, 2019 with a corresponding increase of Contract liability – deferred franchise revenue on the balance sheet.

The following table summarizes the impact on the Company's Total equity due to adopting ASC 606 using the modified retrospective method described above:

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

	Legacy GAAP	After Adoption of ASC 606
Total equity as of December 31, 2018	\$ 7,440,472	\$ 7,440,472
Net income for year ended December 31, 2019	5,600,405	5,216,405
Contributions	4,320,075	4,320,075
Distributions and return of capital	(7,756,854)	(7,756,854)
Total equity as of December 31, 2019	9,604,098	9,220,098
Cumulative effect of the adoption of ASC 606 at January 1, 2019	-	(8,737,500)
Total equity at December 31, 2019	<u>\$ 9,604,098</u>	<u>\$ 482,598</u>

The new truck, used truck, and equipment sales are considered separate performance obligations, based on significant judgments, and recognized upon delivery. Payment is due, and revenue is recognized, for these items upon delivery.

Franchise fee revenue is paid when the franchise agreement is signed and recognized over the franchise period on a straight-line basis once the truck is delivered and every anniversary date subsequent to the delivery. The current portion of the deferred franchise revenue is based on anniversary date.

Annual marketing and royalty fees (contractually fixed fees) are paid over one to four months and are recognized on a straight-line basis over the fiscal year. A portion of the royalty fees is deferred over the first seven years of the franchise agreement and recognized once a rewrap (new vinyl truck wrap) is performed.

Konvention attendance fee revenue is paid several months before the event and revenue is recognized when the event occurs. Inventory sales, and transfer fees are recognized at a point in time when performance obligations are completed and paid under customary payment terms.

The majority of the revenue recognized by the Company is at a point in time with the remainder recognized over time. Approximately \$22,991,800 of total revenue is recognized at a point in time with approximately \$6,121,200 recognized over time in 2019.

Fair Value Measurements

The financial statements have been prepared in accordance with the GAAP provisions for fair value measurements. These provisions define fair value, establish a framework for measuring fair value and expand disclosures about fair value measurements. These provisions emphasize that fair value is market-based measurement and should be determined based on assumptions that a market participant would use when pricing an asset or liability. Additionally, the provisions establish a fair value hierarchy that provides the highest priority to quoted prices in active markets and the lowest priority to unobservable data.

In determining fair value, the Company uses various valuation approaches. GAAP provisions establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Directly or indirectly observable inputs not included in Level 1. Inputs can be quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market), inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 – Unobservable inputs that are significant to the overall fair value measurement. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

NOTE 2 INVENTORY

Inventory is recorded at cost. It consists primarily of trucks that are in various stages of construction and supplies. Inventory consisted of the following at December 31:

	2019	2018
Trucks and truck supplies	\$ 3,857,548	\$ 1,377,104
Kiosks	18,171	213,818
Entertainment trailers	22,656	135,937
Mini karts	14,863	17,230
Mini trailers	30,586	18,077
Merchandise and parts	1,214,873	388,271
	<u>\$ 5,158,697</u>	<u>\$ 2,150,437</u>

KONA ICE, INC.

**Notes to Financial Statements
(Continued)**

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 476,603	\$ 644,735
Computer equipment	11,400	47,351
Leasehold improvements	497,491	465,086
Furniture and fixtures	61,303	66,426
Software	5,909	-
Vehicles	1,389,558	1,874,854
Construction in progress	<u>242,358</u>	<u>42,086</u>
	<u><u>\$ 2,684,622</u></u>	<u><u>\$ 3,140,538</u></u>

Depreciation was \$239,172 and \$421,354 for the years ended December 31, 2019 and 2018, respectively.

NOTE 4 LINE OF CREDIT

At December 31, 2019, the Company's ultimate parent has a \$6,000,000 line of credit with a local bank. The line of credit expires on November 27, 2022. No amount was outstanding at December 31, 2019. The Company is a guarantor of the line of credit and substantially all the Company's assets are collateral for the line of credit.

The Company had a \$3,000,000 line of credit with a local bank which terminated June 30, 2019. Interest was charged at the prime rate during 2019 and prime rate less one-half percent, with a minimum interest rate of 5.00% for 2018, and was payable monthly. At June 30, 2019 and December 31, 2018, the rate was 5.00%. The line of credit was secured by the assets of the Company. The balance outstanding on the line of credit was \$-0- and \$3,000,000 as of December 31, 2019 and 2018, respectively.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 5 NOTES PAYABLE

	<u>2019</u>	<u>2018</u>
Note payable to Ally due in monthly installments of \$726.35 including both principal and interest. This note was bearing an interest rate of 4.50%. The note was paid in full during 2019. This note was collateralized by a vehicle.	\$ -	\$ 20,545
Note payable to Ally due in monthly installments of \$1,199.08 including both principal and interest. This note was bearing an interest rate of 4.50%. The note was paid in full during 2019. This note was collateralized by a vehicle.	-	35,024
Note payable to Ally due in monthly installments of \$625.85 including both principal and interest. This note was bearing an interest rate of 4.50%. The note was paid in full during 2019. This note was collateralized by a vehicle.	-	18,833
Note payable to Ally due in monthly installments of \$858.95 including both principal and interest. This note was bearing an interest rate of 5.33%. The note was paid in full during 2019. This note was collateralized by a vehicle.	-	37,049
Note payable to Ally due in monthly installments of \$726.85 including both principal and interest. This note was bearing an interest rate of 5.33%. The note was paid in full during 2019. This note was collateralized by a vehicle.	-	31,352
Note payable to Ally due in monthly installments of \$919 including both principal and interest. This note is bearing an interest rate of 4.89%. The note matures in January 2026. This note is collateralized by a vehicle.	57,111	-

KONA ICE, INC.

**Notes to Financial Statements
(Continued)**

NOTE 5 NOTES PAYABLE (CONTINUED)

	<u>2019</u>	<u>2018</u>
Capital lease for a copier due in monthly installments of \$135 including both principal and interest. This lease is bearing an interest rate of 11.78%. The final payment of this lease is due December 2022. This lease is collateralized by the copier.		
	<u>4,078</u>	<u>5,148</u>
	61,189	147,951
Less: current portion	<u>8,792</u>	<u>44,684</u>
Net long-term debt	<u>\$ 52,397</u>	<u>\$ 103,267</u>

Current maturities for the next five years are as follows at December 31, 2019:

2020	\$ 8,792
2021	10,151
2022	10,759
2023	9,700
2024	10,185
Thereafter	<u>11,602</u>
	<u>\$ 61,189</u>

NOTE 6 INCOME TAXES PAYABLE

The income tax provision for the years ended December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
State and local taxes	\$ (84,672)	\$ -
Federal income taxes	(219,380)	-
Net effect of temporary timing differences	<u>165,201</u>	<u>-</u>
Total income tax expense	<u>\$ (138,851)</u>	<u>\$ -</u>

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 6 INCOME TAXES PAYABLE (CONTINUED)

The tax effect of temporary timing differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2019 and 2018 is as follows:

	2019	2018
Deferred tax assets:		
Amortization	\$ 88,414	\$ -
Accrued expenses	54,424	-
Inventory	10,971	-
Deferred revenue	360,444	-
Other	8,832	-
	<u>523,085</u>	<u>-</u>
Total deferred tax assets		
	<u>523,085</u>	<u>-</u>
Deferred tax liabilities:		
Property, plant and equipment, principally due to differences in depreciation	(309,281)	-
Prepaid expenses currently deductible	(48,603)	-
	<u>(357,884)</u>	<u>-</u>
Total deferred tax liabilities		
	<u>(357,884)</u>	<u>-</u>
Net deferred tax benefits	<u>\$ 165,201</u>	<u>\$ -</u>

The Company has reflected deferred income taxes at 26% for December 31, 2019, which represents a blended statutory federal and state income tax rate.

NOTE 7 RELATED PARTY TRANSACTIONS

The Company sells a portion of its accounts receivable at a discount to a related party, which specializes in sales finance contracts. The Company may recover some of the discount based on the performance of the portfolio as a whole. These discount recoveries are recognized when received. Any recourse obligation is immaterial, and no liability has been recorded. The companies are related through common ownership. The sole shareholder of the related party owns 5% (via interest in parent) and owned 47% of Kona Ice, Inc., as of December 31, 2019 and 2018, respectively. The Company sold accounts receivable to the related party of \$4,391,197 and \$3,919,400 and received \$3,732,517 and \$3,331,853, for the sale of accounts receivable, not including discount recoveries of \$579,403 and \$350,000, for the years ended December 31, 2019 and 2018, respectively. The receivable sales transactions are comparable with other sales finance purchases made by the related party.

The Company also sold accounts receivable to an unrelated entity for face value of \$8,899,047 and \$7,520,112 for the years ended December 31, 2019 and 2018, respectively. A discount recovery of \$1,000,000 was received in 2018, as the final payments of discounts that had accumulated under a previous agreement when the receivables sold to the unrelated entity were sold at a discount. There were no discount recoveries during 2019.

The Company had notes receivable in the total amount of \$-0- and \$7,000,000 to a related party at December 31, 2019 and 2018, respectively. The notes were paid in full during 2019.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)

The Company leases office, garage and warehouse space from a related party (see Note 8).

The Company has receivables in the amount of \$2,865,971 and \$2,446,485 due from a related parties at December 31, 2019 and 2018, respectively. Collection is not expected in the next year and is listed as long term.

The Company investments in the defined benefit plan (See Note 11) for alternative investments are in funds owned by a related party.

NOTE 8 LEASES

The Company leases office, garage and warehouse space. The leases are month to month leases. Rent expense for the years ended December 31, 2019 and 2018 was \$200,731 and \$174,516, respectively. Related party rent expense for the years ended December 31, 2019 and 2018 was \$168,000 and \$146,000, respectively.

NOTE 9 RISKS AND UNCERTAINTIES

The Company is regulated by state laws and regulations in each state in which it operates, including those governing franchise sales and licensing, which are subject to change. These laws and regulations, among other things, establish franchise and licensing requirements which regulate the Company's ability to issue franchise rights. Any adverse change in or interpretation of existing laws or regulations or the failure to comply with any such laws and regulations could result in fines, class action litigation, or interruption or cessation of certain business activities of the Company. Any of these events could have a material effect on the Company's business. In addition, there can be no assurance that amendments to such laws and regulations or new or more restrictive laws or regulations, or interpretations thereof will not be adopted in the future which may make compliance more difficult or expensive, further limit or restrict fees and other charges, curtail the current operations of the Company, restrict the Company's ability to expand its operations or otherwise materially adversely affect the business or prospects of the Company.

NOTE 10 FRANCHISES IN OPERATIONS

The following summarizes the franchise ownership changes for the years then ended:

	2019	2018
Franchises in operation at beginning of year	1,064	919
Franchises sold	154	160
Franchises repurchased by franchisor	(16)	(12)
Franchises taken out of service	(2)	(3)
Franchises in operation at end of year	<u>1,200</u>	<u>1,064</u>

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 11 DEFINED BENEFIT PENSION PLAN

The Company has a non-contributory cash balance plan (the "Plan") for employees that meet certain eligibility requirements that are not excluded by class. The benefits are based on the employees group classification equal to a percentage of compensation or a fixed dollar amount as follows:

Group 1: \$200,000
Group 2: \$235,000
Group 3: 2.5% of compensation

Maximum benefit is \$18,333 per month and maximum percent of salary is 100%. The Company's funding policy is to contribute the maximum amount allowed by ERISA for each plan year. The measurement date for the plan is December 31. The plan effective date was January 1, 2014. The plan was frozen in 2020.

The funded status of the Plan and amounts recognized in the financial statements as of December 31, 2019 and 2018 is as follows:

	2019	2018
Projected benefit obligation	\$ 1,796,625	\$ 1,276,618
Plan assets at fair value	1,657,288	1,028,994
Unfunded projected benefit obligation	<u>\$ (139,337)</u>	<u>\$ (247,624)</u>
Minimum pension liability	<u>\$ 1,796,625</u>	<u>\$ 1,276,618</u>
Accumulated other comprehensive loss	<u>\$ -</u>	<u>\$ -</u>

Weighted average assumptions used to determine benefit obligations and net periodic cost for the years ended December 31, 2019 and 2018 consisted of the following:

Discount rate: 3.25%
Projected interest crediting rate: 3.25%

The benefit cost for the years ended December 31, 2019 and 2018 was \$201,011 and \$501,916, respectively.

The accumulated benefit obligation was \$1,796,625 and \$1,276,618 at December 31, 2019 and 2018, respectively. There were no employee contributions to the Plan for 2019 and 2018. There were no benefits paid in 2019 and 2018. The Company contributed \$61,674 during 2019 for the 2019 plan year. Contributions expected to be made during 2020 for the 2019 year are \$139,337 and are included in accrued liabilities on the balance sheet.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 11 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The following benefit payments are expected to be paid:

<u>Fiscal Years Ending</u>	<u>Expected Benefit Payments</u>
2020	\$ 13,699
2021	-
2022	12,317
2023	-
2024	13,248
2025-2029	<u>8,118</u>
	<u>\$ 47,382</u>

The fair values of the Company's pension assets at December 31, 2019 and 2018, by asset category, are as follows:

<u>Asset Category</u>	<u>12/31/2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$ 621,096	\$ 621,096	\$ -	\$ -
Investment alternatives	<u>1,036,192</u>	<u>-</u>	<u>-</u>	<u>1,036,192</u>
Total	<u>\$ 1,657,288</u>	<u>\$ 621,096</u>	<u>\$ -</u>	<u>\$ 1,036,192</u>
<u>Asset Category</u>	<u>12/31/2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$ 336	\$ 336	\$ -	\$ -
Investment alternatives	<u>1,028,658</u>	<u>-</u>	<u>-</u>	<u>1,028,658</u>
Total	<u>\$ 1,028,994</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ 1,028,658</u>

NOTE 12 401(K) PLAN

The Company has a defined contribution 401(k) plan, which began January 1, 2014, covering employees who meet stated eligibility requirements. Company contributions are made at the discretion of management. The Company contribution expense was \$170,818 and \$161,712 in 2019 and 2018, respectively.

NOTE 13 SUBSEQUENT EVENTS

Subsequent to year end, a worldwide pandemic emerged which is known as the Coronavirus ("COVID-19"). COVID-19 has caused most of the states that we, and our franchisees, operate in to significantly curtail their economic and social activities. As of the date of issuance of the accompanying financial statements, the financial and operational impacts of COVID-19 on the Corporation were uncertain and cannot be reasonably estimated.

Subsequent events were considered through May 11, 2020 which is the date these financial statements were available to be issued.

Kona Ice, Inc.

**Financial Statements
Years Ended December 31, 2018 and 2017
With Independent Auditors' Report**

KONA ICE, INC.
Financial Statements
Years Ended December 31, 2018 and 2017

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Independent Auditors' Report

To the Shareholders of
Kona Ice, Inc.
Florence, Kentucky

We have audited the accompanying financial statements of Kona Ice, Inc., (a Kentucky S Corporation), which comprise the balance sheets as of December 31, 2018 and 2017 and the related statements of income, equity, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kona Ice, Inc. as of December 31, 2018 and 2017, and the results of their operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



March 29, 2019
Crestview Hills, Kentucky

KONA ICE, INC.**Balance Sheets
December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Assets		
Current:		
Cash	\$ 2,154,172	\$ 1,797,789
Inventory	2,150,437	1,997,340
Accounts receivable - net	331,090	232,525
Prepaid expenses	<u>110,905</u>	<u>59,589</u>
Total current assets	<u>4,746,604</u>	<u>4,087,243</u>
Fixed assets:		
Property and equipment	3,140,538	2,296,407
Less: Accumulated depreciation	<u>(1,112,992)</u>	<u>(858,665)</u>
Total fixed assets	<u>2,027,546</u>	<u>1,437,742</u>
Other:		
Security deposits	750	750
Other assets	162	208
Accounts receivable - related party	2,446,485	2,079,096
Note receivable - related party	<u>7,000,000</u>	<u>6,000,000</u>
Total other assets	<u>9,447,397</u>	<u>8,080,054</u>
Total assets	<u><u>\$ 16,221,547</u></u>	<u><u>\$ 13,605,039</u></u>

(Continued)

KONA ICE, INC.

Balance Sheets (Continued) December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Liabilities		
Current:		
Notes payable - current portion	\$ 44,684	\$ 50,815
Line of credit	-	2,000,000
Accounts payable	1,184,985	1,182,243
Accrued expenses	819,139	539,826
Deferred royalty revenue	1,344,438	1,213,245
Deferred franchise revenue	205,000	315,000
Deferred Konvention fees	505,751	456,190
Customer deposits	<u>1,573,811</u>	<u>1,504,850</u>
Total current liabilities	<u>5,677,808</u>	<u>7,262,169</u>
Long-term:		
Notes payable - net of current portion	103,267	155,856
Line of credit	<u>3,000,000</u>	<u>-</u>
Total long-term liabilities	<u>3,103,267</u>	<u>155,856</u>
Total liabilities	<u>8,781,075</u>	<u>7,418,025</u>
Equity		
Common stock - 1,000 shares authorized, issued and outstanding	200	200
Retained earnings	<u>7,440,272</u>	<u>6,186,814</u>
Total equity	<u>7,440,472</u>	<u>6,187,014</u>
Total liabilities and equity	<u><u>\$ 16,221,547</u></u>	<u><u>\$ 13,605,039</u></u>

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Statements of Income Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues	\$ 28,019,505	\$ 26,267,871
Cost of goods sold	<u>15,039,017</u>	<u>15,938,060</u>
Gross profit	12,980,488	10,329,811
Operating expenses:		
Selling, general and administrative expenses	<u>10,005,227</u>	<u>6,298,008</u>
Operating income	<u>2,975,261</u>	<u>4,031,803</u>
Other income (expense):		
Other income - net	203,287	234,629
Interest income	788,580	415,611
Gain on sale of property and equipment	108,354	14,282
Interest expense	(143,452)	(89,972)
Bad debt expense	<u>(59,208)</u>	<u>(30,428)</u>
Total other income (expense)	<u>897,561</u>	<u>544,122</u>
Net income	<u><u>\$ 3,872,822</u></u>	<u><u>\$ 4,575,925</u></u>

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

**Statements of Equity
Years Ended December 31, 2018 and 2017**

	<u>Common Stock</u>	<u>Retained Earnings</u>
Balance at December 31, 2016	\$ 200	\$ 6,270,404
Net income	-	4,575,925
Distributions	<u>-</u>	<u>(4,659,515)</u>
Balance at December 31, 2017	200	6,186,814
Net income	-	3,872,822
Distributions	<u>-</u>	<u>(2,619,364)</u>
Balance at December 31, 2018	<u>\$ 200</u>	<u>\$ 7,440,272</u>

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Statements of Cash Flows Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net income	\$ 3,872,822	\$ 4,575,925
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	421,400	180,102
Gain on disposal of property and equipment	(108,354)	(14,282)
Changes in:		
Inventory	(153,097)	(804,867)
Accounts receivable - net	(98,565)	406,761
Prepaid expenses	(51,316)	(10,194)
Accounts payable	2,742	580,918
Accrued expenses	279,313	16,953
Deferred revenue	70,754	636,835
Customer deposits	68,961	342,500
Net cash provided by operating activities	<u>4,304,660</u>	<u>5,910,651</u>
Cash flows from investing activities:		
Advances on notes receivable - related party	(4,000,000)	-
Payments from notes receivable - related party	3,000,000	-
Advances on accounts receivable - related party	(367,389)	(1,460,584)
Capital expenditures for property and equipment	(1,161,468)	(379,243)
Proceeds from sale of property and equipment	258,664	277,600
Net cash used in investing activities	<u>(2,270,193)</u>	<u>(1,562,227)</u>
Cash flows from financing activities:		
Advances on line of credit	1,000,000	2,500,000
Payments on line of credit	-	(1,500,000)
Principal payments on long-term debt	(58,720)	(43,248)
Distributions	(2,619,364)	(4,659,515)
Net cash used in financing activities	<u>(1,678,084)</u>	<u>(3,702,763)</u>
Net change in cash and cash equivalents	356,383	645,661
Cash beginning of year	<u>1,797,789</u>	<u>1,152,128</u>
Cash end of year	<u><u>\$ 2,154,172</u></u>	<u><u>\$ 1,797,789</u></u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u><u>\$ 143,452</u></u>	<u><u>\$ 89,972</u></u>

Supplemental disclosure of non-cash transactions:

During 2018 and 2017, the Company purchased vehicles with proceeds from long-term debt in the amount of \$-0- and \$88,172, respectively.

The accompanying notes are an integral part of these financial statements

KONA ICE, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Kona Ice, Inc. (the "Company") is an S corporation providing franchise services and operating trucks, karts, trailers, kiosks and flavorwaves in the shaved ice industry throughout the United States of America. They contract directly with individuals for the purchase of a shaved ice truck and a territory in which to operate. The Company also operates trucks itself. The Company provides marketing services and advertising for the franchisees.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers," which provides guidance for revenue recognition. The standard's core principle is that a company will recognize revenue when it transfers the promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Per ASU 2015-14 "Deferral of Effective Date," this guidance will be effective for the Company for the fiscal year ending December 31, 2019. The Company is currently in the process of evaluating the effect of adoption of this ASU on its financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases," which provides guidance on the recognition of leases. The standard requires lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet. The new guidance will continue to classify leases as either finance or operating, with classification affecting the pattern of expense recognition in the statements of income. This guidance will be effective for the Company for the fiscal year ending December 31, 2020. The Company is currently in the process of evaluating the effect of adoption of this ASU on its financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. The standard modifies the impairment model for most financial assets and certain other instruments to utilize an expected loss methodology in place of the currently used incurred loss methodology. The standard will be effective for the Company for the fiscal year ending December 31, 2021. The Company is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles ("GAAP") 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 reported period. Actual results could differ from those estimates.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date except for retainage amounts which are due within 30 days of contract completion. In substantially all instances, the Company has lien rights. Currently, the Company may charge interest on delinquent accounts receivable. Accounts receivable are stated at the amount billed to the customer.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balances that will not be collected. Management also uses past experiences and future economic conditions in estimating the total uncollectible amount. Based on these criteria, the allowance for doubtful accounts at December 31, 2018 and 2017 is \$35,400 and \$25,911, respectively.

Property and Equipment

Property and equipment are carried at cost and are depreciated over their useful lives using both the accelerated and straight-line methods. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant betterments are capitalized.

Warranty Accrual

The Company warrants the parts and equipment on the Kona Entertainment Vehicle for two years, except for the chassis which is warranted by the manufacturer. The warranty accrual is a reasonable estimate by management based on incurred warranty expense on previous sales.

	2018	2017
Beginning accrual balance	\$ 108,000	\$ 108,000
Less: Claims	(194,658)	(203,297)
Plus: Additional provisions	194,658	203,297
Ending accrual balance	<u>\$ 108,000</u>	<u>\$ 108,000</u>

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

The balance in these accounts consist of a portion of the amounts collected or receivable for unearned royalty fees, franchise fees, and Konvention fees. A portion of the royalties are recognized over a seven year period associated with the performance obligation to improve the vehicle by Kona upon receipt of royalties over the seven year period which qualifies as a separate unit of account. The selling price was estimated for the improvement of the vehicle based on historical costs incurred for improving the vehicle along with an estimated margin. The franchise fees are not recognized until the franchisee takes possession of the Kona Entertainment Vehicle and completes the initial training provided by the Company. The Konvention fees are not recognized until the Konvention takes place.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs charged to operations were \$463,550 and \$413,597 for the years ended December 31, 2018 and 2017, respectively.

Income Taxes

Effective February 12, 2008, the Company elected, under Section 1362(a) of the Internal Revenue Code, to be taxed as an "S" Corporation. Under provisions of this section, most of the tax benefits and liabilities from the corporation pass directly to its shareholders. Accordingly, no provision for federal income taxes has been made in these statements.

The Company has applied accounting rules that prescribe when to recognize and how to measure the financial statement effects, if any, of income tax positions taken or expected to be taken on its income tax returns, including the position that the Company continues to qualify to be treated as an S Corporation for both federal and state income tax purposes. These new rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Revenue Recognition

The Company earns its revenue in several ways. The Company receives franchise revenues with the purchase of each territory. Another revenue stream is generated from the sale of trucks and various machines used to sell the shaved ice and other food items. The purchase of the truck and initial training is required as part of the initial purchase of the franchise area. Once a certain amount of franchises are sold, other streams of revenues will be generated from recurring franchise fees and advertising revenues.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The financial statements have been prepared in accordance with the GAAP provisions for fair value measurements. These provisions define fair value, establish a framework for measuring fair value and expand disclosures about fair value measurements. These provisions emphasize that fair value is market-based measurement and should be determined based on assumptions that a market participant would use when pricing an asset or liability. Additionally, the provisions establish a fair value hierarchy that provides the highest priority to quoted prices in active markets and the lowest priority to unobservable data.

In determining fair value, the Company uses various valuation approaches. GAAP provisions establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the ability to observe inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Directly or indirectly observable inputs not included in Level 1. Inputs can be quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers (for example, some brokered markets), or in which little information is released publicly (for example, a principal-to-principal market), inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates), inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 – Unobservable inputs that are significant to the overall fair value measurement. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Reclassifications

Certain reclassifications were made to the 2017 amounts in order to be consistent with the calssifications adopted for reporting in 2018. These reclassifications had no effect on net income.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 2 INVENTORY

Inventory is recorded at specific identification method. It consists primarily of trucks that are in various stages of construction and supplies. Inventory consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Trucks and truck supplies	\$ 1,377,104	\$ 1,400,949
Kiosk	213,818	141,135
Entertainment trailer	135,937	-
Flavorwave	17,230	34,438
Mini trailer	18,077	48,320
Shavers	-	243,317
Merchandise and parts	<u>388,271</u>	<u>129,181</u>
	<u>\$ 2,150,437</u>	<u>\$ 1,997,340</u>

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2018</u>	<u>2017</u>
Equipment	\$ 644,735	\$ 394,666
Computer equipment	47,351	47,351
Leasehold improvements	465,086	389,353
Furniture and fixtures	66,426	66,426
Vehicles	1,874,854	1,398,611
Construction in progress	<u>42,086</u>	<u>-</u>
	<u>\$ 3,140,538</u>	<u>\$ 2,296,407</u>

Depreciation was \$421,354 and \$180,056 for the years ended December 31, 2018 and 2017, respectively.

NOTE 4 LINE OF CREDIT

At December 31, 2018 and 2017, the Company has a \$3,000,000 and \$2,000,000 line of credit with a local bank, respectively. The line of credit expires on May 22, 2020. Interest is charged at the prime rate less one half percent, with a minimum interest rate of 5.00%, and is payable monthly. At December 31, 2018 and 2017, the rate was 5.00%. The line of credit is secured by the assets of the Company and is personally guaranteed by the shareholders. The balance outstanding on the line of credit was \$3,000,000 and \$2,000,000 as of December 31, 2018 and 2017, respectively.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 5 NOTES PAYABLE

	<u>2018</u>	<u>2017</u>
Note payable to Kubota Credit USA due in monthly installments of \$342.89 including both principal and interest. This was a non-interest bearing note. The note matured and was paid in full during 2018. This note was collateralized by equipment.	\$ -	\$ 2,743
Note payable to Ally due in monthly installments of \$499.89 including both principal and interest. This note is bearing an interest rate of 4.50%. The note matures May 2020. This note is collateralized by a vehicle. This note was paid in full during 2018.	-	13,705
Note payable to Ally due in monthly installments of \$726.35 including both principal and interest. This note is bearing an interest rate of 4.50%. The note matures in June 2021. This note is collateralized by a vehicle.	20,545	28,150
Note payable to Ally due in monthly installments of \$1,199.08 including both principal and interest. This note is bearing an interest rate of 4.50%. The note matures in July 2021. This note is collateralized by a vehicle.	35,024	47,530
Note payable to Ally due in monthly installments of \$625.85 including both principal and interest. This note is bearing an interest rate of 4.50%. The note matures in August 2021. This note is collateralized by a vehicle.	18,833	25,337
Note payable to Ally due in monthly installments of \$858.95 including both principal and interest. This note is bearing an interest rate of 5.33%. The note matures in December 2022. This note is collateralized by a vehicle.	37,049	45,055

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 5 NOTES PAYABLE (CONTINUED)

	<u>2018</u>	<u>2017</u>
Note payable to Ally due in monthly installments of \$726.85 including both principal and interest. This note is bearing an interest rate of 5.33%. The note matures in December 2022. This note is collateralized by a vehicle.	31,352	38,126
Capital lease for a copier due in monthly installments of \$135 including both principal and interest. This lease is bearing an interest rate of 11.78%. The final payment of this lease is due December 2022. This lease is collateralized by the copier.	<u>5,148</u>	<u>6,025</u>
	147,951	206,671
Less: current portion	<u>44,684</u>	<u>50,815</u>
Net long-term debt	<u><u>\$ 103,267</u></u>	<u><u>\$ 155,856</u></u>

Current maturities for the next five years are as follows at December 31, 2018:

2019	\$ 44,684
2020	46,958
2021	36,354
2022	<u>19,955</u>
	<u><u>\$ 147,951</u></u>

NOTE 6 RELATED PARTY TRANSACTIONS

The Company sells its accounts receivable to a related party, as well as another unrelated entity, which specializes in sales finance contracts. The Company may recover some of the discount based on the performance of the portfolio as a whole. These receipts are recognized when received. Any recourse obligation is insignificant and no liability has been recorded. The Companies are related through common ownership. The sole shareholder of the related party owns 47% of Kona Ice, Inc., as of December 31, 2018 and 2017. The Company sold accounts receivable to the related party of \$3,919,400 and \$3,490,214 and received \$3,331,853 and \$2,968,622 for the accounts receivable, including discount recoveries, as of December 31, 2018 and 2017, respectively, which is comparable with other sales finance purchases made by the related party.

The Company sold accounts receivable to the unrelated entity of \$7,520,112 and \$6,603,694 and received \$7,520,112 and \$6,603,694 for the accounts receivable as of December 31, 2018 and 2017, respectively. Total discount recoveries received during 2018 and 2017 were \$1,000,000, each year, due to performance of the portfolio.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 6 RELATED PARTY TRANSACTIONS (CONTINUED)

The Company has notes receivable in the total amount of \$7,000,000 and \$6,000,000 to a related party at December 31, 2018 and 2017, respectively. The notes bear interest at 10%. No principal is due on the note until maturity at March 31, 2022. \$5,000,000 of the note is set aside for future investment in the company. The remaining \$2,000,000 and \$1,000,000 for 2018 and 2017, respectively, is for funding of future litigation to support franchisee operations from outside infringements.

The Company leases office, garage and warehouse space from a related party (see Note 7).

The Company has receivables in the amount of \$2,446,485 and \$2,079,096 due from a related party at December 31, 2018 and 2017, respectively. Collection is not expected in the next year and is listed as long term.

NOTE 7 LEASES

The Company leases office, garage and warehouse space. The leases are month to month leases. Rent expense for the years ended December 31, 2018 and 2017 was \$174,516 and \$128,088, respectively. Related party rent expense for the years ended December 31, 2018 and 2017 was \$102,000.

NOTE 8 RISKS AND UNCERTAINTIES

The Company is regulated by state laws and regulations in each state in which it operates, including those governing franchise sales and licensing, which are subject to change. These laws and regulations, among other things, establish franchise and licensing requirements which regulate the Company's ability to issue franchise rights. Any adverse change in or interpretation of existing laws or regulations or the failure to comply with any such laws and regulations could result in fines, class action litigation, or interruption or cessation of certain business activities of the Company. Any of these events could have a material effect on the Company's business. In addition, there can be no assurance that amendments to such laws and regulations or new or more restrictive laws or regulations, or interpretations thereof will not be adopted in the future which may make compliance more difficult or expensive, further limit or restrict fees and other charges, curtail the current operations of the Company, restrict the Company's ability to expand its operations or otherwise materially adversely affect the business or prospects of the Company.

NOTE 9 FRANCHISE FEE REVENUE

The initial franchise fee is paid in a lump sum when the franchise agreement is signed and revenue is deferred until the truck and additional equipment is delivered. The initial fee is \$15,000. The fee will grant the right to operate one truck and additional equipment in the protected territory assigned as well as initial training from the Company. Each additional truck requires an additional agreement and fees. The fees are not refundable upon payment under any circumstances. Initial franchise income for the years ended December 31, 2018 and 2017 was \$2,319,000 and \$2,220,000, respectively.

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 9 FRANCHISE FEE REVENUE (CONTINUED)

The following summarizes the franchise ownership changes for the years then ended:

	2018	2017
Franchises sold	146	141
Franchises repurchased by franchisor	12	8
Franchises in operation	1,079	934
Franchises operated by franchisor	28	19

NOTE 10 DEFINED BENEFIT PENSION PLAN

The Company has a non-contributory cash balance plan (the "Plan") for employees that meet certain eligibility requirements that are not excluded by class. The benefits are based on the employees group classification equal to a percentage of compensation or a fixed dollar amount as follows:

- Group 1: \$200,000
- Group 2: \$235,000
- Group 3: 2.5% of compensation

Maximum benefit is \$18,333 per month and maximum percent of salary is 100%. The Company's funding policy is to contribute the maximum amount allowed by ERISA for each plan year. The measurement date for the plan is December 31. The plan effective date was January 1, 2014.

The funded status of the Plan and amounts recognized in the financial statements as of December 31, 2018 and 2017 is as follows:

	2018	2017
Projected benefit obligation	\$ 1,276,618	\$ 774,949
Plan assets at fair value	1,028,994	726,464
Unfunded projected benefit obligation	<u>\$ (247,624)</u>	<u>\$ (48,485)</u>
Minimum pension liability	<u>\$ 1,276,618</u>	<u>\$ 774,949</u>
Accumulated other comprehensive loss	<u>\$ -</u>	<u>\$ -</u>

Weighted average assumptions used to determine benefit obligations and net periodic cost for the years ended December 31, 2018 and 2017 consisted of the following:

- Discount rate: 3.25%
- Projected interest crediting rate: 3.25%

KONA ICE, INC.

Notes to Financial Statements (Continued)

NOTE 10 DEFINED BENEFIT PENSION PLAN (CONTINUED)

The benefit cost for the years ended December 31, 2018 and 2017 was \$501,916 and \$268,760, respectively.

The accumulated benefit obligation was \$1,276,618 and \$774,949 at December 31, 2018 and 2017, respectively. There were no employee contributions to the Plan for 2018 and 2017. There were no benefits paid in 2018 and 2017. Contributions expected to be made during 2019 for the 2018 year are \$501,916 and are included in accrued liabilities on the balance sheet.

The following benefit payments are expected to be paid:

<u>Fiscal Years Ending</u>	<u>Expected Benefit Payments</u>
2019	\$ 10,838
2020	-
2021	-
2022	9,841
2023	-
2024-2028	<u>14,456</u>
	<u><u>\$ 35,135</u></u>

The fair values of the Company's pension assets at December 31, 2018 and 2017, by asset category, are as follows:

<u>Asset Category</u>	<u>12/31/2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$ 336	\$ 336	\$ -	\$ -
Investment alternatives	<u>1,028,658</u>	<u>-</u>	<u>-</u>	<u>1,028,658</u>
Total	<u>\$ 1,028,994</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ 1,028,658</u>
<u>Asset Category</u>	<u>12/31/2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$ 167,452	\$ 167,452	\$ -	\$ -
Investment alternatives	<u>559,012</u>	<u>-</u>	<u>-</u>	<u>559,012</u>
Total	<u>\$ 726,464</u>	<u>\$ 167,452</u>	<u>\$ -</u>	<u>\$ 559,012</u>

NOTE 11 401(K) PLAN

The Company has a defined contribution 401(k) plan, which began January 1, 2014, covering employees who meet stated eligibility requirements. Company contributions are made at the discretion of management. The Company contribution expense was \$161,712 and \$109,245 in 2018 and 2017, respectively.

KONA ICE, INC.

**Notes to Financial Statements
(Continued)**

NOTE 12 SUBSEQUENT EVENTS

Subsequent events were considered through March 29, 2019 which is the date these financial statements were available to be issued.

EXHIBIT C
FRANCHISE AGREEMENT



EXHIBIT C



**KONA ICE, INC.
FRANCHISE AGREEMENT**

Franchisee: _____

Date: _____

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ATTACHMENTS:

ATTACHMENT A	FRANCHISE DATA SHEET
ATTACHMENT B	OWNERSHIP INTERESTS
ATTACHMENT C	OWNERS AGREEMENT
ATTACHMENT D	ADDITIONAL EQUIPMENT AMENDMENT



FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Franchise Agreement”) is made and entered into by and between Kona Ice, Inc., a Kentucky corporation, with its principal business address at 5945 Centennial Circle, Florence, Kentucky, 41042 (“Franchisor,” “we,” “us,” or “our”), and the Franchise Owner identified on the signature block of this Franchise Agreement (“Franchisee,” “you” or “your”), made effective as of the date listed in Attachment A (the “Effective Date”).

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

1.A PREAMBLES.

- (1) We have developed a unique system of selling flavored shaved ice, ice cream, and related products to the general public within a mobile environment (“**Kona Ice Business(es)**”). Kona Ice Businesses have distinctive business formats, methods, procedures, designs, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.
- (2) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols to be used in connection with the operation of Kona Ice Businesses, and we may create, use, and license other trademarks, service marks, and commercial symbols for the same use (collectively, the “**Marks**”).
- (3) We and our affiliates use, promote, and license a registered patent to be used in connection with the operation of Kona Ice Businesses, and we may create, use, and license other patents for the same use (the “**Patent**”).
- (4) We grant franchises (“**Kona Ice Franchise**” or “**Franchise**”) to persons who meet our qualifications, and are willing to undertake the investment and effort, to own and operate a Kona Ice Business offering the services and goods we authorize using our business formats, methods, procedures, signs, designs, standards, specifications, Patent and Marks we authorize (the “**Franchise System**”).
- (5) As a Kona Ice Franchise owner, you must comply with this Franchise Agreement and all System Standards (defined below in Section 5D) to maintain the high and consistent quality, critical to attracting customers of Kona Ice Businesses and preserving the goodwill of the Marks.

1.B ACKNOWLEDGMENTS.

You acknowledge and agree:

- (1) That you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business that a Kona Ice Franchise conducts may, and probably will, evolve and change over time.
- (2) That an investment in a Kona Ice Franchise involves business risks that could result in the loss of all or part of your investment.
- (3) That your personal business abilities and efforts are vital to your success.



- (4) That attracting customers to your Kona Ice Franchise will require you to make continual marketing efforts.
- (5) That retaining customers for your Kona Ice Franchise will require you to have a high level of customer service and adhere strictly to and maintain the Franchise System and our System Standards.
- (6) That you have not received from us, and are not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Kona Ice Franchise.
- (7) That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Franchise Agreement are deemed only between you and us.
- (8) That you have represented to us, to induce our entry into this Franchise Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.
- (9) That you have read this Franchise Agreement and our Franchise Disclosure Document and understand and accept this Franchise Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service and to protect and preserve the goodwill of the Marks.
- (10) That we have made no representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Franchise Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including the ability of your own business professionals and advisors, and have relied solely upon those evaluations in deciding to enter into this Franchise Agreement.
- (11) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Kona Ice Franchise except those materials prohibited or restricted under applicable federal and state law and/or regulations.
- (12) That you have been afforded an opportunity, and have been encouraged by us, to have this Franchise Agreement and all other agreements and materials we have given or made available to you reviewed by an independent attorney and have either done so or expressly waived your right to do so.
- (13) That you alone will exercise day-to-day control over all operations, activities and elements of the Kona Ice Franchise and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of Franchise System which you are required to comply with under this Franchise Agreement, whether set forth in the Success Guide (defined below) or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Kona Ice Franchise, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of the Kona Ice Franchise.



1.C LEGAL ENTITY.

You are required to be a legal entity ("**Entity**"), you agree and represent that:

- (1) You have the authority to execute, deliver, and perform your obligations under this Franchise Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;
- (2) Your organizational documents, operating agreement, or partnership agreement, as applicable, restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Franchise Agreement's restrictions;
- (3) Attachment B to this Franchise Agreement completely and accurately describes all of your direct and indirect owners (i.e. each person or entity holding a direct or indirect ownership in you under this Franchise Agreement), (each a "**Owner**") and their interests in you as of the Effective Date;
- (4) Each of your Owners and your Owners' spouses will execute the Owners Agreement in the form attached hereto as Attachment C undertaking personally to be bound, jointly and severally, by all provisions of this Franchise Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 13, you and your Owners agree to sign and deliver to us revised versions of Attachment B from time to time to reflect any changes in the information that Attachment B now contains;
- (5) The Kona Ice Franchise will be the only business you operate during the term of this Franchise Agreement (although your Owners may own other, noncompetitive business interests); and
- (6) You have identified on Attachment A one of your Owners who is a natural person with at least twenty-five percent (25%) ownership interest and voting power in you and has the authority of a chief executive officer (the "**Managing Owner**"). If you are an entity with multiple Owners, one of your Owners who is a natural person must have at least fifty-one percent (51%) ownership interest and voting power in you (including a spouse's interest). You have delivered to us a completed Attachment A to accurately identify the Managing Owner.

1.D GRANT AND TERM OF FRANCHISE AGREEMENT.

We grant you a Franchise to own and operate a Kona Ice Business. You must operate one proprietary Kona Ice truck, known as the Kona Entertainment Vehicle ("**KEV**") within the Protected Territory. The term of the Kona Ice Franchise and this Franchise Agreement begins on the Effective Date and expires ten (10) years after the Effective Date ("**Initial Term**"), unless sooner terminated. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Franchise Agreement and to use your best efforts to promote the Kona Ice Business. If you are signing this franchise agreement as a successor franchise agreement, the references to the "Initial Term" shall mean the applicable renewal term of the successor agreement. If you do not sign a successor franchise agreement prior to the expiration of this Franchise Agreement and continue to accept the benefits of this Franchise Agreement after its expiration, then, at our option, this Franchise Agreement may be treated either as (i) expired as of the date of expiration with your continued operation being a violation of this



Franchise Agreement; or (ii) continued on a month-to-month basis (“**Interim Period**”) until one party provides the other with written notice of such party’s intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Franchise Agreement had not expired, and all covenants, obligations and restrictions imposed on Franchisee upon expiration of this Franchise Agreement shall be deemed to take effect upon termination of the Interim Period.

1.E RIGHT TO OPERATE MULTIPLE KEVS.

You must operate one (1) KEV during the Initial Term pursuant to the terms of this Franchise Agreement. If you would like to operate more than one KEV, you will be required to purchase an additional Kona Ice Franchise for each KEV (except you may purchase a KEV Express Truck as Additional Equipment to operate in your Protected Territory) and execute an additional franchise agreement.

2. **TERRITORY.**

2.A TERRITORIAL RIGHTS.

As long as you are not in default under the Franchise Agreement, except as permitted by this Section, we (including our affiliates) will not establish, or franchise any entity to establish, a Kona Ice Business within the geographic area described in Attachment A (the “**Protected Territory**”). If the population of your Protected Territory increases during the Initial Term of this Franchise Agreement by more than 25% using the population listed on zip-codes.com, we may reduce the size of your Protected Territory to 100,000 people upon 30 days’ notice unless you purchase an additional KEV. “**Territory Infringement**” occurs when a franchisee generates income from a customer by receiving payment for goods and/or services provided and/or rendered within the protected territory of another Kona Ice franchisee without first obtaining that franchisee’s and our written permission. A franchisee who infringes upon another franchisee’s protective territory is subject to the following fines, payable to us within five (5) days after the infringement(s) is/are proven:

- (1) first violation - \$1,000 plus the invoice amount for the products or services sold; and
- (2) second violation and subsequent violations - \$5,000 plus the invoice amount for the products or services performed.

The collected fine amounts shall become our property and any distribution of these funds shall be in our sole discretion. The total violations count is cumulative over the life of this Franchise Agreement regardless of where and when the violations occur.

You may provide services and sell products to customers located outside of the Protected Territory, without being subject to Territory Infringement under the following circumstance: (1) there is no other franchisee in that area; (2) the customer initiates the contact with you; and (3) you first receive our express written consent, which may be withheld in our sole discretion. You are prohibited from directly marketing to or soliciting customers whose principal business office (or principal residence, if the customer is an individual) is outside of your Protected Territory unless we specify otherwise to you in writing. You may not advertise in any media whose primary circulation is outside of the Protected Territory without our permission, unless the advertisement is part of a cooperative advertising program. We do not grant a right of first refusal to franchisees to purchase new or existing locations. This Franchise



Agreement does not grant you rights to pursue any of Franchisor's or its affiliates' business concepts other than the Kona Ice Franchise.

2.B TERRITORIAL RIGHTS WE RESERVE.

We and our affiliates retain certain rights with respect to the sale of similar, or dissimilar, services and products, and any other activities. These rights include the right to:

- (1) use, and to license others to use, the Marks and Franchise System for the operation of Kona Ice Franchises at any location other than in the Protected Territory, including co-branding activities, regardless of proximity to the Protected Territory;
- (2) use, license and franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location, including the Protected Territory, in association with operations that are similar to or different than the Kona Ice Franchise, including co-branding activities;
- (3) use the Marks and the Franchise System in connection with the provision of other services and products, or in alternative channels of distribution at any location outside the Protected Territory;
- (4) offer the services or products similar to those offered by Kona Ice Franchises, or grant others the right to offer the services or products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, by Internet, mail order sales, telemarketing, or other direct marketing sales, wholesalers, retail outlets or other distribution outlets (other than Kona Ice Franchises), whether inside or outside the Protected Territory;
- (5) utilize any websites, including social media websites, utilizing a domain name incorporating the word "Kona Ice", or the Marks, or similar derivatives thereof;
- (6) to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the Franchise System or be converted into a new system or chain with any business, whether franchised or corporately owned, including, but not limited to, a business that competes directly with your Kona Ice Franchise, wherever located, provided that in such situations the newly acquired businesses located in your Protected Territory will not operate using the Marks;
- (7) implement multi-area marketing programs which may allow Franchisor or others to solicit or sell customers anywhere or direct such customers to the Kona Ice Franchise that Franchisor chooses, in its discretion. Franchisor reserves the right to issue mandatory policies to coordinate such multi-area marketing programs; and
- (8) to engage in any other business activities not expressly prohibited by this Franchise Agreement, both within and outside your Protected Territory.

If we engage in electronic commerce through the Internet, or sell through any other alternative channel of distribution, and we receive orders for any products or services calling for delivery or performance in your Protected Territory, then we will offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, our affiliate, or a third party we designate (including



another Kona Ice Business) may fulfill the order, and you will be entitled to no compensation in connection with the sale.

3. DEVELOPMENT AND OPENING OF THE KONA ICE FRANCHISE.

3.A FRANCHISE PREMISES.

Kona Ice Franchises are typically operated out of the franchisee's home or KEV but may be operated from office buildings, business parks, and other commercial real estate locations. If you decide to operate your Kona Ice Franchises out of an office, you will be solely liable for its compliance with all applicable business ordinances and building codes, and for obtaining all necessary health, building, sign, and other permits, licenses and bonds, as may be required for the operation of the office.

3.B KONA ENTERTAINMENT VEHICLE.

You must purchase the KEV from us or our affiliate. The current cost of the KEV is \$119,850. You will pay a non-refundable \$5,000 deposit when you sign this Franchise Agreement and pay the entire remaining balance in full when you take delivery of your KEV. You may be able to obtain financing for the KEV upon the terms in the Franchise Disclosure Document. KEV payments are non-refundable. You may not utilize any other truck or vehicle, other than the KEV or any "Additional Equipment" (see Section 3D), in the operation of your Kona Ice Franchise and the KEV and any "Additional Equipment" must only be used for the operation of your Kona Ice Franchise and not for any other purpose. You must operate at least one KEV, and may operate multiple KEVs in the Protected Territory. We may not allow you to purchase any additional KEVs or Additional Equipment if you are in default of this Franchise Agreement or if you have any unpaid amounts due to us or any of our affiliates. Although all KEVs will follow a consistent theme, the details of their design may differ often, based upon local requirements. If modifications to the KEV are necessary to comply with applicable local laws and/or ordinances, or if you request any optional customization or additional features, you may be required to pay a fee to us or our affiliate for the costs and expenses in making the necessary modifications to the KEV. You will also be required to purchase an initial inventory of Kona Ice equipment, uniforms and supplies from us or our affiliates when you purchase the KEV. These payments are non-refundable. Because you do not have to locate a site from which to operate your Kona Ice Business, we do not provide you with assistance in doing so. You may open an office, but it is not required and does not need to be approved by us. You must find a location to store the KEV, which may be at your residence if permitted. You must use our approved supplier for the window tinting of your KEV. Any person who drives your KEV must have a valid driver's license and each of your KEVs must be properly licensed. Should your KEV or any Additional Equipment be subject to a manufacturer's vehicle safety recall, you must immediately notify us in writing and perform the required repairs, maintenance and/or inspections at your sole cost and expense before using your KEV or any Additional Equipment in the operation of you Kona Ice Business. You acknowledge and agree that we are not responsible for any obligations or costs associated with the operation of the KEV or any additional Equipment, including any safety recall of the KEV or of any Additional Equipment.

3.C COMPUTER SYSTEM, SOFTWARE & RELATED EQUIPMENT.

We reserve the right to periodically designate computer hardware or software, including a point-of-sale system, for you to use. You agree to use our proprietary MyKonaBiz operating software in the operation of your Kona Ice Business. In order to provide for inevitable but unpredictable changes to the technology, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System. We do not currently have independent access to your computer system but reserve the right to conduct periodic audits for any accounting records contained in



such hardware. You agree to provide us with any and all codes, passwords and information necessary to access your computer system, point-of-sale systems and software and must receive our prior written approval before changing such codes, passwords and other necessary information.

You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software and for any increases in fees from suppliers. We reserve the right to: (i) change or add approved suppliers or vendors of these services at any time, in our sole discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology; (iii) create proprietary software or technology that must be used by Kona Ice franchisees, in which case we may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees; and (iv) increase or decrease the Technology Fee and other technology and licensing and expenses that you are required to pay under this Franchise Agreement at any time, upon 30 days' written notice to Franchisee.

You must obtain and use at least one (1) Kona Ice email address from us. You must pay us \$60 per year for each email address you obtain, which is currently due on or before October 1st of each year. If your Protected Territory covers multiple states, or if you have more than one Franchise and such Franchise is thirty (30) miles or more away from your other Franchise, you will be required to have an email address for each state in which you have a Franchise as well as for each Franchise that is more than thirty (30) miles from any other Franchise you own. Additionally, if you have more than one "Find a Kona Mini Website", then you must have and pay for a different email address for each mini website. You must have access to accounting software such as QuickBooks and word processing software such as Microsoft Office.

3.D ADDITIONAL EQUIPMENT.

During the Initial Term, you may, but are not required to, purchase any additional equipment ("**Additional Equipment**") we offer for use in the Protected Territory. You must sign our then-current "**Additional Equipment Amendment**," the current form of which is in Attachment D to this Franchise Agreement, for any Additional Equipment that you purchase and you will be required to pay the then-current "Additional Equipment Royalty" as stated below in Section 4C. The Additional Equipment offered and the Additional Equipment Royalty for such equipment may change during the Initial Term and any successor terms. You will not be permitted to purchase any Additional Equipment until your KEV is open and operating and you are in compliance with this Franchise Agreement. You may not transfer any Additional Equipment without our prior written consent. We may approve or reject your request to transfer Additional Equipment in our sole discretion. In addition, we reserve the right to condition our approval of a transfer on: (i) you being in good standing under this Franchise Agreement at the time of transfer, (ii) you paying off any loans or debts related to the Additional Equipment; (iii) Additional Equipment being modified in such a way to protect the Franchise System and/or any proprietary interests or trade secrets we have in the Additional Equipment; (iv) that the purchaser of the Additional Equipment be an existing Kona Ice franchisee; and/or (v) such additional conditions that we deem reasonable in the circumstances. If we approve of your request for a transfer of Additional Equipment, you agree to pay us a transfer fee of \$500 per item.



3.E KONA ENTERTAINMENT VEHICLE AND ADDITIONAL EQUIPMENT STANDARDS.

Throughout the term of this Franchise Agreement, you must:

- (1) operate and maintain the KEV and any Additional Equipment in accordance with our System Standards, as may be provided in the “Success Guide” (defined in Section 5C) or otherwise in writing and, at our request, periodically update or improve the decoration and/or design of the KEV and any Additional Equipment. You may be required to pay a fee in the event that we or our affiliate needs to modify any part of the KEV from our standard specifications in order to meet with relevant state or local health department requirements in your Protected Territory. Any required update or improvement must be made within thirty (30) days of our delivery of notice to you that such updates or improvements must be made at your sole expense;
- (2) maintain the condition of the KEV and any Additional Equipment as clean, orderly, and consistent with the image of a Kona Ice Franchise as we prescribe from time to time, at your sole expense, including, but not limited to, allowing us to rewrap the KEV and any Additional Equipment, at your expense, after seven (7) years of operation for your KEV (or your KEV Express Truck if you did a KEV Express Conversion). You agree to remodel each KEV (and KEV Express Truck and any Additional Equipment) you operate at least once every seven (7) years to meet our then-current System Standards at your sole cost and expense or more frequently if any KEV (or KEV Express Truck or any Additional Equipment) is not in compliance with our then-current System Standards. All necessary updates, removal of vinyl, and installation of vinyl must be performed at an authorized upfit facility, which are currently located in Florence, KY, Las Vegas, NV and New Braunfels, TX;
- (3) not use the KEV or any Additional Equipment for any purpose other than the operation of the Kona Ice Franchise and store the KEV and Additional Equipment in accordance with our System Standards;
- (4) place or display on the KEV and any Additional Equipment only the signs, emblems, branding audio content, video content, lettering and logos we provide or approve from time to time;
- (5) send us photographs of the KEV and any Additional Equipment at least once per calendar year, as we request;
- (6) allow us to inspect the KEV and any Additional Equipment in the frequencies and manners described in the Success Guide; and
- (7) not transfer, sell, pledge, give away, decommission or otherwise encumber the KEV and any Additional Equipment without our prior written approval and, except for a transfer or sale of the KEV or any Additional Equipment to us, our affiliates or another Kona Ice Franchisee, you must fully decommission the KEV and any Additional Equipment by removing all proprietary items and Marks from the KEV and Additional Equipment in accordance with our System Standards including, but not limited to: all wraps, internal and external FlavorWave components, bottle racks, drip trays, external fins and awnings, LED lighting, menu boards, stickers, decals, Kona Companion, KIB display screen, Kreations flavoring and scent diffuser. Once the KEV and/or Additional Equipment has



been fully decommissioned you must allow us to inspect or send photographs to us for our review and prior approval.

3.F BUSINESS OPENING.

You agree not to open the Kona Ice Business for business until:

- (1) we notify you in writing that the Kona Ice Franchise meets our standards and specifications;
- (2) you (or your Managing Owner, if you are an entity), and, if applicable, your Designated Manager (as defined in Section 9F), and any other required attendees satisfactorily complete applicable portions of training before opening;
- (3) you pay the initial franchise fee and all other amounts then due to us; and
- (4) you give us certificates for all required insurance policies (as described in Section 9G).

Subject to your compliance with these conditions, you agree to open the Kona Ice Business to the public no more than twelve (12) weeks after the Effective Date. The date that the Kona Ice Franchise first opens to the public shall be the “Opening Date.”

3.G NOTICE.

If you believe that we (or our affiliates) have failed to adequately provide any assistance or services to you as provided in this Franchise Agreement, you will notify us in writing within 30 days following ours or our affiliates’ provision of such assistance or services. Without the timely provision of such notice to us, you will be deemed to conclusively acknowledge that all such assistance or services required to be provided by us or our affiliates were sufficient and satisfactory in your judgment.

4. **FEES.**

4.A INITIAL FRANCHISE FEE.

You must pay us an initial franchise fee of \$15,000 (“**Initial Franchise Fee**”) when you sign this Franchise Agreement. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances.

4.B RESERVATION FEE.

Provided you are not in default of this Franchise Agreement or any other agreement with us, you may, subject to availability and our approval, reserve additional territories by paying us a territory reservation fee of \$10,000 per territory (“**Reservation Fee**”) and entering into our “Additional Franchise Reservation Agreement” the current form of which is attached to the Franchise Disclosure Document in Exhibit H. The Reservation Fee and Additional Franchise Reservation Agreement allows you to hold a territory for up to 12 months and provides an additional right of first refusal for an additional 12 months, after which your rights will expire and will not be renewed. You can only operate in an additional territory under a separate franchise agreement with us and you must sign our then-current franchise agreement in order to do so. The Reservation Fee will be applied to the Initial Franchise Fee of the additional Kona Ice Franchise at the time you sign the corresponding franchise agreement. The



Reservation Fee is non-refundable under any circumstances, even if you do not open an additional Kona Ice Franchise.

4.C ROYALTY FEE.

Beginning on the Opening Date, and continuing for the term of this Franchise Agreement, including any Interim Period, you agree to pay us the royalty fees listed below (the “**Royalty**”) in either three or six installments per year (“**KEV Royalty Schedule**”):

Time Period*	Total Royalty	KEV Royalty Schedule (If you make 3 installment payments per year)	KEV Royalty Schedule (If you make 6 installment payments per year)
Years 1-2	\$3,000	June 30: \$1,000 July 31: \$1,000 August 31: \$1,000	May 31: \$500 June 30: \$500 July 31: \$500 August 31: \$500 September 30: \$500 October 31: \$500
Years 3-6	\$3,500	June 30: \$1,166 July 31: \$1,166 August 31: \$1,168	May 31: \$583 June 30: \$583 July 31: \$584 August 31: \$583 September 30: \$583 October 31: \$584
Years 7-10 (plus any Interim Period, if applicable)*	\$4,000	June 30: \$1,333 July 31: \$1,333 August 31: \$1,334	May 31: \$666 June 30: \$666 July 31: \$667 August 31: \$666 September 30: \$666 October 31: \$667

*If you are an existing franchisee and this agreement is a successor franchise agreement or if you are a transferee signing this Franchise Agreement, the date for determining your KEV Royalty Schedule will be determined from the date the initial Franchise Agreement was signed for the Kona Ice Business you are continuing to operate or acquired. Your Royalty will be \$4,000 for year 11, \$4,500 for years 12 through 15 and \$5,000 for years 16 through 20.

If you purchase Additional Equipment you will be required to pay additional royalty fees for the Additional Equipment (“**Additional Equipment Royalty**”). The Additional Equipment Royalty will depend on the type of Additional Equipment and will be the then-current rate at the time you enter into the Additional Equipment Amendment. The Additional Equipment Royalty will be due for as long as you own the Additional Equipment. For this Franchise Agreement, all references to “Royalty” shall include any Additional Equipment Royalty unless otherwise noted. We reserve the right to adjust your Royalty annually based on the Consumer Product Index.

4.D TERRITORY CHANGE.

You may not revise or amend your Protected Territory (a “**Territory Revision**”) without our express written consent, which we may approve or reject in our sole discretion. If you request and we



approve of a Territory Revision, you agree to pay us a fee equal to \$1,000 if the revisions are made within 30 days of delivery of the KEV; or \$2,500 if the revisions are made between 31 and 90 days of delivery of the KEV. No revisions or amendments will be approved to your Protected Territory after 90 days of delivery of the KEV.

You may not relocate your Protected Territory (a “**Territory Relocation**”) without our express written consent, which we may approve or reject in our sole discretion. If you request and we approve of a Territory Relocation, you agree to pay us a fee of \$2,500.

If you wish to amend your Protected Territory after the Effective Date, you must submit to us a written request for approval of the proposed Territory Revision or Territory Relocation. We may, but have no obligation to, grant such a written request in our sole discretion. Among the other factors which we may consider are any of our or our affiliates obligations under any other contract, the effects that the Territory Revision or Territory Relocation might have on the customers services by your Protected Territory, the proximity to and possible effects of the Territory Revision or Territory Relocation on any other franchisee’s Protected Territory or Kona Ice Business, any possible effects of the Territory Revision or Territory Relocation on any aspect of the Franchise System, and any franchisee recruitment efforts that have been directed towards the areas that might be covered by or affected by the Territory Revision or Territory Relocation. If we grant your request for a Territory Revision or Territory Relocation, in addition to payment of the applicable fee by you, we may condition such approval on fulfillment of any conditions on that Territory Revision or Territory Relocation that we deem reasonable.

4.E TECHNOLOGY FEE.

You agree to pay us our then-current fee for the use of certain technologies and software, which may be provided by us and/or by third parties, including our proprietary MyKonaBiz operating software (the “**Technology Fee**”). We reserve the right to periodically increase the Technology Fee upon written notice to you if we offer updated or additional software or technology. The Technology Fee is not refundable under any circumstances. The Technology Fee is currently due on the 15th day of each month, based on the number of years in operation and the number of Kona Ice Businesses a franchisee operates. If you are a new Kona Ice franchisee that operates a single KEV, your current Technology Fee is \$10 per month during the first year your KEV (or KEV Express Truck) is in operation. Beginning the earlier of: (i) the second year your first KEV (or KEV Express Truck) is in operation; (ii) when you operate multiple KEVs, (or KEV Express Trucks) or add Additional Equipment to your Kona Ice Businesses; or (iii) if this Franchise Agreement is a successor franchise agreement; your Technology Fee will currently be paid according to the following schedule, which we may revise from time to time:

Total Number of KEVs, KEV Express Trucks and Additional Equipment	Monthly Technology Fee
1 - 2	\$39.99
3 - 6	\$79.99
7 - 9	\$119.99
10+	\$159.99

4.F APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your Owners owe us or our affiliates against any



amounts we or our affiliates owe you or your Owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Franchise Agreement.

4.G METHOD OF PAYMENT.

The Royalty and “Brand Fund Contributions” (see Section 10A below) shall be payable to Franchisor on a yearly basis via check, credit card, electronic funds transfer (“**EFT**”) or whatever method we designate from time to time. We have the right to periodically specify (in the Success Guide or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check. If you make any payment to us by credit card for any fee or required payment, we may charge a service charge of up to three percent (3%) of the total charge. You shall not subordinate to any other obligation its obligation to pay the Royalty or any other fee or charge due to us or our affiliate under this Franchise Agreement.

We may require you to remit fees and other amounts due to us under this Franchise Agreement via EFT or other similar means utilizing an approved computer system or otherwise. You agree to comply with our procedures and/or perform such acts and deliver and execute such documents as may be necessary to assist in or accomplish payment by such method.

4.H LATE PAYMENTS/INSUFFICIENT FUNDS.

Any payment not made by the due date will be deemed overdue. In the event of any overdue amounts, you will pay us, besides the overdue amounts, interest on such amounts from the date such amount were due until paid, at \$25 per day plus the lesser of: (i) twelve percent (12%) simple interest per year; or (ii) the highest interest rate allowed by law, whichever is less, calculated daily. Such interest will be in addition to any other remedies we may have under law or equity. We may debit your bank account automatically or deduct from amounts we owe you for service charges and interest. You acknowledge this Section is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Kona Ice Franchise.

If any check or electronic fund transfer payment from you to us does not successfully convey funds due to insufficient funds, stop payment instructions, or any similar event, you shall pay, upon demand, a non-sufficient funds fee of one hundred dollars (\$100) per incidence.

5. **TRAINING AND ASSISTANCE.**

5.A INITIAL TRAINING.

You are required to complete our initial training program at the times and places we designate (“**Initial Training**”). Initial Training shall consist of a minimum of two (2) and a maximum of four (4) calendar days. The Managing Owner and, if applicable, “Designated Manager” (see Section 9F) must attend and complete Initial Training to our satisfaction prior to the Kona Ice Franchise opening for business (“**Initial Training Deadline**”). If you have purchased an existing Kona Ice Franchise pursuant to this Franchise Agreement, the Initial Training Deadline will be the Effective Date.

We will provide Initial Training for up to two attendees so long as they attend the same training session. Additional persons may attend Initial Training at our then-current training fees. We will pay for hotel and airfare for one attendee to attend the Initial Training (or reimburse one attendee’s hotel and airfare if you are in a fee deferral state). You will pay for all other living expenses for the attendee and agree to pay for any and all travel and/or living expenses which any other attendees incur. Any new Managing Owner or Designated Manager must also complete Initial Training to our satisfaction before



assuming responsibility for the management of your Kona Ice Business. If any of your attendees are unable to complete Initial Training to our satisfaction, we may terminate this Franchise Agreement without refunding your Initial Franchise Fee.

5.B ONGOING TRAINING.

Your previously trained and experienced employees and any newly hired employees must satisfactorily complete any required training courses and continuing education courses we periodically provide, or designate a third party to provide, at your cost at the times and locations we designate. You may also request that we provide you or your employees with additional training. If we agree to provide additional training, we may charge a tuition fee for these courses. You agree to pay all travel and living costs of your attendees. If we agree to provide additional training at your Kona Ice Business, you agree to pay us for all travel and living costs our trainers incur in traveling to your Kona Ice Business. You may attend, at your expense, all annual franchise conventions we may hold or sponsor and all meetings related to new products or services, new operational procedures or programs, training, management, sales or sales promotion, or similar topics. You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

5.C GENERAL GUIDANCE.

Upon reasonable request, we will advise you from time to time regarding the Kona Ice Franchise operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, operating procedures and methods that Kona Ice Franchises use; (2) purchasing required and authorized operating assets and other items and arranging for their distribution to you from us or the suppliers; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in our confidential operations manual, which is referred to as our success guide ("**Success Guide**"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Kona Ice Franchise. We may provide you additional assistance upon your request, in our discretion. If we provide such assistance, you will be required to pay our then-current fees.

5.D SUCCESS GUIDE.

We will loan you or provide you with access on our website to one (1) copy of our Success Guide, which may include audio, video, websites, software, other electronic media, and/or written materials. The Success Guide contains mandatory and suggested specifications, standards, operating procedures, and rules ("**System Standards**") we periodically prescribe for operating a Kona Ice Business and information on your other obligations under this Franchise Agreement. You acknowledge that your compliance with the Success Guide is vitally important to us and other System franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain uniform quality of operation. However, while the Success Guide is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of the Kona Ice Business. We may modify the Success Guide periodically to reflect changes in System Standards.

You agree to keep your copy of the Success Guide current and in a secure location. If there is a dispute over its contents, our master copy of the Success Guide shall control. You agree the Success Guide's contents are confidential and that you will not disclose the Success Guide to any person other than Kona Ice Franchise employees who must know its contents. You will require anyone who may have access to the Success Guide to sign a confidentiality agreement (the current form of which is attached to the Franchise Disclosure Document in Exhibit H). You may not copy, duplicate, record, or otherwise



reproduce any part of the Success Guide. If your copy of the Success Guide is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy at our then applicable charge. In addition, if you lose, give away, make unauthorized copies, fail to return or otherwise misappropriate all or some of the Success Guide, you will be required to pay us liquidated damages to offset the damages we will incur as a result of this misappropriation. These liquidated damages are determined by taking our total revenue from our previous fiscal year, multiplied by the fraction which results from taking one divided by the current number of Kona Ice franchisees as of the date of the misappropriation, except that this fee will not, under any circumstances, be less than \$30,000.

At our option, we may post some or all of the Success Guide on a restricted website or extranet to which you will have access. If we do so, you agree to monitor and access the website or extranet for any updates to the Success Guide or System Standards. Any passwords or other digital identifications necessary to access the Success Guide on a website or extranet will be deemed part of Confidential Information (defined in Section 7 below).

5.E DELEGATION OF PERFORMANCE.

You agree we have the right to delegate to third party designees, whether these designees are our agents or independent contractors with whom we have contracted (1) the performance of any portion or all of our obligations under this Franchise Agreement, and (2) any right that we have under this Franchise Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Franchise Agreement.

5.F STAFFING.

You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Kona Ice Franchise. You must require all your employees to work in clean uniforms approved by us, but furnished at your cost or the employees' cost as you may determine. You understand and acknowledge it is your responsibility to hire and supervise a satisfactory number of employees in order to efficiently operate the Kona Ice Business and meet your obligations under this Franchise Agreement. You alone are responsible for all employment decisions and functions of your Kona Ice Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. You will have sole authority and control over the day-to-day operations of the Kona Ice Business and its employees. We will have no duty or obligation to direct your employees or oversee your employment policies or practices, and we will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You agree that any direction you receive from us regarding employment policies should be considered as examples, and that you are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. Your employees hired working for you will be your employees alone and will not, for any purpose, be deemed our employees or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. You agree to inform each of your employees that you alone are the employer, and that we are not. You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to our respective employees and operations, and we will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof.



6. INTELLECTUAL PROPERTY.

6.A OWNERSHIP AND GOODWILL OF MARKS.

Your right to use the Marks is derived only from this Franchise Agreement and limited to your operating the Kona Ice Franchise according to this Franchise Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Franchise Agreement and infringes our rights in the Marks. You acknowledge and agree that any unauthorized use of the Marks will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree your use of the Marks and any goodwill established by that use are exclusively for our benefit and this Franchise Agreement confers no goodwill or other interests in the Marks upon you (other than the right to operate the Kona Ice Franchise under this Franchise Agreement). All provisions of this Franchise Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Franchise Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

6.B LIMITATIONS ON YOUR USE OF MARKS.

You agree to use the Marks as the Kona Ice Franchise's sole identification, except you agree to identify yourself as its independent owner and operator in the manner we prescribe. You have no right to sublicense or assign your right to use the Marks. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, or (4) in any other manner we have not expressly authorized in writing.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Kona Ice Franchise or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe on the KEV and any Additional Equipment and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations we specify and to obtain any fictitious or assumed name registrations required under applicable law.

6.C NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. Upon receipt of timely notice of action, claim or demand against you related to any Mark, we shall have the sole right, but not the duty, to defend any such action. We may take the action we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. If we, in our sole discretion, determine you have used the Marks under this Franchise Agreement, we will pay for such defense, including the cost of any judgment or settlement. In any defense or prosecution of any litigation related to any Mark, you shall cooperate with us. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. At our option, you will join in any action, and, so long as we determine that your use of the Marks was in compliance with this Franchise Agreement, we shall reimburse you for any costs that you incur in joining the action. Any



recovery will first go towards reimbursing us for any expenses that we incurred and the remainder, if any will be split equally between us.

6.D DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing Kona Ice Franchise signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 6 apply to any and all of the Marks (and any portion of any Mark) we authorize you to use in this Franchise Agreement. We may exercise these rights at any time and for any reason, business or otherwise, in our sole discretion. You acknowledge both our right to take this action and your obligation to comply with our directions.

6.E COPYRIGHTED MATERIALS.

You acknowledge and agree that:

- (1) All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by us, and used with the Marks or in association with the Kona Ice Franchise (“**Copyrighted Materials**”) is our property.
- (2) You shall not dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Copyrighted Materials or our ownership of the Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will you take any action inconsistent with our ownership of the Copyrighted Materials, nor will you represent that you has any right, title, or interest in the Copyrighted Materials other than those expressly granted by this Franchise Agreement.
- (3) We may, in our sole and absolute discretion, apply to register or register any copyrights or patents with respect to the services and products associated with the Franchise System and the Copyrighted Materials. Our failure to obtain or maintain in effect any such application or registration is not a breach of this Franchise Agreement. You shall not, before or after termination or expiration of the Franchise Agreement, register or apply to register any Copyrighted Materials, anywhere in the world.
- (4) Upon our request, you shall cooperate fully, both before and after termination or expiration of this Franchise Agreement and at our expense, in confirming, perfecting, preserving, and enforcing our rights in the Copyrighted Materials, including but not limited to, executing and delivering us such documents as we reasonably request for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the services and products associated with the Franchise System. You hereby irrevocably appoint us as your attorney-in-fact for the purpose of executing such documents.
- (5) We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the copyrighted materials.



- (6) You acknowledge and authorize us to use your likeness in a photograph in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish or distribute any photograph of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action which you may have in connection with this authorization.

6.F OWNERSHIP AND GOODWILL OF THE PATENT.

Your right to use the Patent is derived only from this Franchise Agreement and limited to your operating the Kona Ice Franchise according to this Franchise Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Patent is a breach of this Franchise Agreement and infringes our rights in the Patent. You acknowledge and agree that any unauthorized use of the Patent will cause us irreparable harm for which there is no adequate remedy at law and will entitle us to injunctive relief. You acknowledge and agree that your use of the Patent and any goodwill established by that use are exclusively for our benefit and this Franchise Agreement does not confer any goodwill or other interests in the Patent upon you (other than the right to operate the Kona Ice Franchise under this Franchise Agreement). All provisions of this Franchise Agreement relating to the Patent apply to any additional patents we authorize you to use. You may not at any time during or after this Franchise Agreement's term contest or assist any other person in contesting the validity, or our ownership, of the Patent.

6.G NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Patent, or of any person's claim of any rights in any Patent, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Patent. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Patent. We will reimburse you for your costs of taking any action we have directed you to take.

6.H IMPROVEMENTS.

During the Initial Term, or any Interim Period, any improvements or additions to the Franchise System, patents, Copyrighted Materials, recipes, website or any other documents or information pertaining to or relating to the Franchise System or the Kona Ice Franchise, or any new trade names, trade and service marks, logos, or commercial symbols related to the Kona Ice Franchise or any advertising and promotional ideas or inventions related to the Kona Ice Franchise (collectively, the "**Improvements**") that you conceive or develop shall become our property. You agree to assign and do hereby assign to us, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. You shall fully disclose the Improvements to us, without disclosure of the Improvements to others, and shall obtain our written approval prior to using such Improvements. Any such Improvement may be used by us and all other Kona Ice franchisees without any obligation to you for royalties or other fees. We may, at our discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and you shall cooperate with us in securing such rights.



We may also consider such Improvements as our property and trade secrets. In return, we shall authorize you to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by you or any other person or entity retained or employed by you are our property, and we shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to us, you irrevocably assign and agree to assign to us, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which you and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

7. CONFIDENTIAL INFORMATION.

7.A KONA ICE CONFIDENTIAL INFORMATION.

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”), relating to developing and operating Kona Ice Franchise, including (without limitation):

- (1) Protected Territory selection criteria;
- (2) training and operations materials and manuals;
- (3) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Kona Ice Franchise;
- (4) marketing and advertising programs for Kona Ice Franchise;
- (5) knowledge of, specifications for and suppliers of assets and other products and supplies;
- (6) any computer software or similar technology proprietary to us or the Franchise System, including, without limitation, our proprietary MyKonaBiz operating software, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (7) knowledge of the operating results and financial performance of Kona Ice Franchises other than the Kona Ice Franchise; and
- (8) all customer data, lists and other information generated by Kona Ice Franchises.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, when we disclosed it to you, already had lawfully become generally known in the food and beverage industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the food and beverage industry through publication or communication by others (without violating an obligation to us). However, if we



include any matter in Confidential Information, anyone who claims it is not Confidential Information must prove that one of the exclusions in this paragraph is fulfilled.

You, your Owners, and, if applicable, your Designated Manager must sign a written agreement, in the form attached to the Franchise Disclosure Document, to maintain confidential our Confidential Information described in Sections 7 and 16, and to abide by the covenants not to compete described in Section 16.

7.B RESTRICTIONS ON CONFIDENTIAL INFORMATION.

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Kona Ice Franchise during the term of this Franchise Agreement and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

- (1) will not use Confidential Information in any other business or capacity;
- (2) will keep each item deemed part of Confidential Information absolutely confidential, both during this Franchise Agreement's term and then thereafter for as long as the item is not generally known in the food and beverage industry, except for disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order;
- (3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and
- (4) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Kona Ice Franchise personnel and others and using non-disclosure, non-competition with those having access to Confidential Information. We have the right to regulate the form of agreements you use and to be a third party beneficiary of those agreements with independent enforcement rights.

8. EXCLUSIVE RELATIONSHIP.

You acknowledge that we have granted you the Kona Ice Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Franchise Agreement's term, neither you, any of your Owners, nor any of your or your Owners' spouses or other immediate family members will:

- (1) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise, in a Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are



publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

- (2) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;
- (3) divert or attempt to divert any actual or potential business or customer of the Kona Ice Franchise to a Competitive Business;
- (4) loan money to a Competitive Business;
- (5) interfere with us, our affiliates, or any other Kona Ice Franchise; or
- (6) engage in any other activity which may injure the goodwill of the Marks, Patent, and/or Franchise System.

The term “**Competitive Business**” means (i) any business providing shaved ice and beverage products and/or services, or any similar products and/or services that directly compete with shaved ice and beverage products or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i); provided that a Kona Ice Franchise operated under a franchise agreement shall not be deemed a Competitive Business.

You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

9. SYSTEM STANDARDS.

9.A CONDITION AND APPEARANCE OF THE KONA ICE FRANCHISE.

You agree that:

- (1) you will, at your own cost and expense, purchase, install, maintain and refurbish the condition and appearance of the Kona Ice Franchise, including the KEV and any Additional Equipment, supplies, and signage, in accordance with System Standards and our specifications and requirements, and consistent with the image of a Kona Ice Franchise as an efficiently operated business offering high quality services and products and observing the highest standards of cleanliness, sanitation, efficient, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the term of this Franchise Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the KEV and any Additional Equipment at intervals we prescribe; (b) interior and exterior repair of the KEV and any Additional Equipment; and (c) repair or replacement of damaged, worn out or obsolete assets used in the operation of the Kona Ice Franchise;
- (2) you will place or display on the KEV and any Additional Equipment, only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials we from time to time approve;



- (3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the KEV and any Additional Equipment of the Kona Ice Franchise or its fixtures, furnishings, equipment, assets or signs does not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency.
- (4) at our request, you will periodically improve and modify the KEV and any Additional Equipment to conform to the then-current System Standards.

9.B STANDARDS ON PRODUCTS AND SERVICES OFFERED.

You agree that: (1) the Kona Ice Franchise will offer the services and products we specify from time to time; (2) the Kona Ice Franchise will offer and sell services and products only by means of, and only at, the KEV and any Additional Equipment and/or in the manner we have prescribed; (3) you will not offer for sale, or sell any products or services we have not approved; and (4) you will discontinue selling and offering for sale any products or services we at any time decide (in our sole discretion) to disapprove in writing.

9.C CUSTOMER INFORMATION.

We may contact any customer of any Kona Ice Franchise at any time for any purpose. Also, if a customer or other patron of the Kona Ice Franchise who wishes to lodge a complaint contacts us, we reserve the right to address the person's complaint to preserve goodwill and prevent damage to the brand. Our right to address complaints may include refunding money to the complaining person, in which case you must reimburse us for these amounts. We, or our authorized representative, shall have the right, during regular business hours, or at such other times as may be mutually agreed upon by you and us, to inspect all customer lists and documents and records related thereto. All data that you collect, create, provide or otherwise develop in your Kona Ice Business, including customer information, is and will be owned by us, and we will have the right to use such data in any manner we deem appropriate without compensation to you. Upon reasonable request, you must furnish to us, in whatever format we require, all customer information and records for the Kona Ice Franchise.

9.D APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.

We have developed or may develop standards and specifications for types, models and brands of required assets, fixtures, equipment, signs, and other products, materials and supplies. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, including ourselves or our affiliates in accordance with the System Standards including, by way of example only, Kreations flavoring and Kona Ice branded cups. Any sale or use of unauthorized products, materials or supplies or other violation of our System Standards by you will result in a notice of violation and the applicable violation fee set forth in Section 9J.

We may designate ourselves as the approved distributor or supplier, or we may designate a single distributor or supplier for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products, including your computer system. The designated supplier may be us or an affiliate of ours. You must provide us with any data relating to your Kona Ice Franchise we may request.

We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services. Approval of a supplier or distributor may be conditioned on



requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for services and products we or our affiliates provide to you and from payments made to us or our affiliates by suppliers we designate or approve for some or all of our franchisees.)

If you would like to purchase any items from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. (Alternatively, the proposed supplier or distributor may submit its own request.) We will use commercially reasonable efforts to notify you within sixty (60) days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service or to purchase or lease the product or service from that supplier or provider. We may charge the cost of evaluating a proposed new vendor/supplier and/or its product to you or the vendor/supplier. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria.

9.E COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Kona Ice Franchise and must at all times operate the Kona Ice Franchise in full compliance with all applicable laws, ordinances and regulations (including, without limitation, government regulations relating to truth-in-lending, Department of Transportation regulations, safety and sanitation, truth in advertising, occupational hazards, health, laws relating to non-discrimination in hiring and accessibility, worker's compensation and unemployment insurance). You must withhold and pay all applicable federal and state taxes, social security taxes and sales and service taxes. The Kona Ice Franchise must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice, which may be injurious to our business and the goodwill associated with the Marks and other Kona Ice Franchise. You agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy. You must notify us in writing within five (5) days of the threat of or commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Kona Ice Franchise and of any notice of violation of any law, ordinance, or regulation relating to the Kona Ice Franchise.

If any product dispensed by your Kona Ice Business violates our System Standards or any applicable laws or regulations, or poses a health risk to the public, we may require that you immediately close your Kona Ice Business and not reopen until approved to do so by us and, if applicable, by any governmental entity or agency. In order to protect the public from any risk of harm and to protect the



goodwill and reputation of the System, we may seek immediate injunctive relief seeking an order to close your Kona Ice Business if you fail to close your Kona Ice Business upon our request. In the event that injunctive relief is necessary, you shall pay all costs and expenses, including our attorneys' fees and costs incurred. The remedies herein are in addition to and not in substitution for those stated elsewhere in this Franchise Agreement.

9.F MANAGEMENT OF THE KONA ICE FRANCHISE.

Subject to this Section, the Managing Owner shall directly supervise and participate in the day-to-day operation of the Kona Ice Franchise during the term of this Franchise Agreement. At your request, we may, but are not obligated to, agree for you to employ a Designated Manager after the first sixty (60) days of operation (other than the Franchisee/ Managing Owner) to operate the Kona Ice Franchise. The term “**Designated Manager**” means an individual with primary day-to-day responsibility for the Kona Ice Franchise’s operations, and may be you (if you are an individual) or an Owner, officer, director, or employee of yours (if you are other than an individual). The Designated Manager shall have similar responsibilities as a Managing Owner. You must deliver to us an amended Attachment A accurately identifying the Designated Manager. The Designated Manager will be obligated to devote his or her full time, best efforts, and constant personal attention to the Kona Ice Franchise’s operations, and must have full authority from you comply with this Franchise Agreement. You must not hire any Designated Manager or successor Designated Manager without first receiving our written approval of such Designated Manager’s qualifications. Each Designated Manager must attend and complete our initial training (as detailed in Section 5 of this Franchise Agreement) and sign a System Protection Agreement and Confidentiality Agreement, the current form of which is attached to the Franchise Disclosure Document as Exhibit H. You must forward to us a copy of each such signed agreement. If we determine, in our sole discretion, during or following completion of the Initial Training program, that your Designated Manager (if any) is not qualified to act as designated manager of the Kona Ice Franchise, then we have the right to require you to choose (and obtain our approval of) a new individual for that position. If you are required to appoint a new Designated Manager, you must do so within thirty (30) days of the termination of the previous Designated Manager.

9.G INSURANCE.

Franchisee shall procure, maintain and provide evidence of insurance as follows: (a) workers’ compensation insurance in an amount not less than \$500,000 or a higher amount as prescribed by state statute or rule in the state in which your Kona Ice Business is located; (b) fire and lightening, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a designated flood hazard area), and sprinkler leakage insurance on the KEV and all fixtures, equipment, supplies and other property used in the operation of the Kona Ice Business, in an amount the greater of \$110,000 or one hundred percent (100%) of the replacement value, except that an appropriate deductible clause will be permitted; (c) comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a mobile food business in your Protected Territory, but not less than \$1,000,000, insuring both you and us against all claims, suits, obligations, liabilities and damage, including attorney fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the KEV or Additional Equipment; (d) automobile (truck) vehicle liability insurance covering the driving of the KEV and any Additional Equipment in an amount of not less than \$1,000,000; and (e) such additional insurance as we may periodically require. All of these policies must contain the minimum coverage we periodically prescribe in our Success Guide or other written communications to you, and must have deductibles not to exceed the amounts we specify. If your state requires higher coverages than we prescribe, you will be required to obtain insurance that satisfies your state law requirements. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage



(including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances as provided in our Success Guide, as amended from time to time. These insurance policies must be purchased from an insurance company satisfactory to us and must, except for employment liability insurance policies, name us and any affiliates we designate as additional named insureds and provide for thirty (30) days prior written notice to us of a policy's material modification, cancellation or expiration. You may purchase this insurance through our captive insurance program, which is offered through our affiliate. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You routinely must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Franchise Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within ten days after invoicing, all costs and premiums that we incur (currently \$500 per month), plus a twenty percent (20%) administrative surcharge.

9.H PRICING.

We may, from time to time, make suggestions to you regarding your pricing policies in compliance with applicable laws. We retain the right to establish minimum and maximum prices to be charged by you, subject to applicable laws, but any exercise of that right will be specifically set forth in writing. It is furthermore understood and agreed that any list or schedule of prices furnished to you by us may unless otherwise specifically stated as to the minimum or maximum price be treated as a recommendation only and failure to accept or implement any such suggestion may not in any way affect the relationship between you and us.

9.I COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining the Kona Ice Franchise according to System Standards is essential to preserve the goodwill of the Marks and all Kona Ice Franchises. You agree at all times to operate and maintain the Kona Ice Franchise according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the Franchise System's or your best interests, and those modifications may require you to invest additional capital in the Kona Ice Business and/or incur higher operating expenses. Although we retain the right to establish and periodically modify System Standards you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Kona Ice Franchise and implementing and maintaining System Standards at the Kona Ice Franchise.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 9A through 9I above:

- (1) amounts and types of equipment and inventory requirements for products and supplies so the Kona Ice Franchise may operate at full capacity;
- (2) terms and conditions of the sale and delivery of, and terms and methods of payment for services and products you obtain from us and affiliated and unaffiliated suppliers; and our affiliates' right not to sell you any products or to provide services, or to do so only on a "cash on delivery" or other basis, if you are in default under any agreement with us;



- (3) sales, marketing, advertising, and promotional programs and materials and media used in these programs;
- (4) use and display of the Marks for the Kona Ice Business and on labels, forms, paper, products, and other supplies;
- (5) identifying the Kona Ice Franchise personnel; and employee qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);
- (6) days and hours of operation;
- (7) participation in market research and testing and product and service development programs and participation in, and dues assessed for, advisory councils;
- (8) accepting credit and debit cards, using credit card vendors, other payment systems, and check verification services and compliance programs and systems relating to the same, and compliance with then-current Payment Card Industry Data Security Standards or other standards we may reasonably specify. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”);
- (9) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Kona Ice Franchise; and
- (10) any other aspects of operating and maintaining the Kona Ice Franchise we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Patent and Kona Ice Franchise.

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

9.J MODIFICATION OF SYSTEM STANDARDS.

We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Kona Ice Franchise and/or incur higher operating costs. You agree to implement any changes in System Standards within the time we request, whether they involve refurbishing or remodeling the KEV and any Additional Equipment or any other aspect of the Kona Ice Franchise, buying new equipment and/or assets, adding new services and products, adding personnel or otherwise modifying your operations, as if they were part of this Franchise Agreement as of the Effective Date.

Because complete and detailed uniformity under many varying conditions may not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider best, in our sole discretion, to modify System Standards for any franchise owner based upon circumstances we consider important to promote that franchise owner’s, or the Franchise System’s, successful operation.



We may choose not to authorize similar variations or accommodations to you or other franchisees and are not required to do so.

If you fail to follow any of the System Standards we may send you a notice of violation and charge you a fee of \$1,000 for the first violation and \$5,000 for the second and each additional violation. If you fail to comply with the System Standard in the notice of violation within thirty (30) days of the date of our notice, you will be required to pay us an additional \$5,000. These fees are in addition to any and all remedies that we have available under this Franchise Agreement, including but not limited to termination.

9.K MYSTERY SHOPPER PROGRAM.

To ensure uniformity and compliance with the System Standards, we may require you to conduct a self-shop by sending photos of your KEV and any Additional Equipment. In addition, we and our designated agents and representatives (including mystery shoppers) may at all times and without prior notice to you: (i) inspect the KEV and any Additional Equipment; (ii) photograph the KEV and any Additional Equipment and observe and video the KEV and Additional Equipment's operation for consecutive or intermittent periods as we desire; (iii) remove or obtain samples of any products and supplies; and (iv) interview and interact with the Kona Ice Franchise's managers and customers. You agree to cooperate with us and our agents and representatives in any such activities. You agree to present to your customers the evaluation forms we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by or for us. If the results of any mystery shop are unsatisfactory, you must pay us a fee of \$1,000 to cover our travel and expenses and you will also be subject to non-compliance fees set forth in Section 9.J.

10. **MARKETING.**

10.A BRAND FUND CONTRIBUTIONS

Recognizing the value of advertising and marketing to the goodwill and public image of the Kona Ice Franchise, we have established a national advertising and marketing fund (the "**Brand Fund**") for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to pay \$500 for each franchise agreement you have entered into with us per year to the Brand Fund ("**Brand Fund Contribution**"). Brand Fund Contributions are due on June 30th of each year or at such other date we choose, as may be more fully set forth in the Success Guide. We have the right to periodically specify (in the Success Guide or otherwise in writing) different payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card and payment by check for the Brand Fund Contributions. We reserve the right to adjust your Brand Fund payments annually by up to ten percent (10%). The Advertising Advisory Board (see Section 10.C, below) may increase or decrease your Brand Fund Contributions at any time upon 75% approval from the Advertising Advisory Board's members.

10.B USE OF ADVERTISING AND BRAND FUNDS.

(1) The following provisions apply to the Brand Fund:

- (a) We will direct all programs that the Brand Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation.
- (b) We will account for the Brand Fund separately from our other funds and not use the Brand Fund for our general operating expenses.



- (c) We do not have any fiduciary obligation for administering the Brand Fund. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund payments in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Fund payments to pay costs before using the Brand Fund's other assets.
- (d) We will prepare an annual, unaudited statement of Brand Fund collections and expenses and give you the statement within forty-five (45) days upon the receipt of a written request. We may incorporate the Brand Fund or operate each through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 10.
- (e) We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund payments at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 10, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.
- (f) We may defer or reduce any Kona Ice franchisee's required payments to the Brand Fund and, upon thirty (30) days' prior written notice to you, reduce or suspend Brand Fund payments and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective Brand Fund payments during the preceding twelve (12) month period.
- (g) The Brand Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining websites that promotes Kona Ice Franchises and/or related strategies; administering regional and multiregional marketing and advertising programs, including, without limitation, purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.
- (h) The Brand Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost.
- (i) We may use the Brand Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses we incur in activities reasonably related to administering or directing the Brand Fund and its programs, including, without limitation, conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Brand Fund payments.
- (j) We intend the Brand Fund to maximize recognition of the Marks and patronage of Kona Ice Franchises. Although we will try to use the Brand Fund to develop



advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Kona Ice Franchise, we cannot ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund payments by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its Brand Fund payment from the development of advertising and marketing materials or the placement of advertising and marketing.

- (k) You understand and acknowledge that your Kona Ice Franchise may not benefit directly or in proportion to its payment to the Brand Fund from the development and placement of advertising and development of marketing materials.

10.C ADVERTISING ADVISORY BOARD.

We have formed an advisory board (“**Advertising Advisory Board**”) for the purpose of jointly advertising and promoting Kona Ice Franchises. The Advertising Advisory Board will determine the type of advertising we will use. Members of the Advertising Advisory Board will prepare governing documents subject to the terms of this Franchise Agreement, the Success Guide and our consent. We will choose the members of the Advertising Advisory Board in our sole discretion from our franchisees in the Franchise System. In order to be eligible for selection into the Advertising Advisory Board, you must be in good standing, operate multiple Kona Ice franchises and be actively involved in the betterment of the Franchise System. If we appoint you to the Advertising Advisory Board you agree to join, participate in, and actively support the Advertising Advisory Board. Your Brand Fund Contributions may be increased or decreased at any time upon unanimous approval of the Advertising Advisory Board, upon thirty (30) days’ notice to you. We have the sole right, in our discretion, to form, change or dissolve the Advertising Advisory Board. We will determine the number of members of the Advertising Advisory Board in our sole discretion and provide you with a copy of the Advertising Advisory Board’s governing documents upon your written request.

10.D LOCAL ADVERTISING.

You are not required to market on a local basis as an individual Kona Ice Business, and are not required to spend a minimum amount on local marketing and promotion in your Protected Territory. You are not required to participate in a local or regional advertising cooperative. You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other Kona Ice franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all Kona Ice Businesses, and you will not issue coupons or discounts of any type except as approved by us. We may conduct market research and testing to determine consumer trends and the marketability of new food products and services.

You agree to cooperate by participating in our market research programs, test marketing new food products and services in the Kona Ice Business and providing us with timely reports and other relevant information regarding such market research. You must conduct and participate in promotional campaigns (the “**Promotions**”) which may from time to time be required in the Success Guide, and you must conduct and participate in those Promotions in accordance with the policies and provisions set forth in the Success Guide. This may include requiring you to offer free products to customers on certain days or providing coupons (not to exceed \$500 per year unless authorized by the Advertising Advisory Board). If we require you to conduct and participate in any Promotion, we reserve the right (but we are not



required) to use a portion of the Brand Fund to help Kona Ice Franchises defray a portion of any costs attributable to the Promotions.

If you desire to use your own advertising materials all advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies we may require from time to time. Before you conduct any advertising or marketing you must send us or our designated agency samples of your proposed materials for review. You may not use any advertising, promotional, or marketing materials we have not approved or have disapproved.

You may not advertise via the Internet or a worldwide web page unless we have authorized you to do so in writing. Any such advertising must follow our online policy, which is contained in our Success Guide. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, search techniques, locators, metatags, advertising, and co-branding arrangements. We may restrict your use of social media, blogs and all other online sites where our trademarks are used. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page. We reserve the right to update these requirements at any time through the Success Guide. You agree to not participate in any crowdfunding campaigns or similar money-raising programs for your Kona Ice Franchise. Your failure to comply with this Section is a material breach of this Franchise Agreement. You will provide us with content for our Internet marketing, and will sign Internet and intranet usage agreements, if requested by us.

In an effort to promote your KEV and Additional Equipment, we reserve the right to develop and implement the use of marketing materials and advertisements which may include audio and/or video content in your KEV and Additional Equipment. This implementation may require you to install Additional Equipment, including video and audio equipment in your KEV, which you agree to do at your sole cost and expense. We shall have exclusive control over the content of any such marketing materials and advertisements.

10.E FRANCHISE SYSTEM WEBSITE.

We have established one or more websites to advertise, market, and promote Kona Ice Franchises and the services and products that Kona Ice franchisees offer and sell (the “**System Website**”). We will reference the Kona Ice Franchise in the manner we determine from time to time. You must give us the information we request from time to time concerning the Kona Ice Franchise to include on the System Website. By providing the information to us, you will be representing to us it is accurate and not misleading and does not infringe any third party’s rights. We will own all intellectual property and other rights in the System Website, all information on it and all information generated from it (including the domain name or URL, the log of “hits” by visitors, and any personal or business data that visitors supply). We are only required to reference your Kona Ice Business on the System Website while you are in full compliance with your Franchise Agreement and all System standards. If you are in default of any obligation under the Franchise Agreement or System standards, then we may temporarily remove references to your Kona Ice Business from the website until you fully cure the subject default(s)

For as long as we maintain the System Website, we shall have the right to use the Brand Fund’s assets to develop, maintain and update the System Website. We periodically may update and modify the System Website. You must promptly notify us whenever any information on your listing changes or is not accurate. You acknowledge that we have final approval rights over all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.



You may not, without our prior written approval, develop, maintain or authorize any other website that mentions or describes you or the Kona Ice Franchise or displays any of the Marks. Nothing in this Section shall limit our right to maintain websites other than the System Website. If you default on any of your obligations under this Franchise Agreement, we may temporarily remove all references to your Kona Ice Franchise from the System Website until you fully cure all such defaults.

11. REPORTS.

Upon our request you must provide to us, at your expense and in a form acceptable to us, timely financial statements we specify. You agree to comply with all reporting requirements we prescribe. In order for us to provide the most timely and useful information to the Kona Ice Franchise, it is essential that you collect certain information as soon as possible after the applicable accounting period closes. You agree to submit, based on the frequency we designate, completed relevant worksheets; payroll changes and current hours worked; bank statements; manual check stubs with invoice copies; and any other documents required to properly record all transactions affecting the Kona Ice Franchise financial activity. If you fail to submit Kona Ice Franchise-related items when required under this Section, we shall have the right to terminate the Franchise Agreement as provided in Section 15B.

You agree to give us in the manner and format we prescribe from time to time:

- (1) Within five (5) days of our request, all profit and loss and source and use of funds statements and a balance sheet for the Kona Ice Franchise as of the end of the prior calendar month;
- (2) by April 15th of each year a copy of the tax return for the Kona Ice Franchise for the previous calendar year; and
- (3) any other data, information, and supporting records reasonably requested by us from time to time (including, without limitation, daily and weekly reports of product sales by category).

You or your Managing Owner must certify and sign each report and financial statement in the manner we prescribe. If we so request, the profit and loss statement and balance sheet shall be certified by certified public accountant at your expense. We may disclose or use the data derived from these reports, your year-end reports, and any other financial statements from the operation of your Kona Ice Franchise, for any purpose we deem appropriate, in our sole discretion. If we utilize your Kona Ice Franchise's financial statements for disclosure in our Franchise Disclosure Document, we may be required to disclose identifying information about your Kona Ice Franchise in such disclosure.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at the Kona Ice Franchise for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash Revenue and disbursement journals, and general ledgers).

12. INSPECTIONS AND AUDITS.

12.A OUR RIGHT TO INSPECT THE KONA ICE FRANCHISE.

To determine whether your Kona Ice Franchise is in compliance with this Franchise Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Kona Ice Franchise, KEV and/or any Additional Equipment;



(2) photograph the Kona Ice Franchise, KEV or any Additional Equipment, and observe and videotape the operation thereof for consecutive or intermittent periods we desire; (3) remove samples of any products and supplies; (4) interview the Kona Ice Franchise managers, personnel and customers; (5) inspect and copy any books, records and documents relating to the Kona Ice Franchise operation; and (6) access any electronic records related to the Kona Ice Franchise. You agree to cooperate with us fully under this Section. If we exercise any of these rights, we will not interfere unreasonably with the Kona Ice Franchise operation. If we conduct an inspection of your Kona Ice Franchise and determine you are not operating in compliance with this Franchise Agreement or the System Standards, you agree to remedy any issues, violations or other concerns of ours and you acknowledge and agree that you may be required to temporarily close your Kona Ice Business. In addition, we may require that you attend remedial training that addresses your operational deficiencies and pass our inspection before reopening at your sole cost and expense. Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement, including, without limitation, termination.

12.B OUR RIGHT TO AUDIT.

We may at any time during your business hours, and without prior notice to you, examine your and the Kona Ice Franchise business, bookkeeping and accounting records, sales and income tax records and returns, and other records. We may also conduct an audit through independent auditors, which may involve auditors conducting an examination at the location of your Kona Ice Franchise or, alternatively, you submitting materials to auditors. We may also require you to conduct a complete self-audit of the Kona Ice Franchise, in which case you agree to audit the Kona Ice Franchise in accordance with our instructions and System Standards. You agree to cooperate fully with us, our representatives and independent accountants in any examination. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a failure to report, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Franchise Agreement and applicable law, including the fee for violations under Section 9.J.

13. TRANSFERS.

13.A TRANSFER BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Franchise Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Franchise Agreement and any other agreement to a third party without restriction. After our assignment of this Franchise Agreement to a third party who expressly assumes the obligations under this Franchise Agreement, we no longer will have any performance or other obligations under this Franchise Agreement.

13.B TRANSFER BY YOU.

You understand and acknowledge that the rights and duties this Franchise Agreement creates are personal to you and your Owners and that we have granted you the Kona Ice Franchise in reliance upon our perceptions of your and your Owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. None of the following may be transferred without our prior written approval: (i) this Franchise Agreement (or any interest in this Franchise Agreement); (ii) the Kona Ice Franchise (or any right to receive all or a portion of the Kona Ice Franchise's profits, losses, purchase



price, or capital appreciation related to the Kona Ice Franchise); (iii) substantially all of the assets of the Kona Ice Franchise including, without limitation, the KEV; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your Owners (if such Owners are legal entities). A transfer of the Kona Ice Franchise ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Franchise Agreement. All proposed transfers of Additional Equipment require our approval. Any transfer without our approval is a breach of this Franchise Agreement and has no effect.

In this Franchise Agreement, the term “transfer” includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, change of ownership in this Franchise Agreement, the Kona Ice Franchise, the Franchise or interest in the Kona Ice Franchise, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

- (1) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (2) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (3) any sale of a security convertible to an ownership interest;
- (4) transfer of an interest in you, this Franchise Agreement, the Kona Ice Franchise or substantially all of its assets, or in your Owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (5) if one of your Owners dies, a transfer of an interest in you or your Owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (6) foreclosure upon the Kona Ice Franchise, or your transfer, surrender, or loss of the Kona Ice Franchise possession, control, or management.

You may not pledge this Franchise Agreement (to someone other than us), or an ownership interest in you or your Owners as security for any loan or other financing, unless (1) we grant our prior written consent and, (2) unless we agree otherwise in writing, the lender agrees its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

13.C CONDITIONS FOR APPROVAL OF TRANSFER.

If you are in full compliance with this Franchise Agreement, subject to the other provisions of this Section 13, we will approve a transfer that meets all of the requirements in this Section. A non-controlling ownership interest in you or your Owners (determined as of the date on which the proposed transfer will occur) may be transferred if the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character, pass a background check and meet our then applicable standards for Kona Ice Franchise owners (including no ownership interest in or performance of services for a Competitive Business), you and each of your Owners execute an amendment to this Franchise Agreement acknowledging the change in ownership interests, you reimburse our attorney fees associated approval of the transfer and each of the new owners executes our then-current form of Owners Agreement. If the proposed transfer is of this Franchise Agreement or a controlling ownership interest in you or one of your Owners, or is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Franchise Agreement or a controlling



ownership interest in you or one of your Owners, then all of the following conditions must be met before or concurrently with the effective date of the transfer:

- (1) the transferee must apply for a Kona Ice Franchise and must meet all of our standards to become a Kona Ice franchisee and have, in our sole discretion, sufficient business experience, aptitude, and financial resources to operate the Kona Ice Franchise;
- (2) you have paid all Royalty and Brand Fund Contributions, and other amounts owed to us, our affiliates, and third party vendors, including any outstanding financing for the KEV; have submitted all required reports and statements;
- (3) you have not violated any provision of this Franchise Agreement or any other agreement with us during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;
- (4) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;
- (5) the transferee (or its Managing Owner, or, if applicable, Designated Manager) satisfactorily complete our training program;
- (6) the transferee agrees to pay us or our affiliates a remodel fee to upgrade, remodel, and refurbish the Kona Ice Franchise, including the KEV and any Additional Equipment, in accordance with our current requirements and specifications for the Kona Ice Franchise within forty-five (45) days after the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions it must take within this time period) and to deposit with us the estimated cost to complete the upgrade or remodel;
- (7) the transferee shall (if the transfer is of this Franchise Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your Owners), sign our then-current form of franchise agreement and related documents, including but not limited to our then-current form of Owners Agreement or other guaranty, any and all of the provisions of which may differ materially from any and all of those contained in this Franchise Agreement;
- (8) you or the transferee pays us a transfer fee. The transfer fee to transfer the Kona Ice Franchise to a then-existing Kona Ice franchisee is \$5,000 (per Franchise) and \$7,500 (per Franchise) to transfer the Kona Ice Franchise to any other parties. You must pay us a \$1,000 non-refundable deposit upon the request for our approval of the transfer. If this Kona Ice Franchise transfer is to your child, parent, sibling, or spouse, we will not charge a transfer fee but you will be required to reimburse us any attorney fees we incur;
- (9) unless prohibited by state law, you and your transferring Owners sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents;
- (10) if you or your Owners finance any part of the purchase price, you and/or your Owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Kona Ice Franchise are subordinate to the transferee's obligation to pay Royalty and Brand Fund Contributions and other amounts due to us, our



affiliates, and third party vendors and otherwise to comply with this Franchise Agreement. You must acknowledge and agree that we are not a party to or liable for financing arrangements between the transferor and transferee;

- (11) you and your transferring Owners (and your and their spouses and other immediate family members) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 16D below;
- (12) you and your transferring Owners will not directly or indirectly at any time or in any manner (except with respect to other Kona Ice Franchises you own and operate) identify yourself or themselves or any business as a current or former Kona Ice Franchise or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Kona Ice Franchise in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us;
- (13) if the transferee is a lead of ours or was referred to you by us then, in addition to the transfer fee, you agree to pay us \$15,000. Alternatively, if the transfer results in us incurring any broker or other placement fees then, in addition to the transfer fee, you agree to reimburse us upon receipt of our invoice; and
- (14) the transferee agrees to take possession of the KEV together with all Additional Equipment under this Franchise Agreement as a condition to the transfer.

We may review all information regarding the Kona Ice Franchise you give the transferee, correct any information we believe is inaccurate, and give the transferee copies of any reports you have given us or we have made regarding the Kona Ice Franchise.

13.D TRANSFER TO AN ENTITY

If you are an individual or general partnership, you may transfer your ownership interests to an Entity provided that the owner or owners of the Entity are the same persons who signed this Franchise Agreement and comply with all conditions set forth in Section 13.C. Our right of first refusal in Section 13.G will not apply for a transfer conducted under this Section 13.D, you will not be required to pay us a transfer fee, but you must reimburse us for all of our fees and costs, including attorney fees, associated with your transfer to the Entity.

13.E DEATH OR DISABILITY.

- (1) Transfer Upon Death or Disability. Upon the Managing Owner's death or disability, the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer the Managing Owner's ownership interest in you, to a third party (which may be your or the Managing Owner's heirs, beneficiaries, or devisees or other Owners of the Entity). That transfer must be completed within a reasonable time, not to exceed ninety (90) days from the date of death or disability, and is subject to all of the terms and conditions in this Section 13. A failure to transfer the Managing Owner's ownership interest in you within this time period is a breach of this Franchise Agreement, and this Franchise Agreement may be terminated. The term "disability" means a mental or physical disability, impairment, or condition reasonably expected to prevent or actually does prevent the Managing Owner from supervising the management and operation of the Kona Ice Franchise.



- (2) Operation Upon Death or Disability or Default. If, upon the Managing Owner's death or disability, a manager approved by us is not managing the Kona Ice Franchise, your or the Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within fifteen (15) days from the date of death or disability, appoint a replacement manager. The manager must complete our standard Initial Training at your expense. If applicable, a new Managing Owner acceptable to us also must be appointed for the Kona Ice Franchise within thirty (30) days of the date of the death or disability.

13.F EFFECT OF CONSENT TO TRANSFER.

Our consent to a transfer of this Franchise Agreement and the Kona Ice Franchise, or any interest in you or your Owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Kona Ice Franchise's or transferee's prospects of success, or a waiver of any claims we have against you (or your Owners) or of our right to demand the transferee's full compliance with this Franchise Agreement.

13.G OUR RIGHT OF FIRST REFUSAL.

If you or any of your Owners at any time determine to sell or transfer an interest in this Franchise Agreement, the KEV (or KEV Express Truck), the Kona Ice Franchise, or an ownership interest in you (except to or among your current Owners, which is not subject to this Section), in a transaction that otherwise would be allowed under Sections 13B and 13C above, you or your Owners agree to obtain from a responsible and fully disclosed buyer, and send to us a true and complete copy of, a bona fide executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Franchise Agreement and the Kona Ice Franchise. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 13B and 13C above. We may require you or your Owners to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling Owner(s) within thirty (30) days after we receive both an exact copy of the offer and we have received to our satisfaction all other information we request concerning the offer and the proposed purchaser, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

- (1) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);
- (2) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);
- (3) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and
- (4) we must receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in



a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

If we do not exercise our right of first refusal, you or your Owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Sections 13B and 13C, above, and you and your Owners and if the transferee comply with the conditions in Sections 13B and 13C above.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

14. EXPIRATION OF THIS FRANCHISE AGREEMENT.

14.A YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

Upon expiration of this Franchise Agreement, you will have the option to acquire two (2) additional successive ten (10) year terms ("**Successor Franchise**") subject to the following conditions:

- (1) you and each of your Owners have fully complied with this Franchise Agreement during its term, which includes satisfying all monetary obligations owed by you to us, our affiliates or your suppliers or creditors, whether under this Franchise Agreement or otherwise; and
- (2) you and each of your Owners (if you are an Entity) are, both on the date you give us written notice of your election to acquire a Successor Franchise (as provided in Section 14B below) and on the date on which the term of the Successor Franchise would commence, in full compliance with this Franchise Agreement; and
- (3) provided that (a) you maintain possession of the KEV and, if your KEV has not completed the required remodels or is not in compliance with current standards, pay to us or our affiliate the cost of remodeling and upgrading the KEV and any Additional Equipment, add or replace improvements, assets, signage and otherwise modify the Kona Ice Franchise as we require to comply with System Standards then applicable for new Kona Ice Franchises, or (b) at your option, you secure a substitute KEV and any Additional Equipment we approve and you develop that KEV and any Additional Equipment according to System Standards then applicable or Kona Ice franchises;
- (4) Subject to state law, you will execute a general release, in a form prescribed by us, of any and all claims which you may have against us and our affiliates and our respective shareholders, directors, employees, and agents in their corporate and individual capacities. Unless otherwise prevented by state law, we will consider your failure to sign



the release and to deliver it to us for acceptance and execution within thirty (30) days after it is delivered to you to be an election not to acquire a Successor Franchise;

- (5) you execute the then-current form of franchise agreement (the “**Successor Franchise Agreement**”) and all other agreements, legal instruments and documents then customarily used by us in the renewal of our franchises. The Successor Franchise Agreement and these other agreements, legal instruments and documents may vary materially from those agreements, legal instruments and documents currently in use by us, including the payment of higher and/or additional fees. We have the right to refuse to renew the license granted under this Franchise Agreement if we have given you written notice three or more times for failure to comply with this Franchise Agreement, whether or not such failure is subsequently cured. When you sign the Successor Franchise Agreement, you are not obligated to pay our then-current initial franchise fee but you will owe a renewal fee of \$7,500; and
- (6) you will pay the highest tier of royalty payment under the new franchise agreement (meaning that you will not be able to take advantage of any step-up royalty schedules that may be offered to new franchisees).

If you and each of your Owners (if an Entity) are not, both on the date you give us written notice of your election to acquire a Successor Franchise and on the date on which the term of The Successor Franchise commences, in full compliance with this Franchise Agreement, you acknowledge that we need not grant you a Successor Franchise, whether or not we had, or chose to exercise, the right to terminate this Franchise Agreement during its term under Section 15B.

14.B GRANT OF A SUCCESSOR FRANCHISE.

You agree to give us written notice (“**Your Notice**”) of your election to acquire a Successor Franchise no more than twelve (12) months and no less than six (6) months before this Franchise Agreement expires. We agree to give you written notice (“**Our Notice**”), not more than six months (6) after we receive Your Notice, of our decision:

- (1) to grant you a Successor Franchise;
- (2) to grant you a Successor Franchise on the condition you correct existing deficiencies of the Kona Ice Franchise or in your operation of the Kona Ice Franchise;
- (3) not to grant you a Successor Franchise based on our determination you and your Owners have not fully complied with this Franchise Agreement during its term or were not in full compliance with this Franchise Agreement and all System Standards on the date you gave us written notice of your election to acquire a Successor Franchise; or
- (4) not grant you a successor because we no longer maintain a franchise program for Kona Ice franchises.

If applicable, Our Notice will:

- (1) describe the remodeling, expansion, improvements, and/or modifications required to bring the KEV and any Additional Equipment into compliance with then applicable System Standards for new Kona Ice Franchises; and



- (2) state the actions you must take to correct operating deficiencies and the time in which you must correct these deficiencies.

If we elect not to grant you a Successor Franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a Successor Franchise, your right to acquire a Successor Franchise is subject to your full compliance with all of the terms and conditions of this Franchise Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

If Our Notice states that you must remodel the Kona Ice Franchise and/or must cure certain deficiencies of the Kona Ice Franchise or its operation as a condition to our granting you a Successor Franchise, we will give you written notice of our decision not to grant a Successor Franchise, based upon your failure to complete the remodeling and/or to cure those deficiencies, not less than ninety (90) days before this Franchise Agreement expires, provided, however, that we need not give you this ninety (90) days' notice if we decide not to grant you a Successor Franchise due to your breach of this Franchise Agreement during the ninety (90) day period before it expires. We may extend this Franchise Agreement's term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a Successor Franchise. If you fail to notify us of your election to acquire a Successor Franchise within the prescribed time period, we need not grant you a Successor Franchise.

15. TERMINATION OF FRANCHISE AGREEMENT.

15.A TERMINATION BY YOU.

If you and your Owners are in full compliance with this Franchise Agreement, and we materially fail to comply with this Franchise Agreement and we do not correct the failure within thirty (30) days after you deliver written notice of the material failure to us or, if we cannot correct the failure within thirty (30) days, give you, within thirty (30) days after your notice, reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Franchise Agreement effective an additional thirty (30) days after you deliver to us written notice of termination.

Your termination of this Franchise Agreement other than according to this Section 15A will be deemed a termination without cause and a breach of this Franchise Agreement.

15.B TERMINATION BY US.

We may terminate this Franchise Agreement, effective upon delivery of written notice of termination to you, if:

- (1) you or any of your Owners have made or make any material misrepresentation or omission in acquiring the Kona Ice Franchise or operating the Kona Ice Franchise;
- (2) you do not open the Kona Ice Franchise for business within three (3) months after the Effective Date;
- (3) your Managing Owner, or, if applicable, Designated Manager and/or other required attendees do not satisfactorily complete the initial training program and you fail to appoint a Managing Owner or Designated Manager within thirty (30) days capable of satisfactorily completing the initial training program;



- (4) you cease to operate the Kona Ice Business or otherwise abandon the Kona Ice Franchise for a period of twelve (12) consecutive months, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the Kona Ice Franchise, unless and only to the extent that full operation of the Kona Ice Franchise is suspended or terminated due to fire, flood, earthquake, terrorism, act of God, death or disability of your Managing Owner, or other similar causes beyond the Franchisee's control and not related to the availability of funds to Franchisee;
- (5) you or any of your Owners make or attempt to make any transfer in violation of Section 13;
- (6) you or any of your Owners are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony;
- (7) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;
- (8) you or any of your Owners engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Kona Ice Franchise reputation or the goodwill associated with the Marks;
- (9) you or any of your Owners knowingly make any unauthorized use or disclosure of any part of the Success Guide or any other Confidential Information;
- (10) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Kona Ice Franchise in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within three (3) days after you receive notice from us or any other party;
- (11) you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within 48 hours after we or any applicable government agency deliver notice to you of that violation or failure;
- (12) you fail to pay us or our affiliates any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;
- (13) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Kona Ice Franchise operation, unless you are in good faith contesting your liability for these taxes;
- (14) you or any of your Owners (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Franchise Agreement, whether or not we notify you of the failures, and, if we notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any twelve (12) consecutive month period to comply with the same obligation under this Franchise Agreement, whether or not we notify you of the failures, and, if we notify you of the failures, whether or not you correct the failures after our delivery of notice to you;



- (15) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Kona Ice Franchise is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Kona Ice Franchise is not vacated within thirty (30) days following the order's entry;
- (16) you or any of your Owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your Owners otherwise violate any such law, ordinance, or regulation;
- (17) you or any of your Owners fail to comply with any other provision of this Franchise Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;
- (18) there is a termination of any other franchise agreement or other agreement between you or your affiliates and us or any of our affiliates;
- (19) you have three (3) or more insufficient funds or returned checks in any one calendar year;
- (20) you indicate in writing your intention to consummate any of the preceding actions; or
- (21) your Kona Ice Business is cited by an authority for improper operation(s) three (3) or more times within any calendar year.

16. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS FRANCHISE AGREEMENT.

16.A PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us and our affiliate(s) within fifteen (15) days after this Franchise Agreement expires or is terminated, or on any later date we determine the amounts due to us (or our affiliates), the Royalties, Brand Fund Contributions, any outstanding financing for the KEV, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

16.B DE-IDENTIFICATION.

When this Franchise Agreement expires or is terminated:

- (1) you may not directly or indirectly at any time or in any manner (except with other Kona Ice franchises you own and operate) identify yourself or any business as a current or former Kona Ice franchisee or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Kona Ice Franchise in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;
- (2) you agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;



- (3) unless we exercise our right to purchase under Section 16.E. of this Agreement, you agree to deliver to us, at your expense, within thirty (30) days all signs, sign faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Kona Ice Franchise and to fully decommission the KEV and any Additional Equipment in accordance with Section 3.E(7) of this Franchise Agreement and the System Standards. If you fail to do so in the required time period, you agree to allow us, without liability to you or third parties for trespass or any other claim, to take possession of the KEV and any Additional Equipment to remove any signs or other materials containing any Marks from the Kona Ice Franchise and to otherwise modify the KEV and any Additional Equipment so as to no longer be identifiable as related to the Kona Ice Franchise;
- (4) you acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses and email addresses (collectively “**Identifiers**”) used in the operation of your Kona Ice Business constitute our assets, and upon termination or expiration of this Franchise Agreement, you will take such action within five (5) days to cancel or assign to us or our designee as determined by us, all of your right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at our direction. You agree to take all action required cancel all assumed name or equivalent registrations related to your use of the Marks. You acknowledge that, we have the sole rights to, and interest in, all Identifiers used by you to promote your Kona Ice Business and/or associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Franchise Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer;
- (5) you agree to assign the title to your KEV to us;
- (6) you agree to give us, within thirty (30) days after the expiration or termination of this Franchise Agreement, evidence satisfactory to us of your compliance with the obligations of this Section 16B; and
- (7) you must follow any reasonable procedures established by us to ensure the expiration or termination of this Franchise Agreement creates the least disruption possible to the System, including those procedures set forth in the Success Guide.

16.C CONFIDENTIAL INFORMATION.

You agree that when this Franchise Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications we have licensed to you or that otherwise are proprietary to us or the Franchise System) in any business or otherwise and return to us all copies of the Success Guide and any other confidential materials we have loaned you, and any customer data you may have.



16.D COVENANT NOT TO COMPETE.

Upon termination, transfer or expiration of this Franchise Agreement, you and your Owners agree that, for two (2) years beginning on the effective date of termination, transfer or expiration or the date on which all persons restricted by this Section begin to comply with this Section, whichever is later, neither you nor any of your Owners (or your or their spouses) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, representative, or agent in any Competitive Business (as defined in Section 8 above) located at or within (i) a 20-mile radius from your Kona Ice Business; and (ii) a 20-mile radius from all other Kona Ice Businesses that are operating or under development as of the beginning of the Restricted Period.

These restrictions also apply after transfers, as provided in Section 13C (12) above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two-year period for that person will commence with the entry of a court order enforcing this provision. You and your Owners expressly acknowledge that you possess skills and general abilities and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

In the event a court of competent jurisdiction determines that the two-year post-term restricted period contained herein is too long to be enforceable, then the post-term restricted period shall be for a period of one year beginning on the effective date of termination, transfer or expiration of this Franchise Agreement.

16.E OUR RIGHT TO PURCHASE THE FRANCHISE.

(1) Exercise of Option. Upon one or both of the following:

- (a) our termination of this Franchise Agreement according to its terms and conditions;
- (b) the expiration of this Franchise Agreement; or
- (c) your termination of this Franchise Agreement without cause;

We have the option, exercisable by giving you written notice within thirty (30) days after the date of termination, to purchase the assets of the Kona Ice Franchise including, without limitation, the KEV and any Additional Equipment. We have the unrestricted right to assign this option to purchase. If we purchase the Kona Ice Franchise, we are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

(2) Purchase Price. The purchase price for the Kona Ice Franchise will be its fair market value, provided these items will not include any value for:

- (a) the Kona Ice Franchise or any rights granted by this Franchise Agreement;
- (b) goodwill attributable to our Marks, brand image, and other intellectual property;
or
- (c) participation in the network of Kona Ice Franchises.



We may exclude from the assets purchased any assets and supplies that are not reasonably necessary (in function or quality) to the Kona Ice Franchise operation or that we have not approved as meeting standards for Kona Ice Franchises, and the purchase price will reflect these exclusions.

- (3) Appraisal. If we and you cannot agree on fair market value, fair market value will be determined by an independent appraiser selected by us. We will select the appraiser within fifteen (15) days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then). You and we will bear the costs of the appraiser. The appraiser must complete the appraisal within thirty (30) days after. The purchase price will be the independent appraisal amount.
- (4) Closing. We or our assignee will pay the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we or our assignee may decide after the purchase price is determined not to purchase the Kona Ice Franchise. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your Owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us or our assignee:
 - (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;
 - (b) all of the Kona Ice Franchise licenses and permits which may be assigned or transferred;
 - (c) the title, or lease, (as applicable) to the KEV and any Additional Equipment; and

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your Owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors and assigns.

16.F CONTINUING OBLIGATIONS.

All of our and your and your Owners' obligations which expressly or by their nature survive this Franchise Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or expire by their nature.

17. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

17.A INDEPENDENT CONTRACTORS.

You and we understand and agree that this Franchise Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Franchise Agreement is intended to make either you or us a general or special agent, joint venture, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all public records, letterhead and business forms, and in all dealings with customers, suppliers, public officials, Kona Ice Franchise personnel, and others as the Kona Ice Franchise owner under a franchise we have granted and to place notices of independent ownership on the KEV and any Additional Equipment and on the forms, business cards, stationery, advertising, and other materials we require from time to time. You will use your legal name on all documents for use with employees and contractors, including



but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents. Upon our request, you and each employee will sign an employment relationship acknowledgment form within seven (7) days stating that you alone are the employer and operate the Kona Ice Business.

17.B NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent our respective relationship is other than franchisor and franchise owner. You acknowledge that we have no responsibility to ensure that the Kona Ice Business is developed and operated in compliance with all applicable laws and regulations, and we will not be obligated for any damages to any person or property directly or indirectly arising out of the Kona Ice Franchise operation or the business you conduct under this Franchise Agreement.

17.C TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied upon you or the Kona Ice Franchise, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes we must pay to any state taxing authority on account of either your operation or payments you make to us.

17.D INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the “**Indemnified Parties**”) against, and to reimburse any one or more Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Kona Ice Franchise operation, the business you conduct under this Franchise Agreement, your employment or contractual relationship with your employees or independent contractors, any loss of data (including customer information) resulting from a breach of such data caused in any part by you or your negligence, or your breach of this Franchise Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party’s negligence, as well as any fees, costs, or liabilities incurred by us on your behalf, including fees and costs incurred by us to recover amounts due to you on your behalf, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable 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, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it and agree to settlements or take any other remedial, corrective, or other actions and such actions will affect your obligation to indemnify under this Section.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, to maintain and recover fully a



claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

We will indemnify you against, and reimburse you for (1) all damages for which you are held liable in any judicial or administrative proceeding arising out your use of any Mark or Patent in compliance this Franchise Agreement; and (2) the costs in defending any claim brought against Franchisee or in any proceeding in which Franchisee is named as a party arising out of Franchisee's use of any Mark or Patent in compliance with this Franchise Agreement, provided you have timely notified us of the claim or proceeding, and have complied with this Franchise Agreement.

The indemnification obligations under this Section 17.D. shall expressly survive any termination, expiration or non-renewal of this Franchise Agreement.

18. ENFORCEMENT.

18.A SECURITY INTEREST.

As security for the performance of your obligations under this Franchise Agreement you grant us a security interest in all of the assets of the Kona Ice Franchise, including but not limited to the KEV and any Additional Equipment, inventory, fixtures, furniture, equipment, accounts, supplies, contracts, and proceeds and products of all those assets. You understand that we may make all required UCC filings to perfect our security interest in the assets of the Kona Ice Franchise. You agree to execute such other documents as we may reasonably request to further document, perfect and record our security interest. If you default on any of your obligations under this Franchise Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Franchise Agreement and at law. If you are required to finance the initial purchase of any asset of your Kona Ice Business by a third-party lender (the "**Initial Lender**"), you must give us notice of the same. If the Initial Lender requires we subordinate our security interest in the assets of the Kona Ice Franchise as a condition to lending you working capital for the operation of the Kona Ice Franchise, we will agree to subordinate under terms and conditions determined by us. You are not permitted to obtain any additional loans (other than the initial loan with the Initial Lender) unless you obtain our prior written approval.

18.B SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Franchise Agreement, each section, paragraph, term, and provision of this Franchise Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Franchise Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Franchise Agreement requires of this Franchise Agreement's termination or of our refusal to enter into a Successor Franchise Agreement, or some other action this Franchise Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Franchise Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action



required by the law or rule will be substituted for the comparable provisions of this Franchise Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Franchise Agreement, as though it were separately articulated in and made a part of this Franchise Agreement.

18.C WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Franchise Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. 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 of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Franchise Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Franchise Agreement before its term expires) because of any custom or practice at variance with this Franchise Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Franchise Agreement or to insist upon the other's compliance with this Franchise Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Kona Ice franchises; the existence of franchise agreements for other Kona Ice franchises which contain provisions different from those contained in this Franchise Agreement; or our acceptance of any payments due from you after any breach of this Franchise Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We may remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Franchise 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; (2) acts of God; (3) fires, strikes, embargoes, war, 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 these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Brand Fund payments due afterward. The party whose performance is affected by any of these causes shall give prompt notice of such event to the other party, which in no case shall be more than five (5) days after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress and status of the event. Any delay resulting from any of these causes will not affect your obligations to comply with any restrictive covenants, use of Confidential Information or use of the Marks under this Franchise Agreement at any time.

18.D COSTS AND ATTORNEY FEES.

You shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by us in successfully enforcing, issuing notices of default, or obtaining any remedy arising from the breach of, this Franchise Agreement, including for both arbitration and state and federal court actions. The existence of any claims, demands or actions which you may have against us, whether arising from this Franchise Agreement or otherwise, shall not constitute a defense to our enforcement of your or any Owners if you are a legal entity, representations, warranties, covenants,



agreements or obligations herein. The prevailing party in any arbitration or litigation arising out of or relating to this Franchise Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorney fees, incurred by the prevailing party in successfully enforcing any provision of this Franchise Agreement.

18.E RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Franchise Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Franchise Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

18.F MEDIATION.

Except as otherwise provided in this Franchise Agreement, any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof shall first be subject to non-binding mediation in the city and state of our principal business address (currently Florence, Kentucky). Mediation shall not defer or suspend our exercise of any termination right under Sections 15 and 16. Non-binding mediation hereunder shall be concluded within sixty (60) days of the issuance of the request, or such longer period as may be agreed upon by the parties in writing (“**Mediation Termination Date**”). All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall bear their own costs of mediation, and shall share equally in the cost of the mediator or mediation service. Mediation under this Section is not intended to alter or suspend the rights or obligations of the parties under this Franchise Agreement or to determine the validity or effect of any provision of this Franchise Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms. The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request shall specify with reasonable particularity the matters for which non-binding mediation is sought. Non-binding mediation hereunder shall be conducted by a mediator or mediation program designated by us in writing. We shall make the designation within a reasonable time after issuance of the request.

18.G BINDING ARBITRATION.

Except for claims under Section 18.K, any dispute or controversy arising out of or relating to this Franchise Agreement not settled by informal negotiations or mediation will, at the request of either party, be settled by final and binding arbitration conducted in the city and state of our principal business address, which is currently in Florence, Kentucky, in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association or its successor organization (the “**AAA**”) and otherwise as set forth below on an individual basis (not a class action). Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

Neither party may initiate arbitration prior to the Mediation Termination Date. Following the Mediation Termination Date, either party may initiate the arbitration proceeding by making a written demand to the other. Both parties will then be obligated to engage in arbitration. The demand for arbitration must be served on the other party within the period provided by Section 18.M, and must contain a statement setting forth the nature of the dispute, the amount involved, if any, and the remedies



sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of any termination of this Franchise Agreement. Arbitration will not proceed until any protest of arbitrability is resolved by the arbitrator or by an appropriate court, if necessary. Arbitration will be conducted before a single arbitrator who is familiar with legal disputes of the type at issue and who has at least 10 years' experience as a lawyer or in the franchise business. The parties will mutually agree on the selection of the arbitrator; however, if the parties have not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request the AAA or successor organization to appoint a qualified arbitrator. Within 10 days after appointment of the arbitrator, the parties will meet with the arbitrator, in person or by telephone, for a preliminary conference. At the preliminary conference, the parties will establish the extent of and schedule for discovery, including the production of relevant documents, identification of witnesses, depositions, and the stipulation of uncontested facts. At this preliminary conference, the date for the hearing will be set. At the preliminary conference, the arbitrator will set forth the procedures to be followed at the hearing. Should a dispute arise over the extent of or propriety of any discovery request, the arbitrator will make a final determination after hearing each party's position. At least 5 days before the scheduled hearing, each party must deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

The arbitrator will issue a written decision within 10 days after conclusion of the hearing, explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction. This decision will be binding upon both parties. The arbitrator will have authority to assess actual damages sustained by reason of any breach or wrongful termination of this Franchise Agreement, but will not have any authority to amend or modify the terms of this Franchise Agreement or to assess punitive damages or treble damages.

The parties will use due diligence to meet the foregoing time schedule, and the arbitrator will have the right to impose appropriate sanctions against any party who fails to comply with the agreed upon time schedule. The arbitrator will use best efforts to comply with the foregoing time schedule, but may unilaterally modify it if, in his opinion, modification is necessary for a proper and just resolution of the dispute. The parties may jointly modify the agreed upon time schedule, subject to the arbitrator's approval. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

The entire arbitration proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

18.H GOVERNING LAW.

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Franchise Agreement, the Kona Ice Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Kentucky, without regard to its conflict of laws rules except that the Kentucky



Business Opportunity Investment Act shall not apply if your Kona Ice Franchise is located outside the State of Kentucky.

18.I CONSENT TO JURISDICTION.

Subject to Sections 18F and 18G above and the provisions below, we, you, and your Owners agree that all actions arising under this Franchise Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction which is closest to where our principal office then is located (currently Florence, Kentucky), and we and you (and each Owner) irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, we and you and your Owners agree that any of us may enforce any arbitration orders and awards in the courts of the state or states in which you are domiciled or the Kona Ice Franchise is located.

18.J WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

Except for your obligation to indemnify us for third party claims under Section 17D, and except for punitive damages available to either party under federal law, we, you, and your Owners 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 us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of us.

18.K PROVISIONAL REMEDIES.

Nothing in this Franchise Agreement bars our right to obtain specific performance of this Franchise Agreement, injunctive relief from a court of competent jurisdiction and/or other provisional relief including but not limited to: (i) enforcement of liens, security agreements, or attachment, as we deem to be necessary or appropriate to compel you to comply with your obligations to us and/or to protect the Marks, Patent, trade secrets, copyrighted materials, intellectual property or Confidential Information; (ii) any claim or dispute involving or contesting the validity of any of the Marks, Patent, trade secrets, copyrighted materials, intellectual property or Confidential Information; (iii) alleged violations of federal or state antitrust laws; (iv) the right to indemnification or the manner in which it is exercised, any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, (iv) relief against threatened or actual conduct that has or will cause us, the Marks, the Patent, the Confidential Information, and/or the Franchise System loss or damage; (v) any of the restrictive covenants contained in this Franchise Agreement; or (vi) enforcement of any of the post-termination obligations under this Franchise Agreement. You agree we may obtain such specific performance, injunctive or provisional relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain such specific performance, injunctive or provisional relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). The prevailing party shall be entitled to recover its costs and reasonable attorney fees incurred by it in obtaining such relief. The parties expressly agree that the venue for such litigation shall be the state or federal courts located in the city closest to our principal place of business (currently Florence, Kentucky), provided however that we may obtain such relief in any state or federal court with proper jurisdiction. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section 18.K, and the parties waive any objections that they would otherwise have in this regard.



18.L BINDING EFFECT.

This Franchise Agreement is binding upon us and you and our and your respective executors, administrators, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Success Guide and System Standards, this Franchise Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers; provided, however, this Franchise Agreement may be modified on renewal without your prior approval.

18.M LIMITATIONS OF CLAIMS.

Except for claims arising from your nonpayment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Franchise Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. However, the parties agree that, in order to comply with this provision, either party may commence a judicial or arbitration proceeding before a related mediation proceeding is declared completed.

18.N CONSTRUCTION.

The preambles and attachments are a part of this Franchise Agreement which, together with the System Standards contained in the Success Guide (which may be periodically modified, as provided in this Franchise Agreement), and the Franchise Disclosure Document, constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Franchise Agreement, the franchise relationship, or the Kona Ice Franchise. Any understandings or agreements reached, or any representations made, before this Franchise Agreement are superseded by this Franchise Agreement.

Any policies we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Franchise Agreement, and are not binding on us. Except as expressly provided in this Franchise Agreement, nothing in this Franchise Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Franchise Agreement. Except where this Franchise Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval.

The headings of the sections and paragraphs in this Franchise Agreement are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Franchise Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Franchise Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “control” means the power to direct or cause the direction of management and policies.

If two or more persons are at any time the Owners of the Kona Ice Franchise, whether as partners or joint venture, their obligations and liabilities to us will be joint and several. References to “Owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Franchise Agreement and the Kona Ice Franchise or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Franchise Agreement, the Kona Ice Franchise, or the Kona Ice



Franchise and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a “**controlling ownership interest**” in you or one of your Owners (if an Entity) means a 51% or greater of the ownership interest in the entity. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a “controlling ownership interest” is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of Owners before the proposed transfer) or will be deemed to have been transferred (because of the number of Owners after the proposed transfer).

“**Person**” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term “**Kona Ice Franchise**” includes, without limitation, all of the assets of the Kona Ice Franchise you operate under this Franchise Agreement, including its revenue.

This Franchise Agreement may be executed in multiple copies, each of which will be deemed an original.

Nothing in this Franchise Agreement or in any related agreement is intended to disclaim the representation made in the Franchise Disclosure Document.

18.O **COVENANT OF GOOD FAITH**

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

18.P **SURVIVAL**

We and you (and your Owners) agree that this Section 18 shall apply during the term of this Franchise Agreement and following the termination, expiration, or non-renewal of this Franchise Agreement.



19. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Franchise Agreement or the Success Guide will be deemed to be delivered:

- (1) at the time delivered by hand;
- (2) one (1) business day after transmission by facsimile or other electronic system if the sender has confirmation of successful transmission;
- (3) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or
- (4) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the address specified on the signature page of this Franchise Agreement, although we may change this address for notice by giving you notice of the new address. Any written notice we send to you may be sent only to the Managing Owner, or, if applicable, the Designated Manager at the address specified on the signature page of this Franchise Agreement. You may change the person and/or address for notice only by giving us thirty (30) days' prior written notice by any of the means specified in subparagraphs (1) through (4) above of this Section.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

20. COMPLIANCE WITH ANTI-TERRORISM LAWS.

You and your Owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “**Anti-Terrorism Laws**” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of your or your Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Franchise Agreement, as provided in Section 15B above.

21. ELECTRONIC MAIL.

You acknowledge and agree that exchanging information with us by email is efficient and desirable for day-to-day communications and that we and you may utilize email for such communications. You authorize the transmission of email by us and our employees, vendors, and affiliates (“**Official Senders**”) to you, your Owners (if you are an Entity), the Managing Owner, and, if applicable, any Designated Manager during the term of this Franchise Agreement.

You further agree that: (a) Official Senders are authorized to send emails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders' transmission of



emails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive emails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive emails from Official Senders during the term of this Franchise Agreement.

The consent given in this Section 21 shall not apply to the provision of notices by either party under this Franchise Agreement under Section 19 using email unless the parties otherwise agree in a written document manually signed by both parties.

(Signature Page Follows)



IN WITNESS WHEREOF, the parties have executed and delivered this Franchise Agreement on the dates noted below.

Address for Notices Pursuant to
Section 19 of this Franchise Agreement

Our Address

5945 Centennial Circle
Florence, Kentucky 41042
Attn: President

Signatures

KONA ICE, INC.,
a Kentucky Corporation

By: _____

Printed Name: _____

Title: _____

Date: _____

Your Address

FRANCHISEE:

Company Name

By: _____

Printed Name: _____

Title: _____

Date: _____



FRANCHISE AGREEMENT-ATTACHMENT A

FRANCHISE DATA SHEET

1. **Effective Date.** The Effective Date set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20____.
2. **Protected Territory.** The Protected Territory set forth in Section 2A of the Franchise Agreement will be the area as shown on the map or described below:

3. **KEV Royalty Schedule.** Your KEV Royalty Schedule will be (select one): ____ 3 annual installments or ____ 6 annual installments.
4. **Identification of Managing Owner.** Your Managing Owner as of the Effective Date is _____. You may not change the Managing Owner without prior written approval.
5. **Identification of Designated Manager.** Your Designated Manager, if applicable, as of the Effective Date is _____. You may not change the Designated Manager without prior written approval.
6. **Renewal.** (Select one)
 - a. ____ This Franchise Agreement is for a new Kona Ice Franchise.
 - b. ____ This Franchise Agreement is a successor franchise agreement and is renewing of an existing Kona Ice Franchise. You agree to pay the renewal fee set forth in the franchise agreement being renewed and are not required to pay an Initial Franchise Fee. Your and our pre-opening obligations set forth in this Franchise Agreement are hereby modified accordingly. No Initial Training shall be required. Your Royalty fee schedule is modified to be based on the date that you signed the initial franchise agreement for your Kona Ice Franchise. You agree to enter into a renewal addendum to this Franchise Agreement and, subject to state law, you and each of your Owners agree to execute a general release of claims.



FRANCHISE AGREEMENT-ATTACHMENT B

OWNERSHIP INTERESTS

This Attachment B is current and complete as of the Effective Date shown in Attachment A of the Franchise Agreement

Franchisee: _____

Form of Ownership (Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

If you are an entity with multiple Owners, one of your Owners who is a natural person must have at least fifty-one percent (51%) ownership interest and voting power in you (including a spouse's interest).

State and Date of Formation/Incorporation: _____

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned



FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Date: _____



FRANCHISE AGREEMENT-ATTACHMENT C

OWNERS AGREEMENT

As a condition to the execution by Kona Ice, Inc. (“we” or “us”), of a Franchise Agreement with _____ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“Owners Agreement”).

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20__ (“Franchise Agreement”). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.



3. Covenant Not to Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.



4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers and assignment, and b) that any attempt to do so will be a material breach of this Owners Agreement and the Franchise Agreement.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Kona Ice, Inc.
5945 Centennial Circle
Florence, Kentucky 41042

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners



Agreement. Owners further acknowledge and agree that, in the event of any non-compliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any



breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

(Signatures on following page)



IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNERS:

(Insert Name of Owner)

(Insert Name of Spouse)

(Insert Name of Owner)

(Insert Name of Spouse)

(Insert Name of Owner)

(Insert Name of Spouse)

(Insert Name of Owner)

(Insert Name of Spouse)

(Rev. 121319)

Kona Ice, Inc. hereby accepts the agreements of the Owner(s) hereunder.

KONA ICE, INC.

By: _____

Title: _____



FRANCHISE AGREEMENT-ATTACHMENT D

ADDITIONAL EQUIPMENT AMENDMENT TO FRANCHISE AGREEMENT

This Amendment is made and entered into as of the effective date listed in the signature block (“**Effective Date**”) by and between Kona Ice, Inc., a Kentucky corporation (“**Franchisor**”) and the Franchisee identified on the signature block below (“**Franchisee**”), with reference to the following facts:

- A. The parties have entered into a Kona Ice franchise agreement pursuant to which Franchisee will operate a Kona Ice Franchise (the “**Franchise Agreement**”).
- B. Subject to the conditions of the Franchise Agreement, Franchisee has the option to purchase additional Kona Ice equipment (“**Additional Equipment**”) for use in the Franchisee’s Protected Territory.
- C. The parties hereto desire to amend the Franchise Agreement as set forth herein. Unless defined herein all capitalized terms used herein shall have the meaning in the Franchise Agreement.

NOW, THEREFORE, for and in consideration of the covenants, warranties and mutual agreements contained herein, the parties hereto agree as follows:

1. **ADDITIONAL EQUIPMENT.** Franchisee desires to purchase the following Additional Equipment for use in the Protected Territory and shall pay the Additional Equipment Royalty in listed for such equipment under the Franchise Agreement and this Amendment for so long as Franchisee owns the Additional Equipment.

Equipment	Purchase Amount	Additional Equipment Royalty	Additional Equipment Royalty Payment Terms
Entertainment Trailer	\$42,500 plus shipping**	\$1,000 annually	
Entertainment Kiosk	\$32,500 plus shipping**	\$750 annually	
KEV Express Truck*	\$100,750 plus shipping**	\$2,000 annually	
Kona Mini Truck	\$24,650 - \$26,860 plus shipping**	\$600 annually***	

*If you are doing a KEV Express Conversion, you will be required to trade in your KEV to us and pay shipping for the KEV Express Truck.

**The Purchase Amounts set forth in the above table are subject to change. You agree to pay us the then-current Purchase Amount.

***If you are doing a KEV Express Conversion, you will be required to pay according to the KEV Royalty Schedule and not the Additional Equipment Royalty listed in the chart above.

Franchisee must present evidence to Franchisor, as required by Franchisor in its sole discretion that Franchisee no longer owns the Additional Equipment prior to Franchisee being excused from paying any further Additional Equipment Royalties. Franchisee shall not be entitled to receive a refund on any Additional Equipment Royalty paid. Franchisee acknowledges and agrees that the Additional Equipment



Royalty may increase upon renewal of the Franchise Agreement and agrees to pay Franchisor the then-current Royalty amount upon any such renewal.

2. **AMENDMENT BINDING.** This Amendment will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

3. **NO FURTHER CHANGES.** Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Franchise Agreement will remain in full force and effect as originally written and signed. In the event of any inconsistency between the Franchise Agreement and this Amendment, this Amendment shall control.

IN WITNESS WHEREOF, the parties duly executed this Amendment as of the dates listed below.

KONA ICE, INC.,
a Kentucky Corporation

By: _____

Printed Name: _____

Title: _____

*Date: _____

***Effective Date**

FRANCHISEE:

Company Name

By: _____

Printed Name: _____

Title: _____

Date: _____



EXHIBIT D
FRANCHISE DISCLOSURE QUESTIONNAIRE



FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Kona Ice, Inc. (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a Kona Ice franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

1. Yes___ No___ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2. Yes___ No___ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes___ No___ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes___ No___ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5. Yes___ No___ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes___ No___ Have you had the opportunity to discuss the benefits and risks of developing and operating a Kona Ice Franchise with an existing Kona Ice franchisee?
7. Yes___ No___ Do you understand the risks of developing and operating a Kona Ice Franchise?
8. Yes___ No___ Do you understand the success or failure of your Kona Ice Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9. Yes___ No___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Kentucky, if not resolved informally or by mediation?
10. Yes___ No___ Do you understand that you must satisfactorily complete the initial training program before we will allow your Kona Ice Franchise to open or consent to a transfer of the Kona Ice Franchise to you?



11. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Kona Ice Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Kona Ice Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes___ No___ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Kona Ice Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?
15. Yes___ No___ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date _____

Date _____



Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date _____

Date _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date _____

Date _____

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 032916



EXHIBIT E
SUCCESS GUIDE
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Success Guide

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EXHIBIT F
LIST OF CURRENT AND FORMER FRANCHISEES



**KONA ICE, INC.
LIST OF FRANCHISEES**

Current Franchisees as of December 31, 2019:

Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Sato, Amanda	Kona Ice of Anchorage, LLC	3831 Midvale Cir	Anchorage	AK	99507	(907) 202-5633	asato@kona-ice.com
Butler, Kevin	Kona Ice of Birmingham, LLC	1520 Simmsville Rd Suite 1200	Alabaster	AL	35007	(205) 383-6066	kbutler@kona-ice.com
Butler, Kev in	Kona Ice of Birmingham, LLC	1520 Simmsville Rd Suite 1200	Alabaster	AL	35007	(205) 383-6066	kbutler@kona-ice.com
Butler, Kevin	Kona Ice of Birmingham, LLC	1520 Simmsville Rd Suite 1200	Alabaster	AL	35007	(205) 383-6066	kbutler@kona-ice.com
Butler, Kevin	Kona Ice of Birmingham, LLC	1520 Simmsville Rd Suite 1200	Alabaster	AL	35007	(205) 383-6066	kbutler@kona-ice.com
Yates, Daniel	Playhouse Cinemas, LLC	1236 Cherokee Rd	Alexander City	AL	35010	(256) 794-8197	dyates@kona-ice.com
Sularin, Patrick & Summer	Kona Ice of South Huntsville	609 Arad Thompson NE	Arab	AL	35016	(256) 738-8905	psularin@kona-ice.com
Sularin, Patrick & Summer	Kona Ice of South Huntsville	609 Arad Thompson NE	Arab	AL	35016	(256) 738-8905	psularin@kona-ice.com
Sularin, Patrick & Summer	Kona Ice of South Huntsville	609 Arad Thompson NE	Arab	AL	35016	(256) 738-8905	psularin@kona-ice.com
Stefaniak, David & Holly	Kona Ice of Decatur/Athens, LLC	1716 High Pointe	Athens	AL	35613	(256) 566-5298	dstefaniak@kona-ice.com
Register, Beth	RegFam5, LLC	2606 Weston St	Auburn	AL	36832	(334) 707-3650	register@kona-ice.com
Register, Beth	RegFam5, LLC	2606 Weston St	Auburn	AL	36832	(334) 707-3650	register@kona-ice.com
Butts, Lynn (Jerry) & Joan (Brenda)	Kona Ice of Blount County	4989 County Hwy 47	Blountsville	AL	35031	(205) 446-8737	butts@kona-ice.com
Surgenor, Angela/ Pacatte, Cherri	R & R Coastal Ice, LLC	5900 Grelot Rd Unit 605	Mobile	AL	36609	(251) 583-0889	konalife@kona-ice.com
Surgenor, Angela/ Pacatte, Cherri	R & R Coastal Ice, LLC	5900 Grelot Rd Unit 605	Mobile	AL	36609	(251) 583-0889	konalife@kona-ice.com
Surgenor, Angela/ Pacatte, Cherri	R & R Coastal Ice, LLC	5900 Grelot Rd Unit 605	Mobile	AL	36609	(251) 583-0889	konalife@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Kilpatrick, Brian	Kona Ice of the Shoals	1915 Crescent Dr	Muscle Shoals	AL	35661	(256) 577-1777	bkilpatrick@kona-ice.com
McPhillips, Glenn	McPhillips Family, LLC	610 Selma Ave	Selma	AL	36701	(334) 518-0313	gmcphillips@kona-ice.com
McPhillips, Glenn	McPhillips Family, LLC	610 Selma Ave	Selma	AL	36701	(334) 518-0313	gmcphillips@kona-ice.com
Ricker, Ron	KONA ICE Big Cove/Scottsboro/Rainville LLC	445 Manning Dr	Woodville	AL	35776	(256) 259-2000	ricker@kona-ice.com
Stefaniak, David & Holly	Kona Ice of Decatur/Athens, LLC	20278 Capitol Hill Dr	Tanner	AL	35671	(256) 566-5298	dstefaniak@kona-ice.com
O'Rear, Amber	O'Rear Ventures, LLC	16327 Evarard Circle NW	Harvest	AL	35749	(256) 924-8933	orear@kona-ice.com
O'Rear, Amber	O'Rear Ventures, LLC	16327 Evarard Circle NW	Harvest	AL	35749	(256) 924-8933	orear@kona-ice.com
Mattox, Craig	TCM Ventures, LLC	801 Mundy Drive	Anniston	AL	36207	(256) 399-9284	cmattox@kona-ice.com
Taher, Taher	Taher Family, Inc.	1752 Benson St	Prattville	AL	36066	(334) 354-6464	taher@kona-ice.com
Taher, Taher	Taher Family, Inc.	1752 Benson St	Prattville	AL	36066	(334) 354-6464	taher@kona-ice.com
Newell, Shane	Newell & Sons, LLC	1006 NE Tiger Blvd	Bentonville	AR	72712	(479) 601-4297	shnewell@kona-ice.com
Newell, Shane	Newell & Sons, LLC	1006 NE Tiger Blvd	Bentonville	AR	72712	(479) 601-4297	shnewell@kona-ice.com
Newell, Shane	Newell & Sons, LLC	1006 NE Tiger Blvd	Bentonville	AR	72712	(479) 601-4297	shnewell@kona-ice.com
Elms, David/Green, Tom	Kona Ice of Arkansas River Valley	3290 Stermer Rd	Conway	AR	72032	(501) 940-5662	greenelms@kona-ice.com
Elms, David/Green, Tom	Kona Ice of Arkansas River Valley	3290 Stermer Rd	Conway	AR	72032	(501) 940-5662	greenelms@kona-ice.com
Weaver, Richard	Kona Ice of Conway, LLC	23 Linda Cir	Greenbrier	AR	72058	(501) 679-1582	rweaver@kona-ice.com
Weaver, Richard	Kona Ice of Conway, LLC	23 Linda Cir	Greenbrier	AR	72058	(501) 679-1582	rweaver@kona-ice.com
Weaver, Richard	Kona Ice of Conway, LLC	23 Linda Cir	Greenbrier	AR	72058	(501) 679-1582	rweaver@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Ruth, Steve & Kathleen	Kona Ice Jonesboro	804 Sherwood Oaks Cove	Jonesboro	AR	72404	(870) 926-5090	sruth@kona-ice.com
Dixon, Jim	Skyline Investors of Arkansas LLC	1 Erin Dr	Searcy	AR	72143	(479) 561-9966	jdixon@kona-ice.com
Dixon, Jim	Skyline Investors of Arkansas LLC	1 Erin Dr	Searcy	AR	72143	(479) 561-9966	jdixon@kona-ice.com
Weaver, Phil	Kona Ice of Searcy & Cabot	127 E. Eden Park Rd	Searcy	AR	72143	(501) 281-3999	pweaver@kona-ice.com
Weaver, Phil	Kona Ice of Searcy & Cabot	127 E. Eden Park Rd	Searcy	AR	72143	(501) 281-3999	pweaver@kona-ice.com
Weaver, Phil	Kona Ice of Searcy & Cabot	127 E. Eden Park Rd	Searcy	AR	72143	(501) 281-3999	pweaver@kona-ice.com
Vickers, Joslyn	Kona Ice of Texarkana, LLC	523 Miller County 57	Texarkana	AR	71854	(903) 293-0123	jvickers@kona-ice.com
Weaver, Phil	Kona Ice of Central Arkansas LLC	127 E Eden Park Rd	Searcy	AR	72143	(501) 281-3999	pweaver@kona-ice.com
Daniel, Kenny & Tina	Daniel Paradise, LLC	3103 Jean Cv.	Alexander	AR	72002	501-672-6729	kdaniel@kona-ice.com
Pollock, Brooke	Kona Ice of Bullhead City, LLC	2092 Joann Ave	Bullhead City	AZ	86442	(928) 201-5093	bpollock@kona-ice.com
Rutledge, Shawn	Kona Ice Of Casa Grande, LLC	621 E. Melrose Dr	Casa Grande	AZ	85122	(520) 350-8001	srutledge@kona-ice.com
Murphy, Joe	Kona Ice Chandler	6121 S. Topaz Pl	Chandler	AZ	85249	(480) 717-7149	jmurphy@kona-ice.com
Crowell, William & Christine	CK&WR Enterprises, LLC	6872 N. 78 th Ave	Glendale	AZ	85303	(623) 247-5662	bcrowell@kona-ice.com
Crowell, William & Christine	CK&WR Enterprises, LLC	6872 N. 78 th Ave	Glendale	AZ	85303	(623) 247-5662	bcrowell@kona-ice.com
Crowell, William & Christine	CK&WR Enterprises, LLC	6872 N. 78 th Ave	Glendale	AZ	85303	(623) 247-5662	bcrowell@kona-ice.com
Wallace, John	Kona Ice of N Sunrise Manor	24835 N 36 th Ave	Glendale	AZ	85310	(702) 803-4883	jwallace@kona-ice.com
Wallace, John	Kona Ice of N Sunrise Manor	24835 N 36 th Ave	Glendale	AZ	85310	(702) 803-4883	jwallace@kona-ice.com
Roehrick, Geoff & Mary	Kona Ice Phoenix West Valley	18121 W. Minnezona Ave	Goodyear	AZ	85395	(816) 588-3238	gmroehrick@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Roehrick, Geoff & Mary	Kona Ice Phoenix West Valley	18121 W. Minnezona Ave	Goodyear	AZ	85395	(816) 588-3238	gmroehrick@kona-ice.com
Lord, Steven & Tricia	Kona Ice of East Valley LLC	19897 E. Russet Rd	Queen Creek	AZ	85142	(480) 399-7652	lord@kona-ice.com
Lord, Steven & Tricia	Kona Ice of East Valley LLC	19897 E. Russet Rd	Queen Creek	AZ	85142	(480) 399-7652	lord@kona-ice.com
Rendelman, Michael	Chipinaw Ventures, LLC	15418 N. 60 th St	Scottsdale	AZ	85254	(602) 419-1919	mrendelman@kona-ice.com
Rendelman, Michael	Chipinaw Ventures, LLC	15418 N. 60 th St	Scottsdale	AZ	85254	(602) 419-1919	mrendelman@kona-ice.com
Rendelman, Michael	Chipinaw Ventures, LLC	15418 N. 60 th St	Scottsdale	AZ	85254	(602) 419-1919	mrendelman@kona-ice.com
Rendelman, Michael	Chipinaw Ventures, LLC	15418 N. 60 th St	Scottsdale	AZ	85254	(602) 419-1919	mrendelman@kona-ice.com
Crowell, Matthew	C&B Enterprise, LLC	17649 W. Mandalay Ln	Surprise	AZ	85388	(623) 738-9436	mcrowell@kona-ice.com
Crowell, Matthew	C&B Enterprise, LLC	17649 W. Mandalay Ln	Surprise	AZ	85388	(623) 738-9436	mcrowell@kona-ice.com
Crowell, Matthew	C&B Enterprise, LLC	17649 W. Mandalay Ln	Surprise	AZ	85388	(623) 738-9436	mcrowell@kona-ice.com
Crowell, Matthew	C&B Enterprise, LLC	17649 W. Mandalay Ln	Surprise	AZ	85388	(623) 738-9436	mcrowell@kona-ice.com
Lohner, Richard	Filam Enterprises, LLC	1155 W. Grove Pkwy Apt 130	Tempe	AZ	85283	(602) 321-7545	filamkona@gmail.com
Lohner, Richard	Filam Enterprises, LLC	1155 W. Grove Pkwy Apt 130	Tempe	AZ	85283	(602) 321-7545	filamkona@gmail.com
Lohner, Richard	Filam Enterprises, LLC	1155 W. Grove Pkwy Apt 130	Tempe	AZ	85283	(602) 321-7545	filamkona@gmail.com
Johnson, Randy	Johnson & Johnson Kona Ice Anthem/New River LLC	9414 W. Fillmore	Tolleson	AZ	85353	(623) 755-1201	jerryj@kona-ice.com
Reaney, Chris	Kona Ice of Tucson	2601 N. Jeanette Ave	Tucson	AZ	85749	(520) 591-5478	tucson@kona-ice.com
Reaney, Chris	Kona Ice of Tucson	2601 N. Jeanette Ave	Tucson	AZ	85749	(520) 591-5478	tucson@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Martinez, Brissa	Mr. SAMZ LLC	14646 E. 49 th Dr	Yuma	AZ	85367	(928) 232-9003	bmartinez@kona-ice.com
Martinez, Brissa	Mr. SAMZ LLC	14646 E. 49 th Dr	Yuma	AZ	85367	(928) 232-9003	bmartinez@kona-ice.com
Lohner, Richard	Filam Enterprises, LLC	2302 N. Arrowhead DR	Chandler	AZ	85224	(602) 321-7545	filamkona@gmail.com
Colver, Tony & Kim	Kona Ice of the Victor Valley, LLC	11291 Camden St	Apple Valley	CA	92308	(760) 949-5662	tonyandkim@kona-ice.com
Colver, Tony & Kim	Kona Ice of the Victor Valley, LLC	11291 Camden St	Apple Valley	CA	92308	(760) 949-5662	tonyandkim@kona-ice.com
Alcoser, Yvette	Kona Ice SLO/Five Cities	1019 Sunset Dr	Arroyo Grande	CA	93420	(805) 234-6114	centralcoast@kona-ice.com
Saez, Johnny	Kona Ice of Central Bakersfield, LLC	2930 Barrowby St	Bakersfield	CA	93311	(661) 742-5662	jsaez@kona-ice.com
Saez, Johnny	Kona Ice of Central Bakersfield, LLC	2930 Barrowby St	Bakersfield	CA	93311	(661) 742-5662	jsaez@kona-ice.com
Saez, Johnny	Kona Ice of Central Bakersfield, LLC	2930 Barrowby St	Bakersfield	CA	93311	(661) 742-5662	jsaez@kona-ice.com
Ho, Tyler (Tai) & Dinh, Kara (Thu)	Sweetopia, LLC	26500 Agoura Rd Suite 102-393	Calabasas	CA	91302	(818) 798-4495	tylerho@kona-ice.com
Drake, Chris	Kona Ice of SE Fresno/Sanger	801 Burl Ave	Clovis	CA	93611	(559) 696-0199	cdrake@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Cir	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Cir	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Cir	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Cir	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Cir	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Cir	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Stalnecker, Janelle	Mangia Bene, LLC	24096 Augusta Dr	Corona	CA	92883	(408) 612-6659	jstalnecker@kona-ice.com
Benjamin, Simona	Delupan, LLC.	10991 Northsky Sq	Cupertino	CA	95014	(650) 772-2400	sbenjamin@kona-ice.com
Sha, Julie & Hardman, Matt	HardSha, LLC	7824 Gate Way	Dublin	CA	94568	(510) 999-8068	jsha@kona-ice.com
La, Tam/ Wong, Monica	Kona Ice of West Davis	9985 Whirlaway Ln	Elk Grove	CA	95624	(530) 302-5688	tmla@kona-ice.com
Purper, Bill	WP Ice, Inc.	2107 Jeremy Pl	Escondido	CA	92027	(760) 855-2988	bpurper@kona-ice.com
Purper, Bill	WP Ice, Inc.	2107 Jeremy Pl	Escondido	CA	92027	(760) 855-2988	bpurper@kona-ice.com
Purper, Bill	WP Ice, Inc.	2107 Jeremy Pl	Escondido	CA	92027	(760) 855-2988	bpurper@kona-ice.com
Purper, Bill	WP Ice, Inc.	2107 Jeremy Pl	Escondido	CA	92027	(760) 855-2988	bpurper@kona-ice.com
Wakefield, Bill & Brandi	Kona Ice of Folsom	133 Rugosa Dr	Folsom	CA	95630	(916) 934-2020	bwakefield@kona-ice.com
Wakefield, Bill & Brandi	Kona Ice of Folsom	133 Rugosa Dr	Folsom	CA	95630	(916) 934-2020	bwakefield@kona-ice.com
Melzer, Ronda	Kona Ice N San Bernardino, LLC	15264 Grumman Ave	Fontana	CA	92336	(909) 714-8019	rmelzer@kona-ice.com
Melzer, Ronda	Kona Ice N San Bernardino, LLC	15264 Grumman Ave	Fontana	CA	92336	(909) 714-8019	rmelzer@kona-ice.com
Melzer, Ronda	Kona Ice N San Bernardino, LLC	15264 Grumman Ave	Fontana	CA	92336	(909) 714-8019	rmelzer@kona-ice.com
Foo, Rebeka	Triumph Turtle LLC	111 E. Court Ln	Foster City	CA	94404		rfoo@kona-ice.com
Asklof, Ray	Kona Ice Madera	5755 W. Everett Ave	Fresno	CA	93722	(559) 360-9672	asklof@kona-ice.com
Quiroz, Lisa	Rolling Ice, LLC	1616 W. Morris Ave	Fresno	CA	93711	(559) 779-2969	lquiroz@kona-ice.com
Quiroz, Lisa	Rolling Ice, LLC	1616 W. Morris Ave	Fresno	CA	93711	(559) 779-2969	lquiroz@kona-ice.com
Quiroz, Lisa	Rolling Ice, LLC	1616 W. Morris Ave	Fresno	CA	93711	(559) 779-2969	lquiroz@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Quiroz, Lisa	Rolling Ice, LLC	1616 W. Morris Ave	Fresno	CA	93711	(559) 779-2969	lquiroz@kona-ice.com
O’Kieffe, Max	Xamboni Inc.	152 Aero Camino, Unit G	Goleta	CA	93117	(805) 452-6560	sbkonaice@gmail.com
O’Kieffe, Max	Xamboni Inc.	152 Aero Camino Unit G	Goleta	CA	93117	(805) 452-6560	sbkonaice@gmail.com
Ford, Dale & Beth	Kona Ice South Bay Beach Cities, LLC	8565 Willow Gate Ct	Granite Bay	CA	95746	(916) 834-5662	bford@kona-ice.com
Ford, Dale & Beth	Kona Ice South Bay Beach Cities, LLC	8565 Willow Gate Ct	Granite Bay	CA	95746	(916) 834-5662	bford@kona-ice.com
Ford, Dale & Beth	Kona Ice South Bay Beach Cities, LLC	8565 Willow Gate Ct	Granite Bay	CA	95746	(916) 834-5662	bford@kona-ice.com
Landis, Justin & Mindy	Kona Ice of Kings County	1630 W. Castoro Way	Hanford	CA	93230	(559) 707-0008	jmlandis@kona-ice.com
Hardy, Flavia & Mike	Hardy Family Business, LLC	21121 Sailors Bay Ln	Huntington Beach	CA	92646	(714) 683-3665	fhardy@kona-ice.com
Hardy, Flavia & Mike	Hardy Family Business, LLC	21121 Sailors Bay Ln	Huntington Beach	CA	92646	(714) 683-3665	fhardy@kona-ice.com
Etter, Kimberly & James	I Wonder, LLC	3122 Lemonwood Dr	Lancaster	CA	93536	(661) 524-5055	ketter@kona-ice.com
Miller, Gary	Kona Ice of SLO North County	1586 13 th St	Los Osos	CA	93402	(805) 858-8019	gmliller@kona-ice.com
Nava, Victor	Chip Enterprise LLC	6830 Delaware River Dr	Mira Loma	CA	91752	(951) 892-0606	vnava@kona-ice.com
Nava, Victor	Chip Enterprise LLC	6830 Delaware River Dr	Mira Loma	CA	91752	(951) 892-0606	vnava@kona-ice.com
Nava, Victor	Chip Enterprise LLC	6830 Delaware River Dr	Mira Loma	CA	91752	(951) 892-0606	vnava@kona-ice.com
Gneckow, Steve & Cheryl	Kona Ice of Moreno Valley	23834 Hutton Ct	Moreno Valley	CA	92553	(951) 525-5662	sc.gneckow@kona-ice.com
Gneckow, Steve & Cheryl	Kona Ice of Moreno Valley	23834 Hutton Ct	Moreno Valley	CA	92553	(951) 525-5662	sc.gneckow@kona-ice.com
Rennick, Tim & LaCheri	TLK Ice, Inc.	38462 Encanto	Murrieta	CA	92563-3212	(951) 852-5668	tlrennick@kona-ice.com
Rennick, Tim & LaCheri	TLK Ice, Inc.	38462 Encanto	Murrieta	CA	92563-3212	(951) 852-5668	tlrennick@kona-ice.com



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Rennick, Tim & LaCheri	TLK Ice, Inc.	38462 Encanto	Murrieta	CA	92563-3212	(951) 852-5668	tlrennick@kona-ice.com
Rennick, Tim & LaCheri	TLK Ice, Inc.	38462 Encanto	Murrieta	CA	92563-3212	(951) 852-5668	tlrennick@kona-ice.com
Rennick, Tim & LaCheri	TLK Ice, Inc.	38462 Encanto	Murrieta	CA	92563-3212	(951) 852-5668	tlrennick@kona-ice.com
Mays, Melyssa & Kenneth	Kona Ice of Napa	1122 3 rd Ave	Napa	CA	94558	(707) 603-9082	mmays@kona-ice.com
Jacobson, Corey & Adela	Jacobson Worldwide, LLC	2011 Hatch Rd	Novato	CA	94947	(415) 226-7576	ajacobson@kona-ice.com
Jacobson, Corey & Adela	Jacobson Worldwide, LLC	2011 Hatch Rd	Novato	CA	94947	(415) 226-7576	ajacobson@kona-ice.com
Ferbert, Wes	Ferbert Enterprises, LLC	1442 E. Lincoln Ave #314	Orange	CA	92865	(714) 321-7310	orange@kona-ice.com
Ferbert, Wes	Ferbert Enterprises, LLC	1442 E. Lincoln Ave #314	Orange	CA	92865	(714) 321-7310	orange@kona-ice.com
Gonzales, Vickie	Vickie and Sue Kona-Ice LLC	16311 Gustafson Ave	Patterson	CA	95363	(209) 486-6926	vgonzales@kona-ice.com
Gonzales, Vickie	Vickie and Sue Kona-Ice LLC	16311 Gustafson Ave	Patterson	CA	95363	(209) 486-6926	vgonzales@kona-ice.com
Duarte, Raul	RaDCo ICE, LLC	8329 True Ave	Pico Rivera	CA	90660	(562) 991-3807	rduarte@kona-ice.com
Duarte, Raul	RaDCo ICE, LLC	8329 True Ave	Pico Rivera	CA	90660	(562) 991-3807	rduarte@kona-ice.com
Martin, Peggy & Chuck	Kona Ice of Redland, LLC	3340 Baffin Dr	Riverside	CA	92503	(909) 809-9294	pmartin@kona-ice.com
Wood, Tom & Gail	Kona Ice of Riverside	17087 Hazelwood Dr	Riverside	CA	92503	(951) 290-7428	konaiceriverside@gmail.com
Wood, Tom & Gail	Kona Ice of Riverside	17087 Hazelwood Dr	Riverside	CA	92503	(951) 290-7428	konaiceriverside@gmail.com
Wood, Tom & Gail	Kona Ice of Hemet	17087 Hazelwood Dr	Riverside	CA	92503	(951) 290-7428	konaiceriverside@gmail.com
Wood, Tom & Gail	Kona Ice of Hemet	17087 Hazelwood Dr	Riverside	CA	92503	(951) 290-7428	konaiceriverside@gmail.com
Wood, Tom & Gail	Kona Ice of Brea	17087 Hazelwood Dr	Riverside	CA	92503	(951) 290-7428	konaiceriverside@gmail.com



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Farr, Steven & Grace	Farr's Famous Ice, LLC	8637 Marmon Way	Sacramento	CA	95829	(916) 897-6414	sfarr@kona-ice.com
La, Jerry/ Chu, Deanna	JDQH LA FAMILY LLC	7736 Tigerwoods Dr	Sacramento	CA	95829	(916) 508-9905	dchu@kona-ice.com
La, Jerry/ Chu, Deanna	JDQH LA FAMILY LLC	7736 Tigerwoods Dr	Sacramento	CA	95829	(916) 508-9905	dchu@kona-ice.com
La, Wendi & La, Roger	JDQH LA FAMILY LLC	7736 Tigerwoods Dr	Sacramento	CA	95829	(916) 508-9905	dchu@kona-ice.com
Grey, Miguel	Grey Ice, LLC	1117 Baldwin St #55A	Salinas	CA	93906	(408) 234-4595	mgrey@kona-ice.com
Grey, Miguel	Grey Ice, LLC	1117 Baldwin St #55A	Salinas	CA	93906	(408) 234-4595	mgrey@kona-ice.com
Lefebvre, Denis & Shanna & Jean-Paul	Kona Ice of S. Tahoe/ Carson City	1634 Stony Brook Dr	Salinas	CA	93906	(775) 392-4840	lefebvre@kona-ice.com
Huffman, Damon & Heidi	The Huffman Group, LLC	523 Via El Risco	San Clemente	CA	92673	(949) 444-3809	sckona@kona-ice.com
Wilford, Eric	Kona Ice Lake Forest, Inc.	810 Calle Dulcinea	San Clemente	CA	92672	(949) 939-5318	ewilford@kona-ice.com
Wilford, Eric	Kona Ice Lake Forest, Inc.	810 Calle Dulcinea	San Clemente	CA	92672	(949) 939-5318	ewilford@kona-ice.com
Graves, Shelley & Jason	Kona Ice Central North County SD, Inc.	11004 Madrigal St	San Diego	CA	92129	(858) 231-5100	sgraves@kona-ice.com
Graves, Shelley & Jason	Kona Ice Central North County SD, Inc.	11004 Madrigal St	San Diego	CA	92129	(858) 231-5100	sgraves@kona-ice.com
Kelley, Darren	DKPB Investments, LLC	3126 E. Fox Run Way	San Diego	CA	92111	(858) 220-4761	dkelley@kona-ice.com
Kelley, Darren	DKPB Investments, LLC	3126 E. Fox Run Way	San Diego	CA	92111	(858) 220-4761	dkelley@kona-ice.com
Kelley, Darren	DKPB Investments, LLC	3126 E. Fox Run Way	San Diego	CA	92111	(858) 220-4761	dkelley@kona-ice.com
Ornelas, Shaun	SoCal Investment Group, LLC	3960 W. Point Loma Blvd, Ste H115	San Diego	CA	92110	(619) 326-4444	sornelas@kona-ice.com
Pearson, Katelyn/ Garner, Kurt/ Gerrity, Whitney	Kona Ice of E.Chula Vista, LLC	1423 Essex St	San Diego	CA	92103	(619) 876-0824	kpearson@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Pearson, Katelyn/ Garnero, Kurt/ Gerrity, Whitney	Kona Ice of E.Chula Vista, LLC	1423 Essex St	San Diego	CA	92103	(619) 876-0824	kpearson@kona-ice.com
Rodriguez, John	JR Ohana Ventures, LLC	12906 Hideaway Ln	San Diego	CA	92131	(858) 275-3075	jrod@kona-ice.com
Rodriguez, John	JR Ohana Ventures, LLC	12906 Hideaway Ln	San Diego	CA	92131	(858) 275-3075	jrod@kona-ice.com
Rodriguez, John	JR Ohana Ventures, LLC	12906 Hideaway Ln	San Diego	CA	92131	(858) 275-3075	jrod@kona-ice.com
Rodriguez, John	JR Ohana Ventures, LLC	12906 Hideaway Ln	San Diego	CA	92131	(858) 275-3075	jrod@kona-ice.com
Huh, Young	Kona Ice of South Jan Jose	5745 Orchard Park Dr	San Jose	CA	95123	(408) 799-6194	yhuh@kona-ice.com
McCoy, Jason	Kona Ice of Los Gatos	674 Mohican Dr	San Jose	CA	95123	(408) 909-4233	jmccoy@kona-ice.com
Salter, Jenni & Dave	Kona Ice West San Jose, LLC	386 Avenida Abetos	San Jose	CA	95123	(408) 621-4373	jsalter@kona-ice.com
Salter, Jenni & Dave	Kona Ice West San Jose, LLC	386 Avenida Abetos	San Jose	CA	95123	(408) 621-4373	jsalter@kona-ice.com
Navarro, Christy & Marcel	Navarro Family, LLC	2714 N. Linwood St	Santa Ana	CA	92705	(714) 955-8886	cnavarro@kona-ice.com
Stewart, Dave	Kona Ice of Monterey & Salinas	76 3 rd St. P.O. Box 7652	Spreckles	CA	93962	(831) 757-7777	dstewart@kona-ice.com
Stewart, Dave	Kona Ice of Monterey & Salinas	76 3 rd St. P.O. Box 7652	Spreckles	CA	93962	(831) 757-7777	dstewart@kona-ice.com
Witek, Ron	Kona Ice of Spring Valley	275 S. Worthington St #98	Spring Valley	CA	91977	(619) 455-5336	rwitek@kona-ice.com
Caetans, Kevin/ Gilchrist, Tammi	Kona Ice of Thousand Oaks	508 Timberwood Ave	Thousand Oaks	CA	91360	(805) 444-2792	tokona@kona-ice.com
Duncan, David & Lisa	NorCal Concession Management, LLC	681 Saffron Dr	Tracy	CA	95377	(209) 597-8760	dduncan@kona-ice.com
Gray, Michael	Gray's Kona Ice	1240 Bluegrass Ln	Tracy	CA	95377	(510) 499-7774	mgray@kona-ice.com
Young, Janel	Young's Kona Ice LLC	2886 Rhone Ct	Tulare	CA	93274	(559) 331-3541	young@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Young, Janel	Young's Kona Ice LLC	2886 Rhone Ct	Tulare	CA	93274	(559) 331-3541	young@kona-ice.com
Hall, Joshua & Wong, Garvin	Kona Ice North Valley LA / Kona Ice Simi Valley	24645 Farrow Dr	Valencia	CA	91355	(818) 835-5662	jhall@kona-ice.com
Hall, Joshua & Wong, Garvin	Kona Ice North Valley LA / Kona Ice Simi Valley	24645 Farrow Dr	Valencia	CA	91355	(818) 835-5662	jhall@kona-ice.com
Hall, Joshua & Wong, Garvin	Kona Ice North Valley LA / Kona Ice Simi Valley	24645 Farrow Dr	Valencia	CA	91355	(818) 835-5662	jhall@kona-ice.com
Hall, Joshua & Wong, Garvin	Kona Ice North Valley LA / Kona Ice Simi Valley	24645 Farrow Dr	Valencia	CA	91355	(818) 835-5662	jhall@kona-ice.com
Hall, Joshua & Wong, Garvin	Kona Ice North Valley LA / Kona Ice Simi Valley	24645 Farrow Dr	Valencia	CA	91355	(818) 835-5662	jhall@kona-ice.com
Katz, Jeff	Kona Ice of Santa Clarita, LLC	23703 Wingate Ct	Valencia	CA	91354	(661) 296-5662	jkatz@kona-ice.com
Katz, Jeff	Kona Ice of Santa Clarita, LLC	23703 Wingate Ct	Valencia	CA	91354	(661) 296-5662	jkatz@kona-ice.com
Wells, Cheri & Herzog, David	Kona Ice Ventura	10986 Kings Rd	Ventura	CA	93004	(805) 766-4566	cwells@kona-ice.com
Wells, Cheri & Herzog, David	Kona Ice Ventura	10986 Kings Rd	Ventura	CA	93004	(805) 766-4566	cwells@kona-ice.com
Wells, Cheri & Herzog, David	Kona Ice Ventura	10986 Kings Rd	Ventura	CA	93004	(805) 766-4566	cwells@kona-ice.com
Wells, Cheri & Herzog, David	Kona Ice Ventura	10986 Kings Rd	Ventura	CA	93004	(805) 766-4566	cwells@kona-ice.com
Pudlo, Nancy	NLP Holdings, LLC	1658 Pinnacle Way	Vista	CA	92081	(760) 845-9549	npudlo@kona-ice.com
Hernandez, Robert	Kona Ice of East Whittier	21667 Pink Ginger Ct	Wildomar	CA	92595	(562) 322-3122	rhernandez@kona-ice.com
La, Wendi & La, Roger	W&RLA LLC	8272 Lupine Field Court	Sacramento	CA	95829	(916) 668-9419	wrla@kona-ice.com
Rodriguez, John	JR Ohana Ventures, LLC	12906 Hideaway Lane	San Diego	CA	92131	(858) 275-3075	jrod@kona-ice.com
Peters, Robert		31082 Via Consuelo	Coto de Caza	CA	92679	(775) 771-4886	rpeters@kona-ice.com
Farr, Steven & Grace	Farr's Famous Ice, LLC	8637 Marmon Way	Sacramento	CA	95828	(916) 897-6414	sfarr@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Mays, Melyssa & Kenneth		1122 3rd Ave	Napa	Ca	94558	(707) 603-9082	mmays@kona-ice.com
Witek, Ron	The Witek Family, LLC	275 S. Worthington St. #98	Spring Valley	CA	91977	(619) 455-5336	rwitek@kona-ice.com
Etter, Kimberly & James	I Wonder, LLC dba Kona Ice of Lancaster	3122 Lemonwood Drive	Lancaster	CA	93536	(661) 524-5055	ketter@kona-ice.com
Nava, Jesse	Super Birthday, Inc.	7221 Whiskey Creek Circle	Corona	CA	92881	(951) 268-4210	jnava@kona-ice.com
Duncan, David & Lisa	NorCal Concession Management, LLC	681 Saffron Drive	Tracy	CA	95377	(209) 597-8760	dduncan@kona-ice.com
Rojas, Teddy	Outlaw Strength & Conditioning	1250 Callen Street	Vacaville	CA	95688	(707) 628-0328	trojas@kona-ice.com
Perez, Victor & Ana	Fun & Beyond, LLC	23702 Ronan Ave	Carson	CA	90745	(310) 270-2819	vperez@kona-ice.com
Meza, Gina & Sergio	Meza Family Kona Ice of Alhambra, LLC	9720 Par Place	Pico Rivera	CA	90660	(323) 516-2383	meza@kona-ice.com
Gutierrez, Vanessa	Bold Impact, LLC	2016 Arapaho Place	Fremont	CA	94539	(408) 966-5405	carlosandvanessa@kona-ice.com
Gallardo, John	Gallardo Enterprise, LLC	2016 Arapaho Place	Fremont	CA	94539	(415) 465-2934	gallardo@kona-ice.com
Fargas, Rissa	Providence Torii, LLC.	16282 East Main St. #18E	Tustin	CA	92780	(858) 527-8571	rfargas@kona-ice.com
Massey, Buck	Buckwild Enterprises, LLC	109 Pique Loop Apt. 201	Folsom	CA	95630	(757) 274-6790	bmassey@kona-ice.com
Spencer, Bernadette & Joseph	Spencer's Shaved Ice, LLC	838 Cobblestone ct	Ripon	CA	95366	(209) 302-9238	jbspencer@kona-ice.com
Dunn, Kevin	DunnCo LLC	320 Sunbird Dr	Turlock	CA	95382	(209) 595-6797	kdunn@kona-ice.com
Berger, Stacy & Dave	Berger Boys LLC	PO Box 1357	Tuolumne,	CA	95379	(209) 768-0341	sberger@kona-ice.com
Perez, Sheryll & Devynn	DGPerez Family, LLC.	1513 Onyx Ln	Beaumont	CA	92223	(909) 205-7841	dgperez@kona-ice.com
Stalneck, Janelle	Mangia Bene, LLC	10371 Park Ave #D	Garden Grove	CA	92840	(408) 612-6659	jstalneck@kona-ice.com
Mowry, Ray & Karen	Kona Ice Pikes Peak, LLC	2160 Old North Gate Rd	Colorado Springs	CO	80921	(719) 464-5232	konacos@gmail.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Neumann, Josh	Kona Ice of Black Hills, LLC	1762 Pioneer Pl	Eaton	CO	80615	(605) 430-4675	jcneumann@kona-ice.com
Rotner, Dan/ Shelton, Brian	NoCo Frozen Treats, LLC	5242 Silverwood Dr	Johnstown	CO	80534	(970) 420-6995	bshelton@kona-ice.com
Rotner, Dan/ Shelton, Brian	NoCo Frozen Treats, LLC	5242 Silverwood Dr	Johnstown	CO	80534	(970) 420-6995	bshelton@kona-ice.com
Rotner, Dan/ Shelton, Brian	NoCo Frozen Treats, LLC	5242 Silverwood Dr	Johnstown	CO	80534	(970) 420-6995	bshelton@kona-ice.com
Rotner, Dan/ Shelton, Brian	NoCo Frozen Treats, LLC	5242 Silverwood Dr	Johnstown	CO	80534	(970) 420-6995	bshelton@kona-ice.com
Rotner, Dan/ Shelton, Brian	NoCo Frozen Treats, LLC	5242 Silverwood Dr	Johnstown	CO	80534	(970) 420-6995	bshelton@kona-ice.com
Ingle, Mark	South Metro Shaved Ice, Inc.	7540 Dawn Dr	Littleton	CO	80125	(303) 641-9708	milehighkona@kona-ice.com
Ingle, Mark	South Metro Shaved Ice, Inc.	7540 Dawn Dr	Littleton	CO	80125	(303) 641-9708	milehighkona@kona-ice.com
Ingle, Mark	South Metro Shaved Ice, Inc.	7540 Dawn Dr	Littleton	CO	80125	(303) 641-9708	milehighkona@kona-ice.com
Ingle, Mark	South Metro Shaved Ice, Inc.	7540 Dawn Dr	Littleton	CO	80125	(303) 641-9708	milehighkona@kona-ice.com
Ingle, Mark	South Metro Shaved Ice, Inc.	7540 Dawn Dr	Littleton	CO	80125	(303) 641-9708	milehighkona@kona-ice.com
Geurden, Chris/ Urban, Tryce	Rocky Mountain High Sales LLC	4506 Portofino Dr	Longmont	CO	80503	(720) 600-0707	tryceurban@kona-ice.com
Geurden, Chris/ Urban, Tryce	Rocky Mountain High Sales LLC	4506 Portofino Dr	Longmont	CO	80503	(720) 600-0707	tryceurban@kona-ice.com
Geurden, Chris/ Urban, Tryce	Rocky Mountain High Sales LLC	4506 Portofino Dr	Longmont	CO	80503	(720) 600-0707	tryceurban@kona-ice.com
Vogelbacher, Karl & Gabriella	Vogelbacher Enterprise, LLC	251 Elkdale Dr P.O. Box 263	Tabernash	CO	80478	(970) 531-7161	vogelbacher@kona-ice.com
Schnelle, Julie & Ryan	Big Island Endeavors, LLC	4050 W. 116 th Way	Westminster	CO	80031	(720) 480-8030	jschnelle@kona-ice.com
Schnelle, Julie & Ryan	Big Island Endeavors, LLC	4050 W. 116 th Way	Westminster	CO	80031	(720) 480-8030	jschnelle@kona-ice.com
Schnelle, Julie & Ryan	Big Island Endeavors, LLC	4050 W. 116 th Way	Westminster	CO	80031	(720) 480-8030	jschnelle@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Tennal, Kevin & Amy	KPR Kona Colorado, LLC	5594 W. 118 th Pl	Westminster	CO	80020	(720) 484-4174	ktennal@kona-ice.com
Tennal, Kevin & Amy	KPR Kona Colorado, LLC	5594 W. 118 th Pl	Westminster	CO	80020	(720) 484-4174	ktennal@kona-ice.com
Hepner, Jeremy & Katrina	Hepner Family Kona Ice Central Springs, LLC	4888 Chaparral Rd	Colorado Springs	CO	80917	(719) 452-9998	khepner@kona-ice.com
Hepner, Jeremy & Katrina	Hepner Family Kona Ice Central Springs, LLC	4888 Chaparral Rd	Colorado Springs	CO	80917	(719) 452-9998	khepner@kona-ice.com
Hepner, Jeremy & Katrina	Hepner Family Kona Ice Central Springs, LLC	4888 Chaparral Rd	Colorado Springs	CO	80917	(719) 452-9998	khepner@kona-ice.com
Worden, Paul	Kona Ice of South Central Denver, LLC	16788 E Belleview Place	Centennial	CO	80015	(303) 627-2381	pworden@kona-ice.com
Worden, Paul	Kona Ice of South Central Denver, LLC	16788 E Belleview Place	Centennial	CO	80015	(303) 627-2381	pworden@kona-ice.com
Worden, Paul	Kona Ice of South Central Denver, LLC	16788 E Belleview Place	Centennial	CO	80015	(303) 627-2381	pworden@kona-ice.com
Worden, Paul	Kona Ice of South Central Denver, LLC	16788 E Belleview Place	Centennial	CO	80015	(303) 627-2381	pworden@kona-ice.com
McConnell, Bill & Sondra	Kona Ice of Seven Hills, LLC	25150 E. Ottawa Drive	Aurora	CO	80016	(303) 523-9794	mcconnell@kona-ice.com
McConnell, Bill & Sondra	Kona Ice of Seven Hills, LLC	25150 E. Ottawa Drive	Aurora	CO	80016	(303) 523-9794	mcconnell@kona-ice.com
Schnelle, Julie & Ryan	Big Island Endeavors, LLC	4050 w 116th Way	Westminster	CO	80031	(720) 480-8030	jschnelle@kona-ice.com
McMeekin, Adri	Ryley, LLC	5941 S. Lima St	Englewood	CO	80111	(303) 551-1513	lakewood@kona-ice.com
Worden, Paul	Kona Ice of South Central Denver, LLC	16788 E Belleview Place	Centennial	CO	80015	(303) 627-2381	pworden@kona-ice.com
Geurden, Chris & Tryce	Rocky Mountain High Sales LLC	4506 Portofino Dr	Longmont	CO	80503	(720) 600-0707	tryceurban@kona-ice.com
Neumann, Josh	Kona Ice of Black Hills, LLC	1762 Pioneer Place	Eaton	CO	80615	(970) 568-6823	jneumann@kona-ice.com
Burkey, Brenda	The Blind Guy INC.	82 Mountain Rd	Manchester	CT	06040	(860) 841-7792	burkey@kona-ice.com
Zezima, Greg	Kona Ice of Stamford, LLC	33 Clover Hill Dr	Stamford	CT	06902	(293) 921-5000	zezima@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Garrouette, Deidre	GATH Group, LLC	48 Falls Road	North East	DE	21901	(302) 722-7280	dgarouette@kona-ice.com
Garrouette, Deidre	GATH Group, LLC	48 Falls Road	North East	DE	21901	(302) 722-7280	dgarouette@kona-ice.com
Goines, Eddie	Kona Ice Of Lakeland, LLC	312 Crescent Ridge Rd	Auburndale	FL	33823	(863) 874-4404	egoines@kona-ice.com
Capozziello, Stacie	Kona Ice of Boca Raton, LLC	875 NW 13 th St #307	Boca Raton	FL	33486	(561) 251-8871	konaboca@gmail.com
Boyers, Dave & Elizabeth	Kona Ice Sarasota, LLC	4207 Oak Ln	Bradenton	FL	34208	(941) 685-2881	sarasota@kona-ice.com
Boyers, Dave & Elizabeth	Kona Ice Sarasota, LLC	4207 Oak Ln	Bradenton	FL	34208	(941) 685-2881	sarasota@kona-ice.com
Boyers, Dave & Elizabeth	Kona Ice Sarasota, LLC	4207 Oak Ln	Bradenton	FL	34208	(941) 685-2881	sarasota@kona-ice.com
Cullen, Charles (Chuck) & Jackie	Kona Ice of Flagler County, LLC	4601 E. Moody Blvd #D2	Bunnell	FL	32110	(386) 793-5662	jcullen@kona-ice.com
Bateman, Matt & Denise/ Murray, Bruce	Bateman Family, LLC	3126 SE 22 nd Pl	Cape Coral	FL	33904	(239) 225-8636	dlbateman@kona-ice.com
Palmer, Coby/ Ward, Chris	Kona Ice of Ft Meyer Shores, LLC	2728 Lambay Ct	Cape Coral	FL	33991	(239) 747-3814	palmerward@kona-ice.com
Schneider, Steven	Kona-ice of Coral Springs LLC	5101 NW 57 th Dr	Coral Springs	FL	33067	(954) 701-5945	schneider@kona-ice.com
Ciadella, Salvatore & Amanda	Kona Ice of Citrus County LLC	1135 N. Country Club Dr	Crystal River	FL	34429	(352) 212-1500	sciadella@kona-ice.com
Smith, Marcee	Sno Ride, LLC	421 Pontevedra Rd	Davenport	FL	33837	(863) 326-2368	msmith@kona-ice.com
Hoffman, Tammy/ Capell, Judy	Hoffman & Capell, LLC	3811 S. Atlantic Ave #402	Daytona Beach Shores	FL	32118	(386) 872-8582	thoffman@kona-ice.com
Hoffman, Tammy/ Capell, Judy	Hoffman & Capell, LLC	3811 S. Atlantic Ave #402	Daytona Beach Shores	FL	32118	(386) 872-8582	thoffman@kona-ice.com
Hoffman, Tammy/ Capell, Judy	Hoffman & Capell, LLC	3811 S. Atlantic Ave #402	Daytona Beach Shores	FL	32118	(386) 872-8582	thoffman@kona-ice.com
Denigan, Isaac	Kona Ice Daytona Beach, LLC	1713 N. Clara Ave	DeLand	FL	32720	(386) 320-6277	idenigan@kona-ice.com
Denigan, Isaac	Kona Ice Daytona Beach, LLC	1713 N. Clara Ave	DeLand	FL	32720	(386) 320-6277	idenigan@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Rowe, Steve & Mitzi	Sunfest Enterprises, LLC	981 HWY 98 E Suite 322	Destin	FL	32541	(850) 974-7450	rowe@kona-ice.com
Carpenter, Rebecca	BBB's Kona Ice, Inc.	24150 Weldon Dr	Eustis	FL	32736	(407) 509-3142	rcarpenter@kona-ice.com
Carpenter, Rebecca	BBB's Kona Ice, Inc.	24150 Weldon Dr	Eustis	FL	32736	(407) 509-3142	rcarpenter@kona-ice.com
Carpenter, Rebecca	BBB's Kona Ice, Inc.	24150 Weldon Dr	Eustis	FL	32736	(407) 509-3142	rcarpenter@kona-ice.com
Irish, Sandra	SBI Sankofa Enterprises, LLC	636 W. Evanston Cir	Fort Lauderdale	FL	33312	(754) 229-5662	sirish@kona-ice.com
Irish, Sandra	SBI Sankofa Enterprises, LLC	636 W. Evanston Cir	Fort Lauderdale	FL	33312	(754) 229-5662	sirish@kona-ice.com
Litzenberg, Gretchen	Kona Ice of Hollywood Beach, LLC	2033 SE 10 th Ave Apt. 616	Fort Lauderdale	FL	33316	(954) 652-6296	glitzenberg@kona-ice.com
Johnson, Larry	CHALS Enterprises, LLC	1590 Charmont Pl	Fort Myers	FL	33919	(239) 220-9889	ljohnson@kona-ice.com
Brown, Frances & Ray	Kona Ice of Indian River, LLC	5427 Place Lake Dr	Fort Pierce	FL	34951	(772) 539-2641	fbrown@kona-ice.com
Rainwater, David	Kona Ice of Gainesville, LLC	4329 NW 27 th Terr	Gainesville	FL	32605	(352) 222-8311	rainwater@kona-ice.com
Mack, David & Valerie	Kona Ice of Miami Enterprises, LLC	803 SE 2 nd Ave	Hallandale Beach	FL	33009	(866) 902-6387	mykonaice@yahoo.com
Mack, David & Valerie	Kona Ice of Miami Enterprises, LLC	803 SE 2 nd Ave	Hallandale Beach	FL	33009	(866) 902-6387	mykonaice@yahoo.com
Mack, David & Valerie	Kona Ice of Miami Enterprises, LLC	803 SE 2 nd Ave	Hallandale Beach	FL	33009	(866) 902-6387	mykonaice@yahoo.com
Heymer, Claire	Kona Ice of New Port Richey, LLC	9408 Wildwood Ave	Hudson	FL	34669	(727) 804-1419	heymer@kona-ice.com
Heymer, Claire	Kona Ice of New Port Richey, LLC	9408 Wildwood Ave	Hudson	FL	34669	(727) 804-1419	heymer@kona-ice.com
Greco, Glen Jr.	Kona Ice SE Jacksonville	8451 Gate Pkwy W Unit 532	Jacksonville	FL	32216	(904) 770-7341	greco@kona-ice.com
Schubiger, David	Kona Ice of Downtown Jacksonville	7595 Baymeadows Cir West Apartment 2015	Jacksonville	FL	32256	(786) 863-9344	schubiger@kona-ice.com
Schubiger, David	Kona Ice of Downtown Jacksonville	7595 Baymeadows Cir West Apartment 2015	Jacksonville	FL	32256	(786) 863-9344	schubiger@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Beane, Thomas (Cary)	TC Beane Corporation	1355 Plantation Oaks Dr N.	Jacksonville Beach	FL	32250	(904) 372-3578	cbeane@kona-ice.com
Beane, Thomas (Cary)	TC Beane Corporation	1355 Plantation Oaks Dr N.	Jacksonville Beach	FL	32250	(904) 372-3578	cbeane@kona-ice.com
Smith, Shawn & Ellen	Kona Ice Celebration	2615 Harris Blvd	Kissimmee	FL	34746	(407) 483-7968	essmith@kona-ice.com
Khamninh, Kam (Noupane)	Kam K. Enterprises, Inc.	3472 Blanchette Tr	Lake Worth	FL	33467	(561) 254-5076	kamkonaice@gmail.com
Khamninh, Kam (Noupane)	Kam K. Enterprises, Inc.	3472 Blanchette Tr	Lake Worth	FL	33467	(561) 254-5076	kamkonaice@gmail.com
Castelow, Jeff & Robin	Castelow Enterprises LLC	2135 Pocahontas Dr	Largo	FL	33774	(443) 553-3843	rcastelow@kona-ice.com
Castelow, Jeff & Robin	Castelow Enterprises LLC	2135 Pocahontas Dr	Largo	FL	33774	(443) 553-3843	rcastelow@kona-ice.com
Kolar, Meghan & Jon	Kona Ice of Jupiter	16368 Valencia Blvd	Loxahatchee	FL	33470	(561) 345-1203	konajupiter@gmail.com
Kolar, Meghan & Jon	Kona Ice of Jupiter	16368 Valencia Blvd	Loxahatchee	FL	33470	(561) 345-1203	konajupiter@gmail.com
Redfern, Michelle & Dwight	Kona Ice of Central Brevard County	689 Denise Dr	Melbourne	FL	32935	(321) 210-9151	sunny@kona-ice.com
Amarin, Lema & Adib	Amarin, LLC	1756 Bayshore Dr Apt 39 E	Miami	FL	33132	(305) 890-8815	amarin@kona-ice.com
Melero, Tiffany	Caribbean Ice, Inc.	6303 SW 162 Path	Miami	FL	33193	(786) 232-1458	fmelero@kona-ice.com
Peluchette, Paul	Naples Shaved Ice, LLC	1495 Rail Head Blvd Suite 3	Naples	FL	34110	(917) 449-7179	paulp@kona-ice.com
Peluchette, Paul	Naples Shaved Ice, LLC	1495 Rail Head Blvd Suite 3	Naples	FL	34110	(917) 449-7179	paulp@kona-ice.com
Bartlett, Russell	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr	Navarre	FL	32566	(850) 902-2440	happiness@kona-ice.com
Bartlett, Russell	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr	Navarre	FL	32566	(850) 902-2440	happiness@kona-ice.com
Bartlett, Russell	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr	Navarre	FL	32566	(850) 902-2440	happiness@kona-ice.com
Bartlett, Russell	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr	Navarre	FL	32566	(850) 902-2440	happiness@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
McKay, Deven	Kona Ice of Delray Beach	3315 SW 13 th St Suite 204	Ocala	FL	33474	(352) 274-0521	dmckay@kona-ice.com
Robbins, Pauline	Kona Ice Ocala	835 SE 3 rd St	Ocala	FL	34471	(352) 804-5662	ocala@kona-ice.com
Robbins, Pauline	Kona Ice Ocala	835 SE 3 rd St	Ocala	FL	34471	(352) 804-5662	ocala@kona-ice.com
Landers, Kevin & Dawn	Kona Ice of Southside LLC	150 Hercules Dr E	Orange Park	FL	32073	(904) 414-5662	kdlanders@kona-ice.com
Peek, Michael	Kona Ice Southwest Jacksonville	473 Cody Dr	Orange Park	FL	32244	(904) 534-2538	swjax@kona-ice.com
Peek, Michael	Kona Ice Southwest Jacksonville	473 Cody Dr	Orange Park	FL	32244	(904) 534-2538	swjax@kona-ice.com
Fox, Heather	Fox Family, LLC	314 S. Lakewood Dr	Orlando	FL	32803	(407) 580-2860	hfox@kona-ice.com
Fox, Heather	Fox Family, LLC	314 S. Lakewood Dr	Orlando	FL	32803	(407) 580-2860	hfox@kona-ice.com
Fox, Heather	Fox Family, LLC	314 S. Lakewood Dr	Orlando	FL	32803	(407) 580-2860	hfox@kona-ice.com
Helish, Michael	Quality Gourmet Coffee Service Inc.	1713 London Crest Dr, 304	Orlando	FL	32818	(321) 271-5393	mhelish@kona-ice.com
Tanko, Tom & Linda	Tanko Enterprises, LLC	9747 Pecky Cypress Way	Orlando	FL	32836	(352) 988-7554	titanko@kona-ice.com
Tanko, Tom & Linda	Tanko Enterprises, LLC	9747 Pecky Cypress Way	Orlando	FL	32836	(352) 988-7554	titanko@kona-ice.com
Tanko, Tom & Linda	Tanko Enterprises, LLC	9747 Pecky Cypress Way	Orlando	FL	32836	(352) 988-7554	titanko@kona-ice.com
Barton, Guy	Kona Ice Pensacola North LLC	5520 Greenleaf Dr	Pace	FL	32571	(850) 637-5662	guynfrank@kona-ice.com
Barton, Guy	Kona Ice Pensacola North LLC	5520 Greenleaf Dr	Pace	FL	32571	(850) 637-5662	guynfrank@kona-ice.com
Brizendine, Eugene & Jeannie	Jeans Tropical Ice LLC	1460 Emerson Dr NE	Palm Bay	FL	32907	(321) 525-5599	brizendine@kona-ice.com
Young, Russell & Shannon	Young's Ice Endeavors	411 Dillard Dr SE	Palm Bay	FL	32909	(321) 831-0094	rsyoung@kona-ice.com
Nelson, David & Teresa	Southern Chill LLC	1006 SW 34 th Terr	Palm City	FL	34990	(772) 320-9855	dtnelson@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Edwards, Stephanie & Chris	Edwards3, LLC	11436 Summit Rock Ct	Parrish	FL	34219	(941) 465-0802	scedwards@kona-ice.com
Edwards, Stephanie & Chris	Edwards3, LLC	11436 Summit Rock Ct	Parrish	FL	34219	(941) 465-0802	scedwards@kona-ice.com
Edwards, Stephanie & Chris	Edwards3, LLC	11436 Summit Rock Ct	Parrish	FL	34219	(941) 465-0802	scedwards@kona-ice.com
Martinez, Robyn & Robert/ Pascual-Fernandez, Ana	RSMART Inc.	7415 SW 99 St	Pinecrest	FL	33156	(786) 393-4080	rmartinez@kona-ice.com
Martinez, Robyn & Robert/ Pascual-Fernandez, Ana	RSMART Inc.	7415 SW 99 St	Pinecrest	FL	33156	(786) 393-4080	rmartinez@kona-ice.com
Martinez, Robyn & Robert/ Pascual-Fernandez, Ana	RSMART Inc.	7415 SW 99 St	Pinecrest	FL	33156	(786) 393-4080	rmartinez@kona-ice.com
Martin, Beverly	Kona Kween LLC	2061 NW 118 th Ave	Plantation	FL	33323	(954) 842-5662	bmartin@kona-ice.com
Martin, Beverly	Kona Kween LLC	2061 NW 118 th Ave	Plantation	FL	33323	(954) 842-5662	bmartin@kona-ice.com
Smith, Don & Jean	Coopersmith Ice, Inc.	318 Trieste Dr	Punta Gorda	FL	33950	(941) 286-8037	dsmith@kona-ice.com
Colbert, Jason & Jennifer	Kona Ice of Brandon	11213 Denmore Ln	Riverview	FL	33578	(813) 505-1805	jcolbert@kona-ice.com
Eaton, Larry & Jackie	Kona Ice of Valrico, LLC	12611 Early Run Ln	Riverview	FL	33578	(813) 892-3091	jleaton@kona-ice.com
Kerr, Diana	Kona Ice of Plant City, LLC	13118 Early Run Ln	Riverview	FL	33578	(727) 272-2734	dkerr@kona-ice.com
Cooper, Dale	D & W Wholesale, Inc.	3936 Dockers Dr	Ruskin	FL	33570	(941) 799-1447	dcooper@kona-ice.com
Cooper, Dale	D & W Wholesale, Inc.	3936 Dockers Dr	Ruskin	FL	33570	(941) 799-1447	dcooper@kona-ice.com
Cooper, Dale	D & W Wholesale, Inc.	3936 Dockers Dr	Ruskin	FL	33570	(941) 799-1447	dcooper@kona-ice.com
Cooper, Dale	D & W Wholesale, Inc.	3936 Dockers Dr	Ruskin	FL	33570	(941) 799-1447	dcooper@kona-ice.com
Hlavaty, Ken, Angela & Mak	Hlavaty Family, LLC	502 3 rd Ave SE	Ruskin	FL	33570	(813) 495-1947	ahlavaty@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Hoffman, Bob & Pam/ O'Brien, Kevin	Jax 4 Paradise, LLC	1201 Cedar St Suite D	Safety Harbor	FL	34695	(727) 386-4764	pamandkevin@kona-ice.com
Hoffman, Bob & Pam	Jax 4 Paradise, LLC	1201 Cedar St Suite D	Safety Harbor	FL	34695	(727) 386-4764	pamandkevin@kona-ice.com
Hoffman, Bob & Pam	Jax 4 Paradise, LLC	1201 Cedar St Suite D	Safety Harbor	FL	34695	(727) 386-4764	pamandkevin@kona-ice.com
Hoffman, Bob & Pam	Jax 4 Paradise, LLC	1201 Cedar St Suite D	Safety Harbor	FL	34695	(727) 386-4764	pamandkevin@kona-ice.com
Dendler, Rick	Dendler Enterprise, LLC	108 Moultrie Crossing Ln	Saint Augustine	FL	32086	(904) 829-7291	rdendler@kona-ice.com
Dendler, Rick	Dendler Enterprise, LLC	108 Moultrie Crossing Ln	Saint Augustine	FL	32086	(904) 829-7291	rdendler@kona-ice.com
Eaton, Jon & Nicole	Kona Ice of West Sarasota	5148 Island Date St	Sarasota	FL	34232		jeaton@kona-ice.com
Willard, Andrew & Flipse, Carol	Kona Ice of Highlands, LLC	4008 Sebring Ave	Sebring	FL	33875	(863) 381-9449	awillard@kona-ice.com
Parker, Charles	Kona Ice of Southwest Pinellas	9905 121 st Ct	Seminole	FL	33772	(727) 900-5662	cparker@kona-ice.com
Manos, Mary	Kona Ice of Largo, LLC	1107 E. Oakwood St	Tarpon Springs	FL	34689	(727) 458-9900	mmanos@kona-ice.com
Burnett, Matt & Katie	Kona Ice Wesley Chapel, LLC	1144 Baycrest Dr	Wesley Chapel	FL	33544	(813) 812-5662	mburnett@kona-ice.com
Burnett, Matt & Katie	Kona Ice Wesley Chapel, LLC	1144 Baycrest Dr	Wesley Chapel	FL	33544	(813) 812-5662	mburnett@kona-ice.com
Burnett, Matt & Katie	Kona Ice Wesley Chapel, LLC	1144 Baycrest Dr	Wesley Chapel	FL	33544	(813) 812-5662	mburnett@kona-ice.com
Edwards, Paul	Kona Ice Windermere / Winter Garden	12557 Cragside Ln	Windermere	FL	34786	(407) 668-5353	pedwards@kona-ice.com
Shivdat, Ravi & Preya	Kona Ice of NW Orlando, LLC	1218 Selbydon Way	Winter Garden	FL	34787	(407) 620-9721	shivdat@kona-ice.com
Shivdat, Ravi & Preya	Kona Ice of NW Orlando, LLC	1218 Selbydon Way	Winter Garden	FL	34787	(407) 620-9721	shivdat@kona-ice.com
Shivdat, Ravi & Preya	Kona Ice of NW Orlando, LLC	1218 Selbydon Way	Winter Garden	FL	34787	(407) 620-9721	shivdat@kona-ice.com
Heymer, Claire	Kona Ice of New Port Richey, LLC	9408 Wildwood Ave	Hudson	FL	34669	(727) 804-1419	cheymer@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Martin, Corey & Rebecca	Martin Family Services, LLC	8027 Ridgegreen Drive	Lakeland	FL	33809	(863) 210-1742	cmartin@kona-ice.com
Summerfeld, Breanna	Summerfeld Ice LLC	220 Minniehaha Cir.	Haines City	FL	33844	(863) 298-2995	winterhaven@kona-ice.com
Hays, Gene & Denise	Hays Family LLC	15984 Citrus Knoll dr	Winter Garden	FL	34787	(407) 663-9161	hays@kona-ice.com
Bartlett, Russell & Karen	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr.	Navarre	FL	32566	(850) 262-8100	happiness@kona-ice.com
Brown, Frances & Ray	Kona Ice of Indian River LLC	5427 Place Lake Dr	Fort Pierce	FL	34951	(772) 539-2641	fbrown@kona-ice.com
Hartmann, Jodi	Jo-Bex & Family, LLC	3944 Canoe Creek Road	Saint Cloud	FL	34772	(407) 414-7296	jhartmann@kona-ice.com
Krienke, Makaio & Robertson, Zach	Krienke Crew, LLC	4981 Waterside Pointe Circle	Orlando	FL	32829	(407) 962-7445	mkrienke@kona-ice.com
Scott, Wayne & Tamela	Ice-N-EZ of Emerald Coast LLC	118 Lottie Loop	Freeport	FL.	32439	(850) 567-5057	wscott@kona-ice.com
Williams, Letauric & Kiarah	Lekar Enterprises, LLC.	6709 Osage cir	Greenacres	FL	33413	561-247-KONA (5662)	lkwilliams@kona-ice.com
NEWTON, John and Diondra	MLC Enterprises LLC	205 Blue Cypress Drive	Groveland	FL	34736	(321) 303-5874	jnewton@kona-ice.com
Bartlett, Russell & Karen	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr.	Navarre	FL	32566	(850) 262-8100	happiness@kona-ice.com
Dozier, Dean & Denise	Kona Ice of Western Augusta, LLC	5031 Travertine Dr	Appling	GA	30802	(706) 466-1559	ddozier@kona-ice.com
Dozier, Dean & Denise	Kona Ice of Western Augusta, LLC	5031 Travertine Dr	Appling	GA	30802	(706) 466-1559	ddozier@kona-ice.com
Dozier, Dean & Denise	Kona Ice of Western Augusta, LLC	5031 Travertine Dr	Appling	GA	30802	(706) 466-1559	ddozier@kona-ice.com
Dozier, Dean & Denise	Kona Ice of Western Augusta, LLC	5031 Travertine Dr	Appling	GA	30802	(706) 466-1559	ddozier@kona-ice.com
Dye, Matt/ Oakes, Howard/ Duvall, Harold	Kona Ice Midtown, LLC	1490 Kenwood Ave NW	Atlanta	GA	30309	(404) 275-9903	mdye@kona-ice.com
Thompson, Ted	Tedmo Ice, Inc.	190 Ben Burton Rd	Bogart	GA	30622	(770) 310-3931	tthompson@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Thompson, Ted	Tedmo Ice, Inc.	190 Ben Burton Rd	Bogart	GA	30622	(770) 310-3931	thompson@kona-ice.com
Jeschke, Jo & Gary	Jag Properties, LLC	132 Equest Dr	Canton	GA	30115	(770) 316-0072	konajo@kona-ice.com
Jeschke, Jo & Gary	Jag Properties, LLC	132 Equest Dr	Canton	GA	30115	(770) 316-0072	konajo@kona-ice.com
Jeschke, Jo & Gary	Jag Properties, LLC	132 Equest Dr	Canton	GA	30115	(770) 316-0072	konajo@kona-ice.com
Jeschke, Jo & Gary	Jag Properties, LLC	132 Equest Dr	Canton	GA	30115	(770) 316-0072	konajo@kona-ice.com
Jeschke, Jo & Gary	Jag Properties, LLC	132 Equest Dr	Canton	GA	30115	(770) 316-0072	konajo@kona-ice.com
Kinney, Marc & Marilyn	Sweet Snow Enterprises, Inc.	185 Cline Smith Rd	Cartersville	GA	30121	(404) 271-5887	mkinney@kona-ice.com
Kinney, Marc & Marilyn	Sweet Snow Enterprises, Inc.	185 Cline Smith Rd	Cartersville	GA	30121	(404) 271-5887	mkinney@kona-ice.com
Kinney, Marc & Marilyn	Sweet Snow Enterprises, Inc.	185 Cline Smith Rd	Cartersville	GA	30121	(404) 271-5887	mkinney@kona-ice.com
Kinney, Marc & Marilyn	Sweet Snow Enterprises, Inc.	185 Cline Smith Rd	Cartersville	GA	30121	(404) 271-5887	mkinney@kona-ice.com
Powell, Lee & Shannon	Ice Cold Powell Family, LLC	20141 U.S. Hwy 319 N	Coolidge	GA	31738	(229) 201-1918	lpowell@kona-ice.com
Miller, Tom	Kona Ice of Nassau Corp.	6440 Westchester Pl	Cumming	GA	30040	(404) 664-1766	nassau@kona-ice.com
Rehberg, Julie	J. Rehberg Enterprises LLC	2111 Lakeway Dr	Dacula	GA	30018	(770) 342-9397	jrehberg@kona-ice.com
Mullison, Glenn	Crystal Canyon Inc.	2837 Captain Ct	Dacula	GA	30019	(678) 662-8213	gmullison@kona-ice.com
Mullison, Glenn	Crystal Canyon Inc.	2837 Captain Ct	Dacula	GA	30019	(678) 662-8213	gmullison@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Mahar, Mike	AKA Kona Ice, LLC	4522 Aerie Ln	Douglasville	GA	30135	(678) 723-5662	mmahar@kona-ice.com
Schrader, Kathy & Richard	Kona Ice Gwinnett, Inc.	2893 Thurleston Ln	Duluth	GA	30097	(678) 480-1213	gwinnett@kona-ice.com
Schrader, Kathy & Richard	Kona Ice Gwinnett, Inc.	2893 Thurleston Ln	Duluth	GA	30097	(678) 480-1213	gwinnett@kona-ice.com
Schrader, Kathy & Richard	Kona Ice Gwinnett, Inc.	2893 Thurleston Ln	Duluth	GA	30097	(678) 480-1213	gwinnett@kona-ice.com
Schrader, Kathy & Richard	Kona Ice Gwinnett, Inc.	2893 Thurleston Ln	Duluth	GA	30097	(678) 480-1213	gwinnett@kona-ice.com
Schrader, Kathy & Richard	Kona Ice Gwinnett, Inc.	2893 Thurleston Ln	Duluth	GA	30097	(678) 480-1213	gwinnett@kona-ice.com
Schrader, Kathy & Richard	Kona Ice Gwinnett, Inc.	2893 Thurleston Ln	Duluth	GA	30097	(678) 480-1213	gwinnett@kona-ice.com
Umbelina, Chris & Kelly	KECO ICE, LLC	121 Saddleclub Way	Guyton	GA	31312	(912) 508-8883	umbelina@kona-ice.com
Harrison, Rick	RBKM Company, LLC	253 Lakeview Bend Cir	Jefferson	GA	30549	(706) 614-1461	rharrison@kona-ice.com
Shannon, Sean	S&S Global Investments, LLC	80 Sweet Bay Rd	Kathleen	GA	31047	(478) 258-2546	konaicewr@gmail.com
Neely, Calvin	GFS Group, LLC	80 Wood Valley	LaGrange	GA	30240	(706) 957-0870	cneely@kona-ice.com
Neely, Calvin	GFS Group, LLC	80 Wood Valley	LaGrange	GA	30240	(706) 957-0870	cneely@kona-ice.com
Thomas, Jeff	Red Dragon Investments, LLC	1349 Chesapeake Dr SW	Lilburn	GA	30047	(678) 856-6280	jthomas@kona-ice.com
Page, Dion	Kids Love Kona LLC	6316 Phillips Ct	Lithonia	GA	30058	(770) 310-5344	dlpage@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Saunders, Titus	Kona Ice of Stonecrest, LLC	2221 Rambling Way	Lithonia	GA	30058	(770) 885-6500	tsaunders@kona-ice.com
Lomax, Cole	Lomax Kona Ice of Locust Grove LLC	130 Kayla Ct	Locust Grove	GA	30248	(770) 375-9698	clomax@kona-ice.com
Lomax, Cole	Lomax Kona Ice of Locust Grove LLC	130 Kayla Ct	Locust Grove	GA	30248	(770) 375-9698	clomax@kona-ice.com
Riser, Daryl & Lisa	Kona Ice of Morgan County, LLC	1331 Sandy Creek Rd	Madison	GA	30650	(770) 851-2812	lriser@kona-ice.com
Frick, Steven & Rowell, Karen	Enterprises in Paradise LLC	677 Windgrove Rd SE	Marietta	GA	30067	(678) 988-3802	sfrick@kona-ice.com
Roberts, Samona	M4 Enterprise Group, LLC	1902 Hampton Springs Ct	Marietta	GA	30008	(678) 733-3447	roberts@kona-ice.com
Hall, Ronnie & Katrina	Kona Ice South Savannah	15 Birchwood Ct	Savannah	GA	31419	(912) 844-0832	rjhall@kona-ice.com
Hodge, Jamie & Jennifer	Savannah Kona Ice, LLC	32 Diana Dr	Savannah	GA	31406	(912) 346-3572	jhodge@kona-ice.com
Hodge, Jamie & Jennifer	Savannah Kona Ice, LLC	32 Diana Dr	Savannah	GA	31406	(912) 346-3572	jhodge@kona-ice.com
Roberts, Mark	Kona Ice Rome	1164 Bethel Church Rd	Silver Creek	GA	30173	(706) 512-2866	konaice.mr57@yahoo.com
Roberts, Mark	Kona Ice Rome	1164 Bethel Church Rd	Silver Creek	GA	30173	(706) 512-2866	konaice.mr57@yahoo.com
Tucker, Ryan/ Parson, Garrett	The Kona Ice Truck, LLC	374 Lynhurst Rd	Smyrna	GA	30082	(678) 761-5471	smyrna@kona-ice.com
Tucker, Ryan/ Parson, Garrett	The Kona Ice Truck, LLC	374 Lynhurst Rd	Smyrna	GA	30082	(678) 761-5471	smyrna@kona-ice.com
Shoats, Jon & Stacey	Kingdom Konfections, LLC	1720 Timberline Trace	Snellville	GA	30078	(678) 898-0714	shoats@kona-ice.com
Wilde, Chris	Kona Ice of North Atlanta	4905 Kettle River Pt	Suwanee	GA	30024	(404) 229-0108	cwilde@kona-ice.com
Wilde, Chris	Kona Ice of North Atlanta	4905 Kettle River Pt	Suwanee	GA	30024	(404) 229-0108	cwilde@kona-ice.com
Hassenstab, Russell & Brenda	KONA ICE OF LOWNDES, LLC	604 Parker Mathis Dr	Valdosta	GA	31601	(229) 300-6605	hassenstab@kona-ice.com
Kleiber, Paul & Morgan	Kleiber Kona, LLC	822 Coosawilla Way	Winder	GA	30680	(770) 668-4217	mkleiber@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Kleiber, Paul & Morgan	Kleiber Kona, LLC	822 Coosawilla Way	Winder	GA	30680	(770) 668-4217	mkleiber@kona-ice.com
Miramonti, Rich & Terri	Ascend Service, Inc.	1176 Arborhill Dr	Woodstock	GA	30189	(770) 272-2380	miramonti@kona-ice.com
Miramonti, Rich & Terri	Ascend Service, Inc.	1176 Arborhill Dr	Woodstock	GA	30189	(770) 272-2380	miramonti@kona-ice.com
Miramonti, Rich & Terri	Ascend Service, Inc.	1176 Arborhill Dr	Woodstock	GA	30189	(770) 272-2380	miramonti@kona-ice.com
Miramonti, Rich & Terri	Ascend Service, Inc.	1176 Arborhill Dr	Woodstock	GA	30189	(770) 272-2380	miramonti@kona-ice.com
Shoats, Jon & Stacey	Kingdom Konfections, LLC	1720 Timberline Trace	Snellville	GA	30078	(678) 223-3184	shoats@kona-ice.com
Lomax, Cole	Lomax Kona Ice of Locust Grove, LLC	151 Feather Lane	Jackson	GA	30233	(770) 375-9698	clomax@kona-ice.com
Hodge, Jamie & Jennifer	Savannah Kona Ice, LLC	32 Diana Drive	Savannah	GA	31406	(912) 346-3572	jhodge@kona-ice.com
Johnson, Philip	Aloha Enterprises, LLC	824 Langley Path	Johns Creek	GA	30024	(470) 651-3898	pjohnson@kona-ice.com
Riser, Daryl & Lisa	Kona Ice of Morgan County, LLC	1331 Sandy Creek Rd	Madison	GA	30650	(770) 851-2812	lriser@kona-ice.com
Staudenmaier, Marni & Jason	Marson Family, LLC	1129 Ivey Brook Drive	Bethlehem	GA	30620	(706) 961-9492	hartcounty@kona-ice.com
Garland, Cindy & Steve	Steve & Cindy Garland, LLC	57 Parkview Drive	Ringgold	GA	30736	(423) 605-3574	cgarland@kona-ice.com
Thorpe, Paul	Kona Ice Ohana, LLC	238 Nomilo Pl	Honolulu	HI	96825	(808) 679-5820	pthorpe@kona-ice.com
Thorpe, Paul	Kona Ice Ohana, LLC	238 Nomilo Pl	Honolulu	HI	96825	(808) 679-5820	pthorpe@kona-ice.com
Marumoto, Adam	Kokua Kona, LLC	91-1022B Kaiau Ave	Kapolei	HI	96707	(808) 551-9046	amarumoto@kona-ice.com
Marumoto, Adam	Kokua Kona, LLC	91-1022B Kaiau Ave	Kapolei	HI	96707	(808) 551-9046	amarumoto@kona-ice.com
Marumoto, Adam	Kokua Kona, LLC	91-1022B Kaiau Ave	Kapolei	HI	96707	(808) 551-9046	amarumoto@kona-ice.com
Mikuni, Wallace	Mikuni Enterprises LLC	91-816 Oaniani St	Kapolei	HI	96707	(808) 282-3404	wmikuni@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Fuller, Paul & Haley	Fuller's Ice Partners, LLC	15945 106 th St	Davenport	IA	52804	(563) 650-1689	pfuller@kona-ice.com
Betts, Lauren & Chris	CALLA ICE, LLC	215 Prairie View Dr	Gilbert	IA	50105	(515) 257-6531	ames@kona-ice.com
Betts, Lauren & Chris	CALLA ICE, LLC	215 Prairie View Dr	Gilbert	IA	50105	(515) 257-6531	ames@kona-ice.com
Booms, Jon & Rachel	Kona Ice of Greater Cedar Rapids, LLC	6450 White Gate Ct	Marion	IA	52302	(319) 440-4850	jrbooms@kona-ice.com
Booms, Jon & Rachel	Kona Ice of Greater Cedar Rapids, LLC	6450 White Gate Ct	Marion	IA	52302	(319) 440-4850	jrbooms@kona-ice.com
Booms, Jon & Rachel	Kona Ice of Greater Cedar Rapids, LLC	6450 White Gate Ct	Marion	IA	52302	(319) 440-4850	jrbooms@kona-ice.com
Vugteveen, Kevin & Heather	Okoboji Ice, Inc.	20675 Nautica Dr	Spirit Lake	IA	51360	(712) 320-5662	kvugteveen@kona-ice.com
Baker, Tyler	Baker Property Manangement, LLC	2850 Tunnel Mill RD	Webster City	IA	50595	(515) 835-3080	baker@kona-ice.com
Wilmes, Chris	Kona Ice of Snake River Valley Inc.	3779 Nottingham Ln	Idaho Falls	ID	83402	(208) 680-1816	cwilmes@kona-ice.com
Wilmes, Chris	Kona Ice of Snake River Valley Inc.	3779 Nottingham Ln	Idaho Falls	ID	83402	(208) 680-1816	cwilmes@kona-ice.com
Harris-Sitz, Calleen	Wingman In Mayhem, LLC	2655 NW 10 th Ave	Meridian	ID	83646	(208) 484-4344	charris@kona-ice.com
Heberer, Jim	Maximum Fun, LLC	2917 S. Schilling Loop	Post Falls	ID	83854	(509) 863-7280	jheberer@kona-ice.com
Starr, Robert & Amy	Canyon Starr Promotions, Inc.	2205 Nisqually St	Twin Falls	ID	83301	(208) 734-7827	rstarr@kona-ice.com
Starr, Robert & Amy	Canyon Starr Promotions, Inc.	2205 Nisqually St.	Twin Falls	ID	83301	(208) 734-7827	rstarr@kona-ice.com
Durdell, Robin & Jamie	Macy Properties, LLC	110 Woodlands Pt	East Peoria	IL	61611	(309) 402-9355	rdurdell@kona-ice.com
Durdell, Robin & Jamie	Macy Properties, LLC	110 Woodlands Pt	East Peoria	IL	61611	(309) 402-9355	rdurdell@kona-ice.com
Schmitt, Joe & Stephanie	J & S Ventures, Inc.	5052 Kraft Rd	Freeburg	IL	62243	(618) 578-0747	kona-ice@live.com
Ravagnie, Sherry & Scott	Kona Ice of McHenry County	11802 Harvest Ct	Huntley	IL	60142	(224) 209-6022	sravagnie@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Ravagnie, Sherry & Scott	Kona Ice of McHenry County	11802 Harvest Ct	Huntley	IL	60142	(224) 209-6022	sravagnie@kona-ice.com
Ravagnie, Sherry & Scott	Kona Ice of McHenry County	11802 Harvest Ct	Huntley	IL	60142	(224) 209-6022	sravagnie@kona-ice.com
Nguyen, Mark, Linda, Mike & Lizbeth	I Love Kona Ice, LLC	5934 Oak Ridge Way	Lisle	IL	60532	(630) 392-3906	mlml@kona-ice.com
Nguyen, Mark, Linda, Mike & Lizbeth	I Love Kona Ice, LLC	5934 Oak Ridge Way	Lisle	IL	60532	(630) 392-3906	mlml@kona-ice.com
Schmidt, Brad & Kristin	Ice Works, LLC	26658 Lindengate Cir	Plainfield	IL	60585	(630) 777-1649	schmidtfamily@kona-ice.com
Schmidt, Brad & Kristin	Ice Works, LLC	26658 Lindengate Cir	Plainfield	IL	60585	(630) 777-1649	schmidtfamily@kona-ice.com
Hanner, Wes/ Hanner, Chuck	Kona Ice of Champaign, LLC	801 W. Church St	Savoy	IL	61874	(217) 974-5662	whanner@kona-ice.com
Hanner, Wes/ Hanner, Chuck	Kona Ice of Champaign, LLC	801 W. Church St	Savoy	IL	61874	(217) 974-5662	whanner@kona-ice.com
Grossman, Mark	Sweet Bambino's Treats, LLC	8 W. College Dr, Suite F	Arlington Heights	IL	60004	(847) 752-4410	markg@kona-ice.com
Smith, Kimberly	Four Friends Land of Lincoln, LLC	915 S. Florence	Taylorsville	IL	62568	(217) 824-9861	springfield@kona-ice.com
Grossman, Mark	Sweet Bambino's Treats, LLC	8 W. College Dr, Suite F	Arlington Heights	IL	60004	(847) 752-4410	markg@kona-ice.com
Grossman, Mark	Sweet Bambino's Treats, LLC	8 W. College Dr, Suite F	Arlington Heights	IL	60004	(847) 752-4410	markg@kona-ice.com
McNeff, Thomas & Koselke, Jessica	McNeffs Shaved Ice LLC	4N661 Hawthorne Ave.	Bensenville	IL	60106	(224) 242-2410	tmcneff@kona-ice.com
Anti, Steven & Stacey	Steven Anti Kreations, LLC	5717 N. Northcott Ave	Chicago	IL	60631	(312) 285-7245	santi@kona-ice.com
Taylor, Derek	Kona Ice of Evansville Corp.	1911 Bell Rd	Chandler	IN	47610	(812) 695-6620	dtaylor@kona-ice.com
Taylor, Derek	Kona Ice of Evansville Corp.	1911 Bell Rd	Chandler	IN	47610	(812) 695-6620	dtaylor@kona-ice.com
Taylor, Derek	Kona Ice of Evansville Corp.	1911 Bell Rd	Chandler	IN	47610	(812) 695-6620	dtaylor@kona-ice.com
Burtraw, Trevor	Tburtraw Corp.	1511 Cliftwood Dr	Clarksville	IN	47129	(859) 240-3072	tburtraw@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Hickey, Shawn	Hickey's Shaved Ice, LLC	11581 Ludlow Dr	Fishers	IN	46037	(574) 532-5736	hickey@kona-ice.com
Heilshorn, Billy & Amy	Kona Ice Fort Wayne North L.L.C.	8134 N. Clinton St	Fort Wayne	IN	46825	(260) 440-6444	billyh@kona-ice.com
Cole, Roger & Dawn	Kona Ice of the Dunes, LLC	550 N. Union Pl	Gary	IN	46403	(219) 716-0063	dcole@kona-ice.com
Cole, Roger & Dawn	Kona Ice of the Dunes, LLC	550 N. Union Pl	Gary	IN	46403	(219) 716-0063	dcole@kona-ice.com
Swartzendruber, Troy	Flurries of Flavor, LLC	104 N. Main St	Goshen	IN	46526	(574) 400-5455	troys@kona-ice.com
Farah, Jeanne	GIGI's Shaved Ice, LLC	9694 Decatur Dr	Indianapolis	IN	46256	(317) 987-5662	jfarah@kona-ice.com
Farah, Jeanne	GIGI's Shaved Ice, LLC	9694 Decatur Dr	Indianapolis	IN	46256	(317) 987-5662	jfarah@kona-ice.com
Popov, Tony	Tony's Coneys, LLC	7643 Dean Rd	Indianapolis	IN	46240	(317) 975-0290	tpopov@kona-ice.com
Valiant, Tim	Kona Ice of Tippecanoe County, LLC	226 N. Wilmington Ln	Lafayette	IN	47905	(765) 543-5222	thefuntruck@kona-ice.com
Valiant, Tim	Kona Ice of Tippecanoe County, LLC	226 N. Wilmington Ln	Lafayette	IN	47905	(765) 543-5222	thefuntruck@kona-ice.com
Valiant, Tim	Kona Ice of Tippecanoe County, LLC	226 N. Wilmington Ln	Lafayette	IN	47905	(765) 543-5222	thefuntruck@kona-ice.com
Roark, Michael & Kimberly	Kona Ice of Madison/Columbus, LLC	2205 N. Borcharding Rd	Madison	IN	47250	(812) 599-0939	mroark@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Stohler, Warren & Deborah	Stohler Property Management, LLC	4610 Hacker Creek Rd	Martinsville	IN	46151	(317) 363-7810	wstohler@kona-ice.com
Stohler, Warren & Deborah	Stohler Property Management, LLC	4610 Hacker Creek Rd	Martinsville	IN	46151	(317) 363-7810	wstohler@kona-ice.com
Pocock, Andrew & Valerie	Kona Ice of Steuben County, LLC	5780 S. Old U.S. Hwy 27	Pleasant Lake	IN	46779	(260) 316-5611	dpocock@kona-ice.com
Valiant, Tim	Kona Ice of Tippecanoe County, LLC	226 N Wilmington Ln	Lafayette	IN	47905	(765) 543-5222	thefuntruck@kona-ice.com
Heilshorn, Billy & Amy	Kona Ice Fort Wayne North L.L.C.	8134 N. Clinton St.	Fort Wayne	IN	46825	(260) 440-6444	billyh@kona-ice.com
Farah, Jeanne	GIGI's Shaved Ice, LLC	9694 Decatur Drive	Indianapolis	IN	46256	(317) 987-5662	jfarah@kona-ice.com
Popov, Tony	Tony's Coney's, LLC	7643 Dean Road	Indianapolis	IN	46240	(317) 975-0290	tpopov@kona-ice.com
Douglas, Matt	Kona Ice Lawrence & Topeka, LLC	130 Aspen Ln	Lawrence	KS	66049	(785) 249-7070	heartlandks@kona-ice.com
Douglas, Matt	Kona Ice Lawrence & Topeka, LLC	130 Aspen Ln	Lawrence	KS	66049	(785) 249-7070	heartlandks@kona-ice.com
Wright, Eric & Cathy	Wright Idea Enterprises, Inc.	5109 W. 161 St	Overland Park	KS	66085	(913) 709-3370	ewright@kona-ice.com
Wright, Eric & Cathy	Wright Idea Enterprises, Inc.	5109 W. 161 St	Overland Park	KS	66085	(913) 709-3370	ewright@kona-ice.com
Wright, Eric & Cathy	Wright Idea Enterprises, Inc.	5109 W. 161 St	Overland Park	KS	66085	(913) 709-3370	ewright@kona-ice.com
Wright, Eric & Cathy	Wright Idea Enterprises, Inc.	5109 W. 161 St	Overland Park	KS	66085	(913) 709-3370	ewright@kona-ice.com
Porter, Kristi & Robert	Brainfreeze Adventures, LLC	22621 W. 49 th St	Shawnee	KS	66226	(913) 231-7647	kporter@kona-ice.com
Porter, Kristi & Robert	Brainfreeze Adventures, LLC	22621 W. 49 th St	Shawnee	KS	66226	(913) 231-7647	kporter@kona-ice.com
Young, Matt & Carmond	Kona Ice NW Wichita	13629 W. Ponderosa Ct	Wichita	KS	67235	(316) 644-3933	mcyoung@kona-ice.com
Young, Matt & Carmond	Kona Ice NW Wichita	13629 W. Ponderosa Ct	Wichita	KS	67235	(316) 644-3933	mcyoung@kona-ice.com
Douglas, Matt	Kona Ice Lawrence & Topeka, LLC	130 Aspen Lane	Lawrence	KS	66049	(785) 249-7070	heartlandks@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Wright, Eric & Cathy	Wright Idea Enterprises, Inc	5109 W. 161 Street	Overland Park	KS	66085	(913) 709-3370	ewright@kona-ice.com
Gerber, Shon & Trish	Royal Enterprises, LLC	927 N Trail Drive	Mulvane	KS	67110	(316) 308-0435	tgerber@kona-ice.com
Clemmons, Kyle & Angela	Kona Ice Bowling Green	2663 Laurelstone Ln	Bowling Green	KY	42104	(270) 846-5662	kclemmons@kona-ice.com
Fultz, Matt/ Gilmore, Kyle	Gainer Enterprises, LLC	614 Windsor Ln	Flatwoods	KY	41139	(606) 923-0582	ashland@kona-ice.com
Fultz, Matt/ Gilmore, Kyle	Gainer Enterprises, LLC	614 Windsor Ln	Flatwoods	KY	41139	(606) 923-0582	ashland@kona-ice.com
Grinstead, Ryan	2028 Mapletree Ln	2028 Mapletree Ln	Independence	KY	41051	(513) 720-3930	ryan@kona-ice.com
Satchwill, Lori	Kona Ice of NW Dayton	2926 Hempfling Rd	Morning View	KY	41063	(859) 462-1481	lsatchwill@kona-ice.com
Harbin, Ben	Kona Ice Etown ky, LLC	333 Washington Commons Dr	Mount Washington	KY	40047	(270) 304-7440	bharbin@kona-ice.com
Harbin, Ben	Kona Ice Etown ky, LLC	333 Washington Commons Dr	Mount Washington	KY	40047	(270) 304-7440	bharbin@kona-ice.com
Lamb, Scott & Lisa	Seasonal Food Concepts, Inc.	410 Jake St	Richmond	KY	40475	(859) 333-3100	scottlamb@kona-ice.com
Lamb, Scott & Lisa	Seasonal Food Concepts, Inc.	410 Jake St	Richmond	KY	40475	(859) 333-3100	scottlamb@kona-ice.com
Lamb, Scott & Lisa	Seasonal Food Concepts, Inc.	410 Jake St	Richmond	KY	40475	(859) 333-3100	scottlamb@kona-ice.com
Lamb, Scott & Lisa	Seasonal Food Concepts, Inc.	410 Jake St	Richmond	KY	40475	(859) 333-3100	scottlamb@kona-ice.com
Bolin, Josh	Jclay Corporation	11692 Agarwood Dr	Walton	KY	41094	(859) 803-5913	jbolin@kona-ice.com
Bolin, Josh	Jclay Corporation	11692 Agarwood Dr	Walton	KY	41094	(859) 803-5913	jbolin@kona-ice.com
Bolin, Josh	Jclay Corporation	11692 Agarwood Dr	Walton	KY	41094	(859) 803-5913	jbolin@kona-ice.com
Brooks, Caressa	Kona Ice of Pike & Letcher Counties, LLC	1424 Hwy 2035	Whitesburg	KY	41858	(606) 634-6528	cbrooks@kona-ice.com
Clemmons, Kyle & Angela	Kona Ice of Bowling Green, LLC	2663 Laurelstone Lane	Bowling Green	KY	42104	(270) 846-5662	kclemmons@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Dunning, Sam & Holly	The Dunning Family, LLC	197 Shady Brook Ln	Benton	KY	42025	(270) 559-3749	sdunning@kona-ice.com
Lamb, Tony		5945 Centennial Circle	Florence	KY	41042	(859) 509-3113	scottlamb@kona-ice.com
Dickson, Sharon & Scott	Kona Ice of NELA, LLC	267 Jim Finley Rd	Calhoun	LA	71225	(318) 372-4500	konanela@gmail.com
Dickson, Sharon & Scott	Kona Ice of NELA, LLC	267 Jim Finley Rd	Calhoun	LA	71225	(318) 372-4500	konanela@gmail.com
Boss, Hall & Courtney	HACBO, LLC	103 Tara Oak Dr	Carencro	LA	70520	(337) 303-6309	cboss@kona-ice.com
Fuselier, Lisa & Todd	PIXPAP, LLC	1038 Belle Terre Dr	Eunice	LA	70535	(337) 603-9005	lfuselier@kona-ice.com
Juncker, Roy	Bayou Shaved Ice, LLC	609 Fairfield Ave	Gretna	LA	70056	(504) 421-8914	ejuncker@kona-ice.com
Davis, Kathy	Kathy's Kona Ice	2668 Vulcan St	Harvey	LA	70058	(504) 915-1400	mdavis@kona-ice.com
Davis, Kathy	Kathy's Kona Ice	2668 Vulcan St	Harvey	LA	70058	(504) 915-1400	mdavis@kona-ice.com
Mauk, Jim & Kerry	Kerry's Kona Ice, LLC	2700 Whitney Ave Apt. 527	Harvey	LA	70058	(504) 912-0274	kerryskonaice@kona-ice.com
Guidry, Dwayne	Kona-Ice of Acadiana, LLC	117 Wills Dr	Lafayette	LA	70506	(337) 344-9415	dguidry@kona-ice.com
Guidry, Dwayne	Kona-Ice of Acadiana, LLC	117 Wills Dr	Lafayette	LA	70506	(337) 344-9415	dguidry@kona-ice.com
Guidry, Garrett	Garrelley, LLC	129 Biscayne Ln	Lafayette	LA	70506	(337) 658-8118	gguidry@kona-ice.com
Easter, Ed & Dana	Kona Ice of Cenla, LLC	3013 Donahue Ferry Rd	Pineville	LA	71360	(318) 787-2457	cenla@kona-ice.com
Shoemaker, Pam	Kona Ice of LA Delta, Inc.	153 Andy Allen Rd	Rayville	LA	71269	(318) 557-9564	pshoemaker@kona-ice.com
Lyons, Bill	Kona Ice of Shreveport/Bossier	6202 Gaylyn Dr	Shreveport	LA	71105	(318) 655-5662	konaicesb@comcast.net
Gasper, Donald & Sharon	D & S KONA LLC	469 Hall Rd	Stonewall	LA	71078	(318) 655-4883	dgasper@kona-ice.com
Magel, Faye & J.R.	Kona Ice Sulphur/Lake Charles	2000 Tammy St	Sulphur	LA	70663	(337) 764-6443	fwmagel@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Magel, Faye & J.R.	Kona Ice Sulphur/Lake Charles	2000 Tammy St	Sulphur	LA	70663	(337) 764-6443	fwmagel@kona-ice.com
Authement, Craig & Karen	Bayou Kool Breeze, LLC	1010 Rosedown Dr	Thibodaux	LA	70301	(985) 696-8454	bayoukoolbreeze@kona-ice.com
Authement, Craig & Karen	Bayou Kool Breeze, LLC	1010 Rosedown Dr	Thibodaux	LA	70301	(985) 696-8454	bayoukoolbreeze@kona-ice.com
Gaudet, Wally	Kona Ice of Baton Rouge	35335 Ridge Rd	White Castle	LA	70788-4216	(225) 400-4743	wally@kona-ice.com
Gaudet, Wally	Kona Ice of Baton Rouge	35335 Ridge Rd	White Castle	LA	70788-4216	(225) 400-4743	wally@kona-ice.com
Fuselier, Lisa & Todd	PIXPAP, LLC	1038 Belle Terre Dr.	Eunice	LA	70535	(337) 603-9005	lfuselier@kona-ice.com
Harnish, Ed & Melissa	RADTAT, LLC	7 Brooke Rd	Boylston	MA	01505	(774) 253-0321	eharnish@kona-ice.com
Lavoie, Paris	Kona Ice South Shore, Inc.	8 Farmhurst Rd	Plymouth	MA	02360	(774) 404-0468	plavoie@kona-ice.com
Souza, Dave & Cheryl	Kona Ice Cumberland RI, Inc.	555 County St	Seekonk	MA	2771	(401) 450-9483	dsouza@kona-ice.com
Porzio, Tom	For the Kids Inc.	59 Heather Row	Tewksbury	MA	01876	(978) 888-7952	tporzio@kona-ice.com
Jacobs, Chuck & Heather	Kona Ice of St. Mary's LLC	23327 White Elm Ct	California	MD	20619	(240) 309-9906	cjacobs@kona-ice.com
Delaney, Don & Carrie	C & D Dreams Inc.	15057 Potomac River Dr Box 285	Cobb Island	MD	20625	(301) 934-5662	charlescounty@kona-ice.com
Shuman, Steve	Snow on the Go, Inc.	6608 Gleaming Sand Chase	Columbia	MD	21044	(443) 878-6109	sshuman@kona-ice.com
Shuman, Steve	Snow on the Go, Inc.	6608 Gleaming Sand Chase	Columbia	MD	21044	(443) 878-6109	sshuman@kona-ice.com
O'Kieffe, Chris	Kona Ice of Annapolis	3444 White Admiral Ct	Edgewater	MD	21037	(410) 798-5909	konaice118@gmail.com
O'Kieffe, Chris	Kona Ice of Annapolis	3444 White Admiral Ct	Edgewater	MD	21037	(410) 798-5909	konaice118@gmail.com
O'Kieffe, Chris	Kona Ice of Annapolis	3444 White Admiral Ct	Edgewater	MD	21037	(410) 798-5909	konaice118@gmail.com
Royer, Matt	Kona Ice Elderberg, MD	5840 Mineral Hill Rd	Eldersburg	MD	21784	(240) 216-5799	mroyer@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Royer, Matt	Kona Ice Elderberg, MD	5840 Mineral Hill Rd	Eldersburg	MD	21784	(240) 216-5799	mroyer@kona-ice.com
Chatham, Andy	Super Ice LLC	2656 Barksdale Rd	Elkton	MD	21921	(302) 605-0078	achatham@kona-ice.com
Sunderland, Rob	Kona Ice of Carrol County	1646 Glenwood Ct	Finksburg	MD	21048	(410) 596-2963	rsunderland@kona-ice.com
Sunderland, Rob	Kona Ice of Carrol County	1646 Glenwood Ct	Finksburg	MD	21048	(410) 596-2963	rsunderland@kona-ice.com
Garoutte, Deidre	GATH Group, LLC	48 Falls Rd	North East	MD	21901	(410) 920-9056	dgaroutte@kona-ice.com
Garoutte, Deidre	GATH Group, LLC	48 Falls Rd	North East	MD	21901	(410) 920-9056	dgaroutte@kona-ice.com
Garoutte, Deidre	GATH Group, LLC	48 Falls Rd	North East	MD	21901	(410) 920-9056	dgaroutte@kona-ice.com
Stewart, Wheeler/ Orr, Jeff	J & W Concessions	2679 Broadford Rd	Oakland	MD	21550	(301) 616-6828	jorr@kona-ice.com
Weiner, Sheldon & Sharon	Grandma Kona, LLC	4624 Winding Stone Cir	Olney	MD	20832	(240) 444-7992	grandma@kona-ice.com
Weiner, Sheldon & Sharon	Grandma Kona, LLC	4624 Winding Stone Cir	Olney	MD	20832	(240) 444-7992	grandma@kona-ice.com
Weiner, Sheldon & Sharon	Grandma Kona, LLC	4624 Winding Stone Cir	Olney	MD	20832	(240) 444-7992	grandma@kona-ice.com
Shepard, Sandy	Kona Ice Washington	2561 Ross Rd	Silver Spring	MD	20910	(202) 345-5072	sshepard@kona-ice.com
Leftridge, Terry & Rose	Leftridge Enterprises, LLC	4516 Oak Ridge Dr	Street	MD	21154-1046	(410) 371-1331	lefridge@kona-ice.com
Leftridge, Terry & Rose	Leftridge Enterprises, LLC	4516 Oak Ridge Dr	Street	MD	21154-1046	(410) 371-1331	lefridge@kona-ice.com
Leftridge, Terry & Rose	Leftridge Enterprises, LLC	4516 Oak Ridge Dr	Street	MD	21154-1046	(410) 371-1331	lefridge@kona-ice.com
Leftridge, Terry & Rose	Leftridge Enterprises, LLC	4516 Oak Ridge Dr	Street	MD	21154-1046	(410) 371-1331	lefridge@kona-ice.com
Bennett, George & Laurie	L & G Bennett Enterprises, LLC	794 Pushaw Station Rd	Sunderland	MD	20689-3059	(410) 814-8526	lgbennett@kona-ice.com
Bennett, George & Laurie	L & G Bennett Enterprises, LLC	794 Pushaw Station Rd	Sunderland	MD	20689-3059	(410) 814-8526	lgbennett@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Amin, Raj	Kona Ice of Fredrick Co MD	426 N. Church St	Thurmont	MD	21788	(301) 238-4747	rkamin@kona-ice.com
Elmore, Claude & Joni	Elmore Concessions, LLC	103 Oakway Rd	Timonium	MD	21093	(443) 652-2600	elmore@kona-ice.com
Elmore, Claude & Joni	Elmore Concessions, LLC	103 Oakway Rd	Timonium	MD	21093	(443) 652-2600	elmore@kona-ice.com
Perdomo, Josefina	Para Ti, LLC	6036 Maple Hill Road	Ellicott City	MD	21043	(240) 508-1552	jperdomo@kona-ice.com
Minieri, Anthony	Enzana, LLC	326 Williams Street, Unit 204	Berlin	MD	21811	(443) 944-1866	ajminieri@kona-ice.com
Troutman, Tim	Twendy, LLC	2 Dodworth Ct, Apt 204	Lutherville-Timonium	MD	21093	(443) 613-9010	ttroutman@kona-ice.com
Kingman, Bryan	Kona Ice of Armada Michigan	73983 Madison St	Armada	MI	48005	(586) 265-3067	kingman@kona-ice.com
Berryhill, Jeff	Kona Ice of Western Wayne County LLC	47561 Glengarry Blvd	Canton	MI	48188	(734) 658-9534	jberryhill@kona-ice.com
Berryhill, Jeff	Kona Ice of Western Wayne County LLC	47561 Glengarry Blvd	Canton	MI	48188	(734) 658-9534	jberryhill@kona-ice.com
Price, Jon	Kona Ice Macomb County	19823 Rosin Dr	Clinton Township	MI	48038	(586) 709-3288	jprice@kona-ice.com
Price, Jon	Kona Ice Macomb County	19823 Rosin Dr	Clinton Township	MI	48038	(586) 709-3288	jprice@kona-ice.com
Price, Jon	Kona Ice Macomb County	19823 Rosin Dr	Clinton Township	MI	48038	(586) 709-3288	jprice@kona-ice.com
Parker, Damion	Kona Ice Grand Rapids LLC	1220 Aberdeen St NE	Grand Rapids	MI	49505	(616) 888-9412	dparker@kona-ice.com
Parker, Damion	Kona Ice Grand Rapids LLC	1220 Aberdeen St NE	Grand Rapids	MI	49505	(616) 888-9412	dparker@kona-ice.com
Moffett, Ben	Kona Ice of Fenton, LLC	2181 Lilac Ln	Fenton	MI	48430	(810) 373-5662	bmoффett@kona-ice.com
Moffett, Ben	Kona Ice of Fenton, LLC	2181 Lilac Ln	Fenton	MI	48430	(810) 373-5662	bmoффett@kona-ice.com
Breier, Jon & Mary	MJ Journeys, Inc.	6306 Beechfield Dr	Lansing	MI	48911	(517) 203-9371	mbreier@kona-ice.com
Farr, Clifford	Kona Ice of East Lansing	1906 Cooper Ave	Lansing	MI	48910	(517) 881-6802	cfarr@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Quarles, Nicole	Kona Ice of Michigan	14440 Ramblewood	Livonia	MI	48154	(734) 846-3455	nquarles@kona-ice.com
Walker, Skyler	Skymanda Shaved Ice, LLC	5856 Birchcrest Drive	Saginaw	MI	48638	(989) 297-1142	swalker@kona-ice.com
Dunn, Stephanie	Dunn Well, LLC	3217 Manley Dr.	Lansing	MI	48910	(517) 626-4116	sdunn@kona-ice.com
Patel, Bimal;	BrothersIce LLC	6126 Quartz Lane	Grand Blanc	MI	48439	(810) 410-8461	mbell@kona-ice.com
Smith, LaTanya	Brikki Enterprises, LLC	31843 Kingswood Square	Farmington Hills	MI	48334	(248) 971-3926	tsmith@kona-ice.com
Martin, Don & Kim	Arthur's Icy Bite LLC	706 FERRO AVE NE	LOWELL	MI	49331	(616) 780-2828	dkmartin@kona-ice.com
Bremer, Patty	Big Toast Inc.	7551 Walnut Curve	Chanhassen	MN	55317	(952) 239-3778	pbremer@kona-ice.com
Carver, Todd	Fun on Wheels, LLC	122 Allen Ln	Faribault	MN	55021	(507) 330-4514	tcarver@kona-ice.com
Carver, Todd	Fun on Wheels, LLC	122 Allen Ln	Faribault	MN	55021	(507) 330-4514	tcarver@kona-ice.com
Sharp, Mike	MTSharp, LLC	24681 22 nd Ave	St. Augusta	MN	56301	(320) 309-1855	msharp@kona-ice.com
Ojogwu, Daniel	RoyalDabena, LLC	80 Belvidere St East	Saint Paul	MN	55107	(651) 331-0288	ojogwu@kona-ice.com
Devere, Libby	Lake County Ice, LLC	1101 SW 8th Street	Grand Rapids	MN	55744	(952) 405-0973	ngerace@kona-ice.com
Kingree, Richie & Kristi	Kona Ice King, LLC	1416 Appleton Ct	Arnold	MO	63010	(314) 520-5669	rkingree@kona-ice.com
Kingree, Richie & Kristi	Kona Ice King, LLC	1416 Appleton Ct	Arnold	MO	63010	(314) 520-5669	rkingree@kona-ice.com
Kingree, Richie & Kristi	Kona Ice King, LLC	1416 Appleton Ct	Arnold	MO	63010	(314) 520-5669	rkingree@kona-ice.com
Cook, Chris	C & C Ozark Enterprise LLC	2400 Corona Rd	Columbia	MO	65203	(573) 819-5432	ccook@kona-ice.com
Cook, Chris	C & C Ozark Enterprise LLC	2400 Corona Rd	Columbia	MO	65203	(573) 819-5432	ccook@kona-ice.com
Cook, Chris	C & C Ozark Enterprise LLC	2400 Corona Rd	Columbia	MO	65203	(573) 819-5432	ccook@kona-ice.com



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Williams, Steven	Williams Kona, LLC	16117 Henry St	Dexter	MO	63841	(573) 614-2165	swilliams@kona-ice.com
Kocurek, Joe & Jacqueline	Kona Ice of Central St. Louis City	24 Lewis and Clark Ln	Hillsboro	MO	63050	(636) 692-3216	jkocurek@kona-ice.com
Coleman, Stacie & Jason	Coleman Investments, LLC	2788 Diana Dr	Jackson	MO	63755	(573) 450-9998	scoleman@kona-ice.com
Coleman, Stacie & Jason	Coleman Investments, LLC	2788 Diana Dr	Jackson	MO	63755	(573) 450-9998	scoleman@kona-ice.com
Valdivia, Michael	MAV Holdings, LLC	11201 Bellevue Ave	Kansas City	MO	64114	(816) 523-4086	mvaldivia@kona-ice.com
Valdivia, Michael	MAV Holdings, LLC	11201 Bellevue Ave	Kansas City	MO	64114	(816) 523-4086	mvaldivia@kona-ice.com
Murphree, Dale	Kool Ideas, LLC	19805 NE 129 th St	Kearney	MO	64060	(816) 476-2955	murphree@kona-ice.com
Murphree, Dale	Kool Ideas, LLC	19805 NE 129 th St	Kearney	MO	64060	(816) 476-2955	murphree@kona-ice.com
Joggerst, Mary	Kona Ice of Mid-Mississippi River Valley, LLC	8588 Boverie Dr	Sainte Genevieve	MO	63670	(573) 535-0915	mjoggerst@kona-ice.com
Joggerst, Mary	Kona Ice of Mid-Mississippi River Valley, LLC	8588 Boverie Dr	Sainte Genevieve	MO	63670	(573) 535-0915	mjoggerst@kona-ice.com
Ewing, Jack	Ewing Enterprises of Southwest Missouri LLC	3904 W. Parkridge Cir	Springfield	MO	65802	(417) 268-0050	jdewing@kona-ice.com
Frazier, David	A Hand Holding Corporation	4365 St. Louis Rock Rd	Villa Ridge	MO	63089	(314) 591-5500	countykona@gmail.com
Frazier, David	A Hand Holding Corporation	4365 St. Louis Rock Rd	Villa Ridge	MO	63089	(314) 591-5500	countykona@gmail.com
Frazier, David	A Hand Holding Corporation	4365 St. Louis Rock Rd	Villa Ridge	MO	63089	(314) 591-5500	countykona@gmail.com
Frazier, David	A Hand Holding Corporation	4365 St. Louis Rock Rd	Villa Ridge	MO	63089	(314) 591-5500	countykona@gmail.com
Levens, Ty & Johnette	Levens Destiny 5778 Inc.	1261 Heather Ln	Webb City	MO	64870	(417) 434-1449	tjlevens@kona-ice.com
Daleo, Robert	BC Kona, LLC	1402 Devonshire County Dr	Wentzville	MO	63385	(314) 973-3367	bdaleo@kona-ice.com
Daleo, Robert	BC Kona, LLC	1402 Devonshire County Dr	Wentzville	MO	63385	(314) 973-3367	bdaleo@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Daleo, Robert	BC Kona, LLC	1402 Devonshire County Dr	Wentzville	MO	63385	(314) 973-3367	bdaleo@kona-ice.com
Levens, Ty & Johnette	Levens Destiny 5778 Inc	1261 Heather Lane	Webb City	MO	64870	(417) 434-1449	tjlevens@kona-ice.com
Kuzmenkov, Alex	Kona Ice of the South, LLC	710 Prominence Dr	Flowood	MS	39232	(601) 906-0385	akuzmenkov@kona-ice.com
Kuzmenkov, Alex	Kona Ice of the South, LLC	710 Prominence Dr	Flowood	MS	39232	(601) 906-0385	akuzmenkov@kona-ice.com
Kuzmenkov, Alex	Kona Ice of the South, LLC	710 Prominence Dr	Flowood	MS	39232	(601) 906-0385	akuzmenkov@kona-ice.com
Dearman, Renae	Kona Ice of the Southern Pine Belt	1072 Richburg Rd	Hattiesburg	MS	39402	(601) 909-5423	rdearman@kona-ice.com
Amin, Alex	Kona Ice of the Eastern Pinebelt	403 Delaware Ave	Mccomb	MS	39648	(601) 730-1515	jamin@kona-ice.com
Amin, Alex	Kona Ice of the Eastern Pinebelt	403 Delaware Ave	Mccomb	MS	39648	(601) 730-1515	jamin@kona-ice.com
Jones, Brandon	Ice Life LLC	5730 Winchester Pl	Meridian	MS	39307	(601) 917-5662	bjones@kona-ice.com
Starker, Alex & Ann	Starker Family, LLC	3833 Spring Lakes Blvd	Olive Branch	MS	38654	(662) 420-6909	astarker@kona-ice.com
Roach, Andy & Leigh	Team Roach Ventures, LLC	2104 Bull Run Dr	Apex	NC	27539	(919) 448-1192	aroach@kona-ice.com
Roach, Andy & Leigh	Team Roach Ventures, LLC	2104 Bull Run Dr	Apex	NC	27539	(919) 448-1192	aroach@kona-ice.com
Law, Alina	Wallih, LLC	12 Sourwood Ln	Asheville	NC	28805	(828) 772-4413	alaw@kona-ice.com
Law, Alina	Wallih, LLC	12 Sourwood Ln	Asheville	NC	28805	(828) 772-4413	alaw@kona-ice.com
Glasgow, Chris	Glasgow Family LLC	8616 Ellington Park Dr	Charlotte	NC	28277	(704) 770-1731	cglasgow@kona-ice.com
McDonald, Allison	Allison McDonald, LLC	6646 Kingbird Ct	Charlotte	NC	28215	(704) 491-4495	amcdonald@kona-ice.com
Nelson, Reginald	Nelson's Dessert LLC	5415 Eneida Sue Dr	Charlotte	NC	28214	(980) 312-0865	rnelson@kona-ice.com
Petty, Creg	Petty Investments, Inc.	4140 Stacy Blvd	Charlotte	NC	28209	(704) 999-3421	cpetty@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Petty, Creg	Petty Investments, Inc.	4140 Stacy Blvd	Charlotte	NC	28209	(704) 999-3421	cpetty@kona-ice.com
Allen, Michelle & Eddie	Kona Ice of Garner, LLC	188 Linwood Ln	Clayton	NC	27527	(919) 264-2391	emallen@kona-ice.com
Allen, Michelle & Eddie	Kona Ice of Garner, LLC	188 Linwood Ln	Clayton	NC	27527	(919) 264-2391	emallen@kona-ice.com
Cotta, Catherine	C.A. Cotta Corporation	304 Riverstone Dr	Clayton	NC	27527	(919) 909-1951	cotta@kona-ice.com
Ball, Ryan	The Refreshing One, LLC	2104 Creekside Dr	Franklinton	NC	27525	(252) 425-3076	rball@kona-ice.com
Marino, Pam & Steve	MM&BD, LLC	1311 Surry Dr	Greensboro	NC	27408	(336) 653-5310	pmarino@kona-ice.com
Marino, Pam & Steve	MM&BD, LLC	1311 Surry Dr	Greensboro	NC	27408	(336) 653-5310	pmarino@kona-ice.com
Marino, Pam & Steve	MM&BD, LLC	1311 Surry Dr	Greensboro	NC	27408	(336) 653-5310	pmarino@kona-ice.com
Marino, Pam & Steve	MM&BD, LLC	1311 Surry Dr	Greensboro	NC	27408	(336) 653-5310	pmarino@kona-ice.com
Pounds, Jim	JD Pounds, Inc.	671 Godley Rd	Grimes Land	NC	27837	(252) 320-5662	jpounds@kona-ice.com
Pounds, Jim	JD Pounds, Inc.	671 Godley Rd	Grimes Land	NC	27837	(252) 320-5662	jpounds@kona-ice.com
Cribb, Stephen & Pamela	Smiles Express, LLC	603 Springhill Church Rd	Hamlet	NC	28345	(910) 280-8825	scribb@kona-ice.com
Cribb, Stephen & Pamela	Smiles Express, LLC	603 Springhill Church Rd	Hamlet	NC	28345	(910) 280-8825	scribb@kona-ice.com
Sample, Gary & Pam	Kona-Ice of Coastal Carolina, LLC	1012 NC Hwy 210W	Hampstead	NC	28443	(910) 443-5108	psample@kona-ice.com
Sample, Gary & Pam	Kona-Ice of Coastal Carolina, LLC	1012 NC Hwy 210W	Hampstead	NC	28443	(910) 443-5108	psample@kona-ice.com
Blue, Phillip & Sherita	Blue Family Corporation	8001 Scotch Meadows Dr	Laurinburg	NC	28352	(843) 862-2211	blue@kona-ice.com
Schaner, Debbie	Kona Ice Kabana, Inc.	5021 Harvestview Dr Lot 24	Mebane	NC	27302	(919) 448-5535	dschaner@kona-ice.com
Schaner, Debbie	Kona Ice Kabana, Inc.	5021 Harvestview Dr Lot 24	Mebane	NC	27302	(919) 448-5535	dschaner@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Schaner, Debbie	Kona Ice Kabana, Inc.	5021 Harvestview Dr Lot 24	Mebane	NC	27302	(919) 448-5535	dschaner@kona-ice.com
Schaner, Debbie	Kona Ice Kabana, Inc.	5021 Harvestview Dr Lot 24	Mebane	NC	27302	(919) 448-5535	dschaner@kona-ice.com
Roberts, Scott	Diligent Hands, LLC	5021 Harvestview Dr Lot 24	Monroe	NC	28112	(704) 225-3922	sroberts@kona-ice.com
Roberts, Scott	Diligent Hands, LLC	502 Cedar Wood Dr	Monroe	NC	28112	(704) 225-3922	sroberts@kona-ice.com
Roberts, Scott	Diligent Hands, LLC	502 Cedar Wood Dr	Monroe	NC	28112	(704) 225-3922	sroberts@kona-ice.com
Engelhard, David & Leslie	Kona Ice of the Crystal Coast, LLC	215 Rochelle Dr	Morehead City	NC	28557	(252) 515-6108	coastalkona@kona-ice.com
Engelhard, David & Leslie	Kona Ice of the Crystal Coast, LLC	215 Rochelle Dr	Morehead City	NC	28557	(252) 515-6108	coastalkona@kona-ice.com
Engelhard, David & Leslie	Kona Ice of the Crystal Coast, LLC	215 Rochelle Dr	Morehead City	NC	28557	(252) 515-6108	coastalkona@kona-ice.com
Paccadolmi, Mike & Shana	IcePacc, Inc.	6010 Spring Forest Ct	Pleasant Garden	NC	27313	(336) 912-1002	konagso@gmail.com
Paccadolmi, Mike & Shana	IcePacc, Inc.	6010 Spring Forest Ct	Pleasant Garden	NC	27313	(336) 912-1002	konagso@gmail.com
Paccadolmi, Mike & Shana	IcePacc, Inc.	6010 Spring Forest Ct	Pleasant Garden	NC	27313	(336) 912-1002	konagso@gmail.com
Paccadolmi, Mike & Shana	IcePacc, Inc.	6010 Spring Forest Ct	Pleasant Garden	NC	27313	(336) 912-1002	konagso@gmail.com
Cummings, Jim & Amy	RockNRose, Inc.	4712 Highland Glen Ct	Raleigh	NC	27612	(919) 259-9987	jcumings@kona-ice.com
Dawson, John & Mitzi	4 Dawson's, LLC	7501 Weitzel Dr	Summerfield	NC	27358	(321) 863-0068	mdawson@kona-ice.com
Veverka, Richie & Carina	Kona Ice of Raleigh	2324 Rainy Lake St	Wake Forest	NC	27587	(919) 896-4410	veverka@kona-ice.com
Veverka, Richie & Carina	Kona Ice of Raleigh	2324 Rainy Lake St	Wake Forest	NC	27587	(919) 896-4410	veverka@kona-ice.com
Veverka, Richie & Carina	Kona Ice of Raleigh	2324 Rainy Lake St	Wake Forest	NC	27587	(919) 896-4410	veverka@kona-ice.com
Wittek, DJ	Carkate Kona of South Charlotte, LLC	7041 Stirrup Ct	Weddington	NC	28104	(704) 560-4039	djwittek@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Glasgow, Chris	Glasgow Family, LLC	8616 Ellington Park Drive	Charlotte	NC	28277	(704) 770-1731	cglasgow@kona-ice.com
Dawson, John & Mitzi	4 Dawson's, LLC	7501 Weitzel Dr	Summerfield	NC	27358	(321) 863-0068	mdawson@kona-ice.com
Petty, Creg	Petty Investments, Inc	4140 Stacy Blvd	Charlotte	NC	28209	(704) 999-3421	cpetty@kona-ice.com
Ball, Ryan	The Refreshing One, LLC	2104 Creekside Dr	Franklinton	NC	27525	(252) 425-3076	rball@kona-ice.com
Cribb, Stephen & Pamela	Smiles Express, LLC	603 Springhill Church Rd.	Hamlet	NC	28345	(910) 280-8825	scribb@kona-ice.com
Cotta, Catherine	C.A. Cotta Corporation	304 Riverstone Drive	Clayton	NC	27527	(919) 909-1951	cotta@kona-ice.com
Ivey, Doug & Beth	R12 Endeavors, LLC	1530 W. Silverado Dr	Lincoln	NE	68521	(402) 326-2479	ivey@kona-ice.com
Rewczuk, Lori	Kona Ice of West Omaha	17101 Chandler St	Omaha	NE	68136	(402) 639-0147	westomaha@kona-ice.com
Rewczuk, Lori	Kona Ice of West Omaha	17101 Chandler St	Omaha	NE	68136	(402) 639-0147	westomaha@kona-ice.com
Rewczuk, Lori	Kona Ice of West Omaha	17101 Chandler St	Omaha	NE	68136	(402) 639-0147	westomaha@kona-ice.com
Strong, Cheryl	Kona Ice of the Seacoast, LLC	17 Strongs Landing	Greenland	NH	03840	(603) 431-7378	cstrong@kona-ice.com
Daigle, Holly	Holly's Kona Ice, LLC	40 Sycamore St	Pelham	NH	03076	(978) 457-3221	hdaigle@kona-ice.com
DiBona, Christina & Bill	Kona Ice 4 U LLC	12 Arlene Dr	Pelham	NH	03076	(603) 765-8378	cdibona@kona-ice.com
DiBona, Christina & Bill	Kona Ice 4 U LLC	12 Arlene Dr	Pelham	NH	03076	(603) 765-8378	cdibona@kona-ice.com
Sweeney, Jim & Sharon	Kona Ice of New Hampshire	516 Route 12A	Surry	NH	03431	(603) 903-1300	sweeney@kona-ice.com
Sweeney, Jim & Sharon	Kona Ice of New Hampshire	516 Route 12A	Surry	NH	03431	(603) 903-1300	sweeney@kona-ice.com
Sweeney, Jim & Sharon	Kona Ice of New Hampshire	516 Route 12A	Surry	NH	03431	(603) 903-1300	sweeney@kona-ice.com
Sweeney, Jim & Sharon	Kona Ice of New Hampshire	516 Route 12A	Surry	NH	03431	(603) 903-1300	sweeney@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
DiBona, Christina & Bill	Kona Ice 4 U LLC	12 Arlene Dr	Pelham	NH	03076	(603) 765-8378	cdibona@kona-ice.com
Peak, Richard	Kona Ice Peak	16 19 th St	Burlington	NJ	8016	(609) 354-2225	rpeak@kona-ice.com
Nasab, Sam & Jessalyn	Kona Ice NJ 1	113 Alexander Way	Edgewater	NJ	07020	(201) 693-7722	snasab@kona-ice.com
Nasab, Sam & Jessalyn	Kona Ice NJ 1	113 Alexander Way	Edgewater	NJ	07020	(201) 693-7722	snasab@kona-ice.com
Purdy, Ed & Sara	Purdy Good Ice, LLC	606 Grove St	Haddonfield	NJ	08033	(609) 707-7476	epurdy@kona-ice.com
LaStella, Anthony & Lissa	38 A & A, LLC	38 Matthew Dr	Hamilton Square	NJ	08690	(609) 638-7337	konatrucknj@gmail.com
LaStella, Anthony & Lissa	39 A & A, LLC	38 Matthew Dr	Hamilton Square	NJ	08690	(609) 638-7337	konatrucknj@gmail.com
LaStella, Anthony & Lissa	40 A & A, LLC	38 Matthew Dr	Hamilton Square	NJ	08690	(609) 638-7337	konatrucknj@gmail.com
LaStella, Anthony & Lissa	40 A & A, LLC	38 Matthew Dr	Hamilton Square	NJ	08690	(609) 638-7337	konatrucknj@gmail.com
Patel, Rupesh & Marleny	Kona Ice of Central Morris County	12 Leah Way	Parsippany	NJ	07054	(973) 240-7831	getakona@gmail.com
Patel, Rupesh & Marleny	Kona Ice of Central Morris County	12 Leah Way	Parsippany	NJ	07054	(973) 240-7831	getakona@gmail.com
Obiedzinski, Tom & Karen	Kona Ice of Hunterdon County, LLC	91 Sky Manor Rd	Pittstown	NJ	8867	(908) 267-5662	tomob@kona-ice.com
Blum, Kelly & Eric	Blum Family, LLC	312 45 th Pl	Sea Isle City	NJ	08243	(609) 665-5866	kblum@kona-ice.com
Blum, Kelly & Eric	Blum Family, LLC	312 45 th Pl	Sea Isle City	NJ	08243	(609) 665-5866	kblum@kona-ice.com
Cassidy, John	CASSCO, LLC	10 Miramar Ct	Toms River	NJ	08757	(732) 928-0604	casskona@aol.com
Cassidy, John	CASSCO, LLC	10 Miramar Ct	Toms River	NJ	08757	(732) 928-0604	casskona@aol.com
Cassidy, John	CASSCO, LLC	10 Miramar Ct	Toms River	NJ	08757	(732) 928-0604	casskona@aol.com
Woodward, Russell	Rtwoodward, LLC	1087 Pine Ave	Union	NJ	7083	(908) 425-0320	rwoodward@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Linthicum, Ken	Gulf Coast Merchants Inc.	7 Chamberlain Ave	Warren	NJ	07059	(908) 279-5682	klinthicum@kona-ice.com
Linthicum, Ken	Gulf Coast Merchants Inc.	7 Chamberlain Ave	Warren	NJ	07059	(908) 279-5682	klinthicum@kona-ice.com
Sudano, Tony	Kona Ice of Cherry Hill, LLC	6 Whitlow Dr	Westhampton	NJ	08060	(609) 702-0922	tsudano@kona-ice.com
Sudano, Tony	Kona Ice of Cherry Hill, LLC	6 Whitlow Dr	Westhampton	NJ	08060	(609) 702-0922	tsudano@kona-ice.com
Good, Steven	Good 4 You LLC	59 Musiker Ave	Randolph	NJ	07869	973-370-2820	sgood@kona-ice.com
Patel, Rupesh & Marleny		12 Leah Way	Parsippany	NJ	07054	(973) 240-7831	getakona@gmail.com
Obiedzinski, Tom & Karen	Kona Ice of Hunterdon County, LLC	91 Sky Manor Road	Pittstown	NJ	8867	(908) 267-5662	tomob@kona-ice.com
Montoya, Alfred	Kona Ice Valencia County	513 S. 12 th St	Belen	NM	87002	(505) 850-0325	amontoya@kona-ice.com
Stevenson, David	Kona Ice of Albuquerque, LLC	34 Mulberry Loop	Cedar Crest	NM	87008	(505) 710-8327	dstevenson@kona-ice.com
Stevenson, David	Kona Ice of Albuquerque, LLC	34 Mulberry Loop	Cedar Crest	NM	87008	(505) 710-8327	dstevenson@kona-ice.com
Stevenson, David	Kona Ice of Albuquerque, LLC	34 Mulberry Loop	Cedar Crest	NM	87008	(505) 710-8327	dstevenson@kona-ice.com
Ruybalid, Greg	Desert Ice NM, LLC	106 W. Twilight Dr	Farmington	NM	87401	(505) 215-2853	gregr@kona-ice.com
Placencio, Keith	Placencio Enterprises, Inc.	1920 Martha Dr	Las Cruces	NM	88001	(575) 993-4543	kplace@kona-ice.com
Placencio, Keith	Placencio Enterprises, Inc.	1920 Martha Dr	Las Cruces	NM	88001	(575) 993-4543	kplace@kona-ice.com
Placencio, Keith	Placencio Enterprises, Inc.	1920 Martha Drive	Las Cruces	NM	88001	(575) 993-4543	kplace@kona-ice.com
Vitz, Trent	Kona Ice Henderson, LLC	235 Opera House St	Henderson	NV	89012	(702) 510-8800	tvitz@kona-ice.com
Vitz, Trent	Kona Ice Henderson, LLC	235 Opera House St	Henderson	NV	89012	(702) 510-8800	tvitz@kona-ice.com
Vitz, Trent	Kona Ice Henderson, LLC	235 Opera House St	Henderson	NV	89012	(702) 510-8800	tvitz@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Fonte, Diona & Friel, Nick	F & F Creations, LLC	7100 Pirates Cove Rd, #2069	Las Vegas	NV	89145	(702) 423-3327	dfonte@kona-ice.com
Fonte, Diona & Friel, Nick	F & F Creations, LLC	7100 Pirates Cove Rd #2069	Las Vegas	NV	89145	(702) 423-3327	dfonte@kona-ice.com
Karr, Jim & Kathy	Kona Ice Trilogy LLC	88 Sahalee Dr	Las Vegas	NV	89148	(702) 429-3171	konaland3@gmail.com
Pergi, Barbara	Just Chillin, LLC	8205 Weeping Springs Ave	Las Vegas	NV	89131	(702) 858-1177	bpergi@kona-ice.com
Pergi, Barbara	Just Chillin, LLC	8205 Weeping Springs Ave	Las Vegas	NV	89131	(702) 858-1177	bpergi@kona-ice.com
Ramirez, Vicente	Brain Freeze, LLC	468 Vigo Port St	Las Vegas	NV	89138	(702) 624-5968	vramirez@kona-ice.com
Pergi, Barbara	Just Chillin, LLC	8205 Weeping Springs Ave	Las Vegas	NV	89131	(702) 858-1177	bpergi@kona-ice.com
Wallace, John	J & R's Kona Ice, LLC	1397 Blazing Sand St	Las Vegas	NV	89110	(702) 803-4883	jwallace@kona-ice.com
Ramirez, Vicente	Brain Freeze, LLC	464 Vigo Port Street	Las Vegas	NV	89138	(702) 624-5968	vramirez@kona-ice.com
Gonzalez, Joe & Nancy	Tropical Shaved Ice of Albany, LLC.	62 Blue Jay Way	Rexford	NY	12148	(518) 384-4197	jgonzalez@kona-ice.com
Gonzalez, Joe & Nancy	Tropical Shaved Ice of Albany, LLC.	62 Blue Jay Way	Rexford	NY	12148	(518) 384-4197	jgonzalez@kona-ice.com
Greco, Glen	Kona Ice Capital District NE	2116 Rowley Rd	Ballston Spa	NY	12020	(518) 618-5600	ggreco@kona-ice.com
Malandro, John & Puglin, Julie	J&J Enterprises of LI, Inc.	705 Stewart Ave	Bethpage	NY	11714	(516) 342-5757	malandropuglin@kona-ice.com
Malandro, John & Puglin, Julie	J&J Enterprises of LI, Inc.	705 Stewart Ave	Bethpage	NY	11714	(516) 342-5757	malandropuglin@kona-ice.com
Patton, Eric	Buffalo Boys, Inc.	15 Pinegrove Ct	Elma	NY	14059	(716) 812-0520	epatton@kona-ice.com
Beymolla, Shaun	Kona Ice of Long Island, Inc.	26 Bittersweet Ave	Hampton Bays	NY	11946	(516) 404-5050	beymolla@kona-ice.com
Beymolla, Shaun	Kona Ice of Long Island, Inc.	26 Bittersweet Ave	Hampton Bays	NY	11946	(516) 404-5050	beymolla@kona-ice.com
Beymolla, Shaun	Kona Ice of Long Island, Inc.	26 Bittersweet Ave	Hampton Bays	NY	11946	(516) 404-5050	beymolla@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Nitti, Scott & Nicole	Kona Ice of Genesee Valley	90 Ridgeway Estates	Rochester	NY	14626	(585) 474-9282	nitti@kona-ice.com
Nitti, Scott & Nicole	Kona Ice of Genesee Valley	90 Ridgeway Estates	Rochester	NY	14626	(585) 474-9282	nitti@kona-ice.com
Rondinelli, Andy	Kona Ice of Niagara Falls	99 Willowgrove South	Tonawanda	NY	14150	(716) 583-2627	arondinelli@kona-ice.com
Malandro, John & Puglin, Julie	J&J Enterprises of LI, Inc.	42 Sherman Ave	Bethpage	NY	11714	(516) 342-5757	malandropuglin@kona-ice.com
Malandro, John & Puglin, Julie	J&J Enterprises of LI, Inc.	42 Sherman Ave	Bethpage	NY	11714	(516) 342-5757	malandropuglin@kona-ice.com
Persichetti, Rick/ Coultas, Randy	Icebreakerz, LLC	1518 Creekside Rd	Amelia	OH	45102	(513) 201-7589	rpersichetti@kona-ice.com
Persichetti, Rick/ Coultas, Randy	Icebreakerz, LLC	1518 Creekside Rd	Amelia	OH	45102	(513) 201-7589	rpersichetti@kona-ice.com
Hayes, Rich	Kona Ice of Athens, LLC	756 W. Union St	Athens	OH	45701	(740) 591-3573	rhayes@kona-ice.com
Barta, Steve	Barta Enterprises Inc.	6569 Thorntree Dr	Brecksville	OH	44141	(216) 532-3386	sbarta@kona-ice.com
Lockwood, Brian & Mollie	Kona Ice of North Medina County, LLC	4955 Neura Pkwy	Brunswick Hills	OH	44212	(330) 362-8901	blockwood@kona-ice.com
Phillips, Adolfo (A.P.) & Diane	Taste Like Summer LLC	7546 Jenkins Dr	Canal Winchester	OH	43110	(614) 382-4075	dphillips@kona-ice.com
Oswald, Tim & Renee	Oz Ventures, Inc.	3441 Starwick Dr	Canfield	OH	44406	(330) 233-0198	timandrene@kona-ice.com
Oswald, Tim & Renee	Oz Ventures, Inc.	3441 Starwick Dr	Canfield	OH	44406	(330) 233-0198	timandrene@kona-ice.com
Cullen, Patrick	Mejjicull, Inc.	8312 Portland Rd	Castalia	OH	44824	(419) 359-1511	pcullen@kona-ice.com
Lowman, Jim	Kona Ice of Delaware/Marysville	211 Homestead Ln	Delaware	OH	43015	(614) 849-8789	kjlowman@kona-ice.com
Lowman, Jim	Kona Ice of Delaware/Marysville	211 Homestead Ln	Delaware	OH	43015	(614) 849-8789	kjlowman@kona-ice.com
Humm, Scott & Melissa	Kona Ice of Findlay	2119 Stonecliff Dr	Findlay	OH	45840	(567) 525-0508	smhumm@kona-ice.com
Humm, Scott & Melissa	Kona Ice of Findlay	2119 Stonecliff Dr	Findlay	OH	45840	(567) 525-0508	smhumm@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Humm, Scott & Melissa	Kona Ice of Findlay	2119 Stonecliff Dr	Findlay	OH	45840	(567) 525-0508	smhumm@kona-ice.com
Crites, Scott	Kahuna Entertainment, LLC	1772 Tecumseh Dr	Lancaster	OH	43130	(740) 412-3933	sjcrites@kona-ice.com
Crites, Scott	Kahuna Entertainment, LLC	1772 Tecumseh Dr	Lancaster	OH	43130	(740) 412-3933	sjcrites@kona-ice.com
Crites, Scott	Kahuna Entertainment, LLC	1772 Tecumseh Dr	Lancaster	OH	43130	(740) 412-3933	sjcrites@kona-ice.com
Crites, Scott	Kahuna Entertainment, LLC	1772 Tecumseh Dr	Lancaster	OH	43130	(740) 412-3933	sjcrites@kona-ice.com
Christian, Larry	Christian Family Pay It Forward, LLC	130 Carrington Ln Unit #102	Loveland	OH	45140	(937) 474-9296	lchristian@kona-ice.com
Sullender, Dottie & Housemeyer, Gary	Kona Ice of South Central Ohio, LLC	9206 E Kemper Rd	Loveland	OH	45140	(937) 661-0800	dsullender@kona-ice.com
Andrews, Ted	Maineville Snow, LLC	8717 Woolstone Ct	Maineville	OH	45039	(513) 600-0408	konacincinnati@gmail.com
Andrews, Ted	Maineville Snow, LLC	8717 Woolstone Ct	Maineville	OH	45039	(513) 600-0408	konacincinnati@gmail.com
Andrews, Ted	Maineville Snow, LLC	8717 Woolstone Ct	Maineville	OH	45039	(513) 600-0408	konacincinnati@gmail.com
Murphy, TJ & Heather	TEEG Family, LLC	2471 Orchid St NW	North Canton	OH	44720	(330) 398-0120	tjmurphy@kona-ice.com
Ray, Derek	Kona Ice of North Canton	331 Harmon St SW	North Canton	OH	44720	(330) 284-9605	dray@kona-ice.com
Matthews, Ron & Sara	R&S Matthews, LLC	11964 Beckenham Rd	North Royalton	OH	44133	(440) 539-3347	rmatthews@kona-ice.com
Matthews, Ron & Sara	R&S Matthews, LLC	11964 Beckenham Rd	North Royalton	OH	44133	(440) 539-3347	rmatthews@kona-ice.com
Eaton, Brad & Molly	Kona Ice of Central Dayton	440 Telford Ave	Oakwood	OH	45419	(937) 985-2215	meaton@kona-ice.com
Johnson, Chris	Central Ohio Concessions, LLC	4305 Hickory Rock Dr	Powell	OH	43065	(614) 721-4423	cjohnson@kona-ice.com
Johnson, Chris	Central Ohio Concessions, LLC	4305 Hickory Rock Dr	Powell	OH	43065	(614) 721-4423	cjohnson@kona-ice.com
Johnson, Chris	Central Ohio Concessions, LLC	4305 Hickory Rock Dr	Powell	OH	43065	(614) 721-4423	cjohnson@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Johnson, Chris	Central Ohio Concessions, LLC	4305 Hickory Rock Dr	Powell	OH	43065	(614) 721-4423	cjohnson@kona-ice.com
Church, John	Kona Ice of the Mid-Ohio Valley LLC	10080 St Rte 550	Vincent	OH	45784	(740) 538-4126	jchurch@kona-ice.com
Church, John	Kona Ice of the Mid-Ohio Valley LLC	10080 St Rte 550	Vincent	OH	45784	(740) 538-4126	jchurch@kona-ice.com
Church, John	Kona Ice of the Mid-Ohio Valley LLC	10080 St Rte 550	Vincent	OH	45784	(740) 538-4126	jchurch@kona-ice.com
Lay, Sarah & Allen	A & S Services, LLC	4820 Kessler Cowlesville Rd	West Milton	OH	45383	(937) 964-5662	slay@kona-ice.com
Lay, Sarah & Allen	A & S Services, LLC	4820 Kessler Cowlesville Rd	West Milton	OH	45383	(937) 964-5662	slay@kona-ice.com
Lay, Sarah & Allen	A & S Services, LLC	4820 Kessler Cowlesville Rd	West Milton	OH	45383	(937) 964-5662	slay@kona-ice.com
Brown, Brad & Jenn	Henry's Holdings, LLC	1184 Catabawa Bay Drive	Port Clinton	OH	43542	(419) 635-7573	jbrown@kona-ice.com
Tannish, Karen & Acierno, Diane	Aces of Ice, LLC	1813 Lyndon Ave	Ashtabula	OH	44004	(440) 994-9055	kd@kona-ice.com
Phillips, Adolfo (A.P.) & Diane	Taste Like Summer LLC	7546 Jenkins Dr.	Canal Winchester	OH	43110	(614) 382-4075	dphillips@kona-ice.com
Barta, Steve	Barta Enterprises Inc.	6569 Thorntree Drive	Brecksville	OH	44141	(216) 532-3386	sbarta@kona-ice.com
Sipes, Connie	Rockin S Enterprises, Inc.	1113 W. Decatur Pl	Broken Arrow	OK	74011	(918) 266-2665	csipes@kona-ice.com
Sipes, Connie	Rockin S Enterprises, Inc.	1113 W. Decatur Pl	Broken Arrow	OK	74011	(918) 266-2665	csipes@kona-ice.com
Sipes, Connie	Rockin S Enterprises, Inc.	1113 W. Decatur Pl	Broken Arrow	OK	74011	(918) 266-2665	csipes@kona-ice.com
Harris, Richard & Jennifer	Formosa Ice, LLC	5401 NW 122 nd Terr	Oklahoma City	OK	73162	(405) 896-0370	rharris@kona-ice.com
Harris, Richard & Jennifer	Formosa Ice, LLC	5401 NW 122 nd Terr	Oklahoma City	OK	73162	(405) 896-0370	rharris@kona-ice.com
Harris, Richard & Jennifer	Formosa Ice, LLC	5401 NW 122 nd Terr	Oklahoma City	OK	73162	(405) 896-0370	rharris@kona-ice.com
Harris, Richard & Jennifer	Formosa Ice, LLC	5401 NW 122 nd Terr	Oklahoma City	OK	73162	(405) 896-0370	rharris@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Harris, Richard & Jennifer	Formosa Ice, LLC	5401 NW 122 nd Terr	Oklahoma City	OK	73162	(405) 896-0370	rharris@kona-ice.com
Love, Charles & Mary	Love2Smile, Inc.	11908 Pepper Tree Pl	Oklahoma City	OK	73120	(405) 286-2663	loves@kona-ice.com
Love, Charles & Mary	Love2Smile, Inc.	11908 Pepper Tree Pl	Oklahoma City	OK	73120	(405) 286-2663	loves@kona-ice.com
Buckner, Ron	Kona Ice of NE Green Country, LLC	5103 S. Sheridan #100	Tulsa	OK	74145	(918) 924-5441	rbuckner@kona-ice.com
Lindsey, Joe	J & C Lindsey, LLC	12609 SW 24 th St	Yukon	OK	73099	(405) 397-4105	jlindsey@kona-ice.com
Lindsey, Joe	J & C Lindsey, LLC	12609 SW 24 th St	Yukon	OK	73099	(405) 397-4105	jlindsey@kona-ice.com
Lindsey, Joe	J & C Lindsey, LLC	12609 SW 24 th St	Yukon	OK	73099	(405) 397-4105	jlindsey@kona-ice.com
Lindsey, Joe & Cassie	J & C Lindsey, LLC	12609 SW 24th Street	Yukon	OK	73099	(405) 397-4105	jlindsey@kona-ice.com
Adams, Nelson	Kona Ice of NW Linn County, LLC	525 19 th Ave SW	Albany	OR	97322	(503) 881-5002	nadams@kona-ice.com
Wittstock, Jeff & Thuy	Kona Ice of East Washington County, Inc.	10550 SW Shearwater Pl	Beaverton	OR	97007	(503) 347-5317	jwittstock@kona-ice.com
Pompetti, Dana & Alisa/ Speer, Steve & Erin	Kona Ice of North Clackamas, Inc.	8672 SE Margie Way	Happy Valley	OR	97086	(503) 367-5973	pompetti@kona-ice.com
Pompetti, Dana & Alisa/ Speer, Steve & Erin	Kona Ice of North Clackamas, Inc.	8672 SE Margie Way	Happy Valley	OR	97086	(503) 367-5973	pompetti@kona-ice.com
Burk, Mark & Lisa	Kona Ice of Oregon City, LLC	915 Hayes St	Mt. Angel	OR	97362	(503) 312-8398	marknlisa@kona-ice.com
Burk, Mark & Lisa	Kona Ice of Oregon City, LLC	915 Hayes St	Mt. Angel	OR	97362	(503) 312-8398	marknlisa@kona-ice.com
Burk, Justin	Kona ice of Northwest Salem, LLC	268 Evelyn Ave NE	Salem	OR	97301	(503) 930-6511	jb Burk@kona-ice.com
Burk, Alyssa	Kona Ice of Tigard, LLC	1015 Oak St #34	Silverton	OR	97381	(503) 798-2089	aburk@kona-ice.com
King, John Paul (JP) & Samantha	John Paul King Investments, LLC	1876 Rogue River Highway	Gold Hill	OR	97525	(541) 855-4265	jpkking@kona-ice.com
Keenan, Jeremy	KKICE, LLC	3200 Virginia Ave	Springfield	OR	97478	(541) 972-5662	jkeenan@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Russell, Matt & Andrea	Matthew J Russell Co LLC	1638 Fieldstone St	Allentown	PA	18106	(484) 239-3319	mrussell@kona-ice.com
Russell, Matt & Andrea	Matthew J Russell Co LLC	1638 Fieldstone St	Allentown	PA	18106	(484) 239-3319	mrussell@kona-ice.com
Brown, Dennis & Lisa	Southern Chester County, LLC	707 Ewing Rd	Cochranville	PA	19330	(484) 748-0085	lbrown@kona-ice.com
Williams, Deborah	Kona Ice of Conemaugh Valley LLC	6 Lou Anne Ln	Delmont	PA	15626	(412) 369-6924	dwilliams@kona-ice.com
Dimaggio, John	Kona Ice of Carlisle, LLC	227 Scotch Pine Rd	Dillsburg	PA	17019	(717) 683-5432	jdimaggio@kona-ice.com
Webber, Steve	Scrumptious Ice, LLC	183 Cypress Rd	Dingmans Ferry	PA	18328	(570) 828-3074	swebber@kona-ice.com
Schwartzinger, Steve	Kona Ice Easton	1314 Lindenwood Ln	Easton	PA	18040	(973) 945-0474	sschwartzinger@kona-ice.com
Radziwon, Randy	Kona Ice of Westmoreland, LLC	805 Cleardale Dr	Greensburg	PA	15601	(724) 953-9676	radziwon@kona-ice.com
Radziwon, Randy	Kona Ice of Westmoreland, LLC	805 Cleardale Dr	Greensburg	PA	15601	(724) 953-9676	radziwon@kona-ice.com
Radziwon, Randy	Kona Ice of Westmoreland, LLC	805 Cleardale Dr	Greensburg	PA	15601	(724) 953-9676	radziwon@kona-ice.com
Kader, Sondra	Kader's Kona Ice	P.O. Box 108 135 W. Main St	Howard	PA	16841	(814) 880-4471	skader@kona-ice.com
Guiliani, Al & Debbie	A & D Kona Ice, LLC	4054 Turnwood Ln	Moon Township	PA	15108	(724) 601-5672	misterkona@comcast.net
Guiliani, Al & Debbie	A & D Kona Ice, LLC	4054 Turnwood Ln	Moon Township	PA	15108	(724) 601-5672	misterkona@comcast.net
Davis, Craig	Kona Ice of Adams County, LLC	26 Bugler Dr	New Oxford	PA	17350	(717) 451-4995	cdavis@kona-ice.com
Davis, Craig	Kona Ice of Adams County, LLC	26 Bugler Dr	New Oxford	PA	17350	(717) 451-4995	cdavis@kona-ice.com
Green, Bill & Julie	Kona Ice King of Prussia, LP	106 Summit Dr	Phoenixville	PA	19460	(610) 933-7673	bgreen@kona-ice.com
Green, Bill & Julie	Kona Ice King of Prussia, LP	106 Summit Dr	Phoenixville	PA	19460	(610) 933-7673	bgreen@kona-ice.com
Green, Bill & Julie	Kona Ice King of Prussia, LP	106 Summit Dr	Phoenixville	PA	19460	(610) 933-7673	bgreen@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Green, Bill & Julie	Kona Ice King of Prussia, LP	106 Summit Dr	Phoenixville	PA	19460	(610) 933-7673	bgreen@kona-ice.com
Egli, Andrew/ Mlinac, Ross	Kona Ice of Pittsburgh	2548 Lindenwood Dr	Pittsburgh	PA	15241	(412) 818-9641	andrewegli@gmail.com
Egli, Andrew/ Mlinac, Ross	Kona Ice of Pittsburgh	2548 Lindenwood Dr	Pittsburgh	PA	15241	(412) 818-9641	andrewegli@gmail.com
Egli, Andrew/ Mlinac, Ross	Kona Ice of Pittsburgh	2548 Lindenwood Dr	Pittsburgh	PA	15241	(412) 818-9641	andrewegli@gmail.com
Egli, Andrew/ Mlinac, Ross	Kona Ice of Pittsburgh	2548 Lindenwood Dr	Pittsburgh	PA	15241	(412) 818-9641	andrewegli@gmail.com
Egli, Andrew/ Mlinac, Ross	Kona Ice of Pittsburgh	2548 Lindenwood Dr	Pittsburgh	PA	15241	(412) 818-9641	andrewegli@gmail.com
Egli, Andrew/ Mlinac, Ross	Kona Ice of Pittsburgh	2548 Lindenwood Dr	Pittsburgh	PA	15241	(412) 818-9641	andrewegli@gmail.com
Stamm, Justin & Kelly	Kona Ice of West Reading, LLC	1751 S. Mountain Dr	Sinking Spring	PA	19608	(610) 717-2280	kstamm@kona-ice.com
Slayton, Dan & Jen	Slayton Family, LLC	18938 Center Rd	Venango	PA	16440	(814) 923-1605	dslayton@kona-ice.com
Green, Bill & Julie	Kona Ice King of Prussia, LP	106 Summit Dr.	Phoenixville	PA	19460	(610) 933-7673	bgreen@kona-ice.com
Whalen, Janis & Kevin	Whalen Shaved Ice, LLC	53 Southwoods Lane	Doylestown	PA	18901	(215) 378-8559	whalen@kona-ice.com
Waters, Heather & Marty	M & H Walter Family, LLC	113 Bridal Lane	Oakdale	PA	15071	(412) 680-4553	hwaters@kona-ice.com
Amerman, Ben & Tara	BTDR, LLC	825 Strawbridge Rd	Northumberland	PA	17857	(561) 295-7231	pompanobeach@kona-ice.com
Bouchard, Bob & Joyce	Rhode Island Kona, LLC	4 Cider Ln	Greenville	RI	2828	(401) 949-5073	bbouchard@kona-ice.com
Bouchard, Bob & Joyce	Rhode Island Kona, LLC	4 Cider Ln	Greenville	RI	2828	(401) 949-5073	bbouchard@kona-ice.com
Bouchard, Bob & Joyce	Rhode Island Kona, LLC	4 Cider Ln	Greenville	RI	2828	(401) 949-5073	bbouchard@kona-ice.com
Lizza, Jim	TL Vending LLC	111 Mystic Vineyard Ln	Anderson	SC	29621	(864) 934-1266	jlizza@kona-ice.com
Lindemann, Erich/ Gilmore, Haley	Kona Ice of the Lowcountry, LLC	50 Lake Linden Dr	Bluffton	SC	29910	(843) 441-7694	elindemann@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Lindemann, Erich/ Gilmore, Haley	Kona Ice of the Lowcountry, LLC	50 Lake Linden Dr	Bluffton	SC	29910	(843) 441-7694	elindemann@kona-ice.com
Cantey, Dan	Kona Ice of Midlands	1606 Fair St	Camden	SC	29020	(803) 309-3749	dcantey@kona-ice.com
Cantey, Dan	Kona Ice of Midlands	1606 Fair St	Camden	SC	29020	(803) 309-3749	dcantey@kona-ice.com
Buchan, Daniel & Jamie	Kona Ice of Charleston	P.O. Box 41161	Charleston	SC	29423	(843) 647-6477	charleston@kona-ice.com
Johnson, Barbie/ Buckley, Mark	Kona Ice of Charleston Islands LLC	1644 Dexter Ln	Charleston	SC	29412	(843) 830-9966	mbuckley@kona-ice.com
Mooring, Stewart & Susan	Southern Shire, LLC	2798 Lyle	Chester	SC	29706	(803) 443-2211	smooring@kona-ice.com
Syler, Barbara	Kona Ice of Columbia Northeast, LLC	506 Fetterbush Rd	Elgin	SC	29045	(803) 727-9219	bsyler@kona-ice.com
Syler, Barbara	Kona Ice of Columbia Northeast, LLC	506 Fetterbush Rd	Elgin	SC	29045	(803) 727-9219	bsyler@kona-ice.com
Davis, Danny	Kona Ice of Florence, LLC	3404 Cherry Rd	Florence	SC	29501	(843) 260-1462	florence@kona-ice.com
Davis, Danny	Kona Ice of Florence, LLC	3404 Cherry Rd	Florence	SC	29501	(843) 260-1462	florence@kona-ice.com
Godlewski, Charles	Kona Ice Fort Mill	710 Lagan Ct	Fort Mill	SC	29715	(704) 964-4656	cgodlewski@kona-ice.com
Godlewski, Charles	Kona Ice Fort Mill	710 Lagan Ct	Fort Mill	SC	29715	(704) 964-4656	cgodlewski@kona-ice.com
Hutcherson, Angela	Haulin' Sweet Ice LLC	109 Saxon Dr	Gaffney	SC	29341	(864) 504-5950	ahutcherson@kona-ice.com
Watlington, Isaac	The Watlington Group, LLC	210 Chemistry Cir	Ladson	SC	29456	(843) 530-4659	iwatlington@kona-ice.com
Blue, Phillip	Carolina Ice Therapy, Inc.	2218 Elberry Rd	Latta	SC	29565	(843) 845-3197	nerobeson@kona-ice.com
Munnerlyn, Brent & Shasta	Kona Ice Columbia, LLC	106 Dogwood Pl Ct	Lexington	SC	29072	(803) 457-0180	konaicecolumbia@gmail.com
Keene, Marvin & Carmaletia	Kona Ice of Central Horry County LLC	3409 Labrador Ct	Myrtle Beach	SC	29579	(843) 467-9550	horry@kona-ice.com
Keene, Marvin & Carmaletia	Kona Ice of Central Horry County LLC	3409 Labrador Ct	Myrtle Beach	SC	29579	(843) 467-9550	horry@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Keene, Marvin & Carmaletia	Kona Ice of Central Horry County LLC	3409 Labrador Ct	Myrtle Beach	SC	29579	(843) 467-9550	horry@kona-ice.com
Mackey, Scott & Angela	Kona Ice of Greenville, LLC	141 Talley Scott Rd	Piedmont	SC	29673	(864) 380-0154	smackey@kona-ice.com
Mackey, Scott & Angela	Kona Ice of Greenville, LLC	141 Talley Scott Rd	Piedmont	SC	29673	(864) 380-0154	smackey@kona-ice.com
Palumbo, Daniel	Palumbo Family, LLC	6585 Hidden Haven Rd	Sumter	SC	29154	(803) 883-6119	dpalumbo@kona-ice.com
Nord, Marshall & Shannon	Nord1992, LLC	1871 Rain Forest Dr	York	SC	29745	(803) 639-8799	mnord@kona-ice.com
Nord, Marshall & Shannon	Nord1992, LLC	1871 Rain Forest Dr	York	SC	29745	(803) 639-8799	mnord@kona-ice.com
Hyatt, DeLynn & Kristin	Hyatt Ice Treats LLC	2218 Elberry Road	Latta	SC	29565	843-992-9661	hyatt@kona-ice.com
Watlington, Isaac	The Watlington Group, LLC	210 Chemistry Circle	Ladson	SC	29456	(843) 530-4659	iwatlington@kona-ice.com
Hutcherson, Angela	Haulin' Sweet Ice LLC	109 Saxon Drive	Gaffney	SC	29341	(864) 504-5950	ahutcherson@kona-ice.com
Hyatt, DeLynn & Kristin	Hyatt Ice Treats LLC	2218 Elberry Road	Latta	SC	29565	843-992-9661	hyatt@kona-ice.com
Wolfenbarger, Christie	Touring Two, LLC	326 Charlton Ct	Bluff City	TN	37618	(423) 444-5224	wolfenbarger@kona-ice.com
May, Gene & Melissa	May Family Ice, LLC	419 Athena Dr	Clarksville	TN	37042	(205) 329-0847	gmay@kona-ice.com
Cash, Sherri	Sherri L. Cash Kona Ice, LLC	221 William Way SE	Cleveland	TN	37323	(423) 641-2423	scash@kona-ice.com
Elrod, Kyle	Kona Ice of Chattanooga, LLC	3326 Cumberland Hills Cir	Cleveland	TN	37312	(423) 402-1811	kelrod@kona-ice.com
Elrod, Kyle	Kona Ice of Chattanooga, LLC	3326 Cumberland Hills Cir	Cleveland	TN	37312	(423) 402-1811	kelrod@kona-ice.com
Elrod, Kyle	Kona Ice of Chattanooga, LLC	3326 Cumberland Hills Cir	Cleveland	TN	37312	(423) 402-1811	kelrod@kona-ice.com
Reeves, Tom	Kona Ice of Spring Hill / Columbia, LLC	4202 Warren Ct	Franklin	TN	37067	(615) 351-3199	treeves@kona-ice.com
Reeves, Tom	Kona Ice of Spring Hill / Columbia, LLC	4202 Warren Ct	Franklin	TN	37067	(615) 351-3199	treeves@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Morgan, Cindy & Mark	Kona Ice of Sevier County	4223 E. Parkway #333	Gatlinburg	TN	37738	(865) 306-3457	cmorgan@kona-ice.com
Kennedy, John F. & Rose	Chair Enterprises, LLC	4452 Andrew Jackson Pkwy	Hermitage	TN	37076	(615) 626-8002	jkennedy@kona-ice.com
Kennedy, John F. & Rose	Chair Enterprises, LLC	4452 Andrew Jackson Pkwy	Hermitage	TN	37076	(615) 626-8002	jkennedy@kona-ice.com
Cunningham, Fred	FLC Services, LLC	119 Dixie Ln	Jackson	TN	38301	(731) 225-9481	fcunningham@kona-ice.com
Greenwell, Kevin	Kona Ice of Johnson City	178 Bill Bennett Rd	Johnson City	TN	37604	(423) 341-2701	greenwell@kona-ice.com
Maxey, Randy & Zach	Smoky Mountain Kona Ice, LLC	1602 Mt. Tabor Rd	Maryville	TN	37801	(865) 776-5127	smoky@kona-ice.com
Knell, Debbie	Kona Ice of East Memphis	2766 Covington Pike	Memphis	TN	38128	(901) 308-7275	eastmemphis@kona-ice.com
Knell, Debbie	Kona Ice of East Memphis	2766 Covington Pike	Memphis	TN	38128	(901) 308-7275	eastmemphis@kona-ice.com
Hill, Eric & Jamesa	Hilltop Strategies, INC	3014 Melbourne Ct East	Mount Juliet	TN	37122	(404) 423-1037	jhill@kona-ice.com
Hill, Eric & Jamesa	Hilltop Strategies, INC	3014 Melbourne Ct East	Mount Juliet	TN	37122	(404) 423-1037	jhill@kona-ice.com
Lyon, Landon & Melinda	Lyon Koncessions, LLC	5591 Harpeth Haven Dr	Pegram	TN	37143	(615) 944-5662	lyon@kona-ice.com
Lyon, Landon & Melinda	Lyon Koncessions, LLC	5591 Harpeth Haven Dr	Pegram	TN	37143	(615) 944-5662	lyon@kona-ice.com
Lyon, Landon & Melinda	Lyon Koncessions, LLC	5591 Harpeth Haven Dr	Pegram	TN	37143	(615) 944-5662	lyon@kona-ice.com
Woods, Mike	Kona of Middle Tennessee, LLC	1679 Kingwood Ln	Rockvale	TN	37153	(615) 971-0092	mwoods@kona-ice.com
Woods, Mike	Kona of Middle Tennessee, LLC	1679 Kingwood Ln	Rockvale	TN	37153	(615) 971-0092	mwoods@kona-ice.com
Woods, Mike	Kona of Middle Tennessee, LLC	1679 Kingwood Ln	Rockvale	TN	37153	(615) 971-0092	mwoods@kona-ice.com
May, Gene & Melissa	May Family Ice, LLC	419 Athena Drive	Clarksville	TN	37042	(205) 329-0847	gmay@kona-ice.com
Adolphson, Ingrid	KIKS, LLC	949 Ashley Michelle Ct	Knoxville	TN	37934	(865) 806-1072	ingrida@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Beacham, Patrick	Be A Champ LLC	5104 Kestrel Dr.	Mesquite	TX	75181	(214) 793-1071	pbeacham@kona-ice.com
McLeod, Barbara	Abilene's Kona Ice, LLC	1502 River Oaks Rd	Abilene	TX	79605	(325) 669-6970	bmcleod@kona-ice.com
McLeod, Barbara	Abilene's Kona Ice, LLC	1502 River Oaks Rd	Abilene	TX	79605	(325) 669-6970	bmcleod@kona-ice.com
Escobedo, Frank	Kona Ice of Jim Wells County	483 FM 2507	Alice	TX	78332	(361) 563-5532	fescobedo@kona-ice.com
Holt, Lisa & Blake	Kona Ice of Frisco/Allen, LLC	1012 Edison Ln	Allen	TX	75002	(469) 408-5662	holt@kona-ice.com
Holt, Lisa & Blake	Kona Ice of Frisco/Allen, LLC	1012 Edison Ln	Allen	TX	75002	(469) 408-5662	holt@kona-ice.com
Walker, Frank	Walker Frozen Ice, LLC	12288 CR 290	Anna	TX	75409	(972) 838-3174	fwalker@kona-ice.com
Spring, Richard	SS Unlimited, Inc.	15157 N. State Hwy 94 P.O. BOX 42	Apple Springs	TX	75926	(936) 676-2399	rspring@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Alexander, Joe & Amy	Kona Ice Lake Arlington, LLC	3800 Starr Ln	Arlington	TX	76016	(682) 593-5662	aalexander@kona-ice.com
Reese, Wayne & Diana	Kona Ice North Grand Prairie, LLC	7701 White Fawn Rd	Arlington	TX	76002	(713) 962-2523	wreese@kona-ice.com
Reese, Wayne & Diana	Kona Ice North Grand Prairie, LLC	7701 White Fawn Rd	Arlington	TX	76002	(713) 962-2523	wreese@kona-ice.com
Reese, Wayne & Diana	Kona Ice North Grand Prairie, LLC	7701 White Fawn Rd	Arlington	TX	76002	(713) 962-2523	wreese@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Reese, Wayne & Diana	Kona Ice North Grand Prairie, LLC	7701 White Fawn Rd	Arlington	TX	76002	(713) 962-2523	wreese@kona-ice.com
Sanchez, Cynthia	Kona Ice of Central Irving	2500 Plaza St	Arlington	TX	76010	(682) 222-6447	csanchez@kona-ice.com
Sanchez, Cynthia	Kona Ice of Central Irving	2500 Plaza St	Arlington	TX	76010	(682) 222-6447	csanchez@kona-ice.com
Stephens, Melissa/ Gwin, Nancy	Onakay, LLC	430 Private Rd 35975	Arthur City	TX	75411	(903) 401-0998	mstephens@kona-ice.com
Stephens, Melissa/ Gwin, Nancy	Onakay, LLC	430 Private Rd 35975	Arthur City	TX	75411	(903) 401-0998	mstephens@kona-ice.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dr	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Huskiisson, Justin	Unus Vita, LLC	4306 Ganymede Dt	Austin	TX	78727	(512) 850-1777	konaiceaustin@yahoo.com
Sanchez, Monica	MonuMed Revenue Solutions, LLC	4250 Brownstone Dr	Beaumont	TX	77706	(409) 923-9581	msanchez@kona-ice.com
Potts, Luke & Kayla	Nolan Creek Innovations, LLC	3101 Dunn Canyon Rd	Belton	TX	76513	(254) 444-0766	lkpotts@kona-ice.com
Potts, Luke & Kayla	Nolan Creek Innovations, LLC	3101 Dunn Canyon Rd	Belton	TX	76513	(254) 444-0766	lkpotts@kona-ice.com
Meeks, Virgil (Terry)	VTM Ventures, Inc.	1307 Park Center St	Benbrook	TX	76126	(817) 249-7525	vmeeks@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Meeks, Virgil (Terry)	VTM Ventures, Inc.	1307 Park Center St	Benbrook	TX	76126	(817) 249-7525	vmeeks@kona-ice.com
Barkey, Donna & Grant	Kona Ice Hill Country LLC	16035 State Hwy 29E	Buchanan Dam	TX	78609	(512) 755-9814	barkey@kona-ice.com
Barkey, Donna & Grant	Kona Ice Hill Country LLC	16035 State Hwy 29E	Buchanan Dam	TX	78609	(512) 755-9814	barkey@kona-ice.com
Escamilla Jr, Jesse	Kona Ice Buda/Kyle	1500 Satterwhite Rd	Buda	TX	78610	(512) 757-1163	konaiceofbudakyle@gmail.com
Reeder, Karey/ Shelton, Susan	KARSAN'S KONA ICE OF HUNTSVILLE LLC	144 S. Reeder Hill	Buffalo	TX	75831	(903) 388-6649	karsan@kona-ice.com
Wilson, Eric & Crystal	Eric & Crystal Wilson, LLC	296 Amanda Cir	Cedar Creek	TX	78612	(512) 786-3816	cwilson@kona-ice.com
Boudiette, Lisa	Kona Ice of Bryan LLC	4103 Bridgewood Ct	College Station	TX	77845	(979) 676-3002	boudiette@kona-ice.com
Hale, Richard	Kona-ice of Brazos County, LLC	502 Southwest Pkwy Apt 811	College Station	TX	77840	(979) 587-9699	rhale@kona-ice.com
Rodriguez, Ivan	Kona ice of North Conroe, LLC	11201 Kentucky Oaks Dr	Conroe	TX	77304	(936) 756-5662	irod@kona-ice.com
Taylor, Jarrod	Kona Ice of Denton	2205 Lea Meadow Cir	Corinth	TX	76208	(940) 597-9089	jtaylor@kona-ice.com
Taylor, Jarrod	Kona Ice of Denton	2205 Lea Meadow Cir	Corinth	TX	76208	(940) 597-9089	jtaylor@kona-ice.com
Garza, Rene & Christy	Kona Ice of Coastal Corpus Christi	6005 Bobtail Dr	Corpus Christi	TX	78414	(361) 658-6244	rgarza@kona-ice.com
Maldonado, Randy & Yvette	Koastal Kona Ice of Corpus Christi	6001 King Tr	Corpus Christi	TX	78414	(361) 232-6687	rlmaldonado@kona-ice.com
Maldonado, Randy & Yvette	Koastal Kona Ice of Corpus Christi	6001 King Tr	Corpus Christi	TX	78414	(361) 232-6687	rlmaldonado@kona-ice.com
Rosas, Rudy & Christina	Kona Ice of San Patricio County	2533 Cresterrace Dr	Corpus Christi	TX	78415	(361) 248-5662	rosas@kona-ice.com
Wood, Trey & Stacey	Kona-Wood Houston LLC	2804 Daniel Ave	Dallas	TX	75205	(713) 253-7121	wood@kona-ice.com
Wood, Trey & Stacey	Kona-Wood Houston LLC	2804 Daniel Ave	Dallas	TX	75205	(713) 253-7121	wood@kona-ice.com
Wood, Trey & Stacey	Kona-Wood Houston LLC	2804 Daniel Ave	Dallas	TX	75205	(713) 253-7121	wood@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Solis, Gary Morrison, Bryant	Penguin 956 Kona, LLC	2508 Stirling Ave	Edinburg	TX	78539	(956) 873-6619	gsolis@kona-ice.com
Galindo, Jose/ Baca, Victor	Kona Ice Southern El Paso	12096 Banner Crest Dr	El Paso	TX	79936	(915) 241-2234	southelpaso@kona-ice.com
Ruiz, Carlos	Ruiz Investments of South Texas, LLC	P.O. Box 242	Elsa	TX	78543	(956) 272-9165	cruiz@kona-ice.com
Davis, Darrell	DFW Shaved Ice, LLC	3160 Tex Blvd	Fort Worth	TX	76116	(817) 808-9844	ddavis@kona-ice.com
Davis, Darrell	DFW Shaved Ice, LLC	3160 Tex Blvd	Fort Worth	TX	76116	(817) 808-9844	ddavis@kona-ice.com
Davis, Darrell	DFW Shaved Ice, LLC	3160 Tex Blvd	Fort Worth	TX	76116	(817) 808-9844	ddavis@kona-ice.com
McWilliams, Tim	GoChem LLC	4403 Wentworth Dr	Fulshear	TX	77441	(346) 704-5662	tmcwilliams@kona-ice.com
Fiveash, Nick & Christina	Fiveash, LLC	6202 Lennox Ln	Garland	TX	75043	(214) 776-1222	fiveash@kona-ice.com
Fiveash, Nick & Christina	Fiveash, LLC	6202 Lennox Ln	Garland	TX	75043	(214) 776-1222	fiveash@kona-ice.com
Fiveash, Nick & Christina	Fiveash, LLC	6202 Lennox Ln	Garland	TX	75043	(214) 776-1222	fiveash@kona-ice.com
Thibodeaux, Lonnie	Kona Ice of Paluxy River, LLC	2936 CR 312	Glen Rose	TX	76043	(254) 300-1604	paluxyriver@kona-ice.com
Sterling, Mike & Toni	M and T Enterprises, LLC	6964 Catamaran Dr	Grand Prairie	TX	75054	(972) 342-8046	mtsterling@kona-ice.com
Sterling, Mike & Toni	M and T Enterprises, LLC	6964 Catamaran Dr	Grand Prairie	TX	75054	(972) 342-8046	mtsterling@kona-ice.com
Sutton, Tiffany	Strategic Business Concepts, LLC	2428 Ranchview Dr	Grand Prairie	TX	75052	(972) 742-1584	tsutton@kona-ice.com
Sutton, Tiffany	Strategic Business Concepts, LLC	2428 Ranchview Dr	Grand Prairie	TX	75052	(972) 742-1584	tsutton@kona-ice.com
Hammond, Greg & Lee Ann	Top Two Investments, LLC	4626 County Rd 2200	Greenville	TX	75402	(469) 500-6500	hammond@kona-ice.com
Hammond, Greg & Lee Ann	Top Two Investments, LLC	4626 County Rd 2200	Greenville	TX	75402	(469) 500-6500	hammond@kona-ice.com
Hammond, Greg & Lee Ann	Top Two Investments, LLC	4626 County Rd 2200	Greenville	TX	75402	(469) 500-6500	hammond@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Hammond, Greg & Lee Ann	Top Two Investments, LLC	4626 County Rd 2200	Greenville	TX	75402	(469) 500-6500	hammond@kona-ice.com
Cabriaes, Noe	Cabriaes Family, LLC	3101 E. Hapner St	Harlingen	TX	78550	(956) 730-3981	ncabriaes@kona-ice.com
Valdez, Jacob & Criselda	CJ's Snowcones, LLC	2930 Lazy Lake Dr	Harlingen	TX	78550	(956) 368-3070	cjvaldez@kona-ice.com
Valdez, Jacob & Criselda	CJ's Snowcones, LLC	2930 Lazy Lake Dr	Harlingen	TX	78550	(956) 368-3070	cjvaldez@kona-ice.com
Gonzalez, Miguel & Sindy	MAS Kona Ice, LLC	7535 Satsuma St	Houston	TX	77023	(832) 799-2409	mgonzalez@kona-ice.com
Gonzalez, Miguel & Sindy	MAS Kona Ice, LLC	7535 Satsuma St	Houston	TX	77023	(832) 799-2409	mgonzalez@kona-ice.com
Gonzalez, Miguel & Sindy	MAS Kona Ice, LLC	7535 Satsuma St	Houston	TX	77023	(832) 799-2409	mgonzalez@kona-ice.com
Munsey, Noelle	Kona Ice of Stafford	2610 Strait Ln	Houston	TX	77084	(832) 732-4524	nmunsey@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
Sinclair, Patrick	Kona Ice of Houston, LLC	717 Cortlandt St	Houston	TX	77007	(713) 864-4747	patrick@kona-ice.com
McLaughlin, Cameron & Jessica	McLaughlin Kerrville Shaved Ice, LLC	164 Stewart-Junkin P.O. Box 204	Hunt	TX	78028	(830) 777-0623	cmclaughlin@kona-ice.com
Gonzalez, Rene	143 Ashley, LLC	1415 Hemlock Dr	Laredo	TX	78041	(956) 763-8941	rgonzalez@kona-ice.com
Guerra, Fernando	Kona Ice of Webb County	1617 Galveston St	Laredo	TX	78043	(956) 236-1830	fguerra@kona-ice.com
Werner, Dan	Kona by the Lake LLC	1518 Highland Cir	Little Elm	TX	75068	(469) 475-8081	dwerner@kona-ice.com
Werner, Dan	Kona by the Lake LLC	1518 Highland Cir	Little Elm	TX	75068	(469) 475-8081	dwerner@kona-ice.com
Dibble, Keith & Sandy	K&S Shaved Ice, LLC	P.O. Box 5416	Longview	TX	75608	(903) 431-1165	dibble@kona-ice.com
Dibble, Keith & Sandy	K&S Shaved Ice, LLC	P.O. Box 5416	Longview	TX	75608	(903) 431-1165	dibble@kona-ice.com
Dibble, Keith & Sandy	K&S Shaved Ice, LLC	P.O. Box 5416	Longview	TX	75608	(903) 431-1165	dibble@kona-ice.com
Brady, Quentin	Kona Ice of Central Lubbock	5801 Ave G	Lubbock	TX	79404	(806) 241-1052	qbrady@kona-ice.com
Salamon, Paulene	Chillaxin Enterprises LLC	151 State Road 2130	Lubbock	TX	79407	(806) 638-5662	psalamon@kona-ice.com
Meeks, Gary & Stacy	Kona Ice of North Texas	1010 Pebble Beach Dr	Mansfield	TX	76063	(817) 727-6252	gmeeks@kona-ice.com
Meeks, Gary & Stacy	Kona Ice of North Texas	1010 Pebble Beach Dr	Mansfield	TX	76063	(817) 727-6252	gmeeks@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Meeks, Gary & Stacy	Kona Ice of North Texas	1010 Pebble Beach Dr	Mansfield	TX	76063	(817) 727-6252	gmeeks@kona-ice.com
Meeks, Gary & Stacy	Kona Ice of North Texas	1010 Pebble Beach Dr	Mansfield	TX	76063	(817) 727-6252	gmeeks@kona-ice.com
Park, Steve & Tina	STP Tasty Treats LLC	1803 Grayson Ave	Mesquite	TX	75181	(972) 365-4177	spark@kona-ice.com
Rinehart, Buster & Heather	Kona Ice of West Texas	709 Austin St	Midland	TX	79703	(432) 634-0220	westtexas@kona-ice.com
Rinehart, Buster & Heather	Kona Ice of West Texas	709 Austin St	Midland	TX	79703	(432) 634-0220	westtexas@kona-ice.com
Rinehart, Buster & Heather	Kona Ice of West Texas	709 Austin St	Midland	TX	79703	(432) 634-0220	westtexas@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817-4046	kash@kona-ice.com
Manning, Jesse & Sandy	JSManning Enterprise, Inc.	190 Center St Ste 108	New Braunfels	TX	78130	(830) 832-0973	newbraunfels@kona-ice.com
Manning, Jesse & Sandy	JSManning Enterprise, Inc.	190 Center St Ste 108	New Braunfels	TX	78130	(830) 832-0973	newbraunfels@kona-ice.com
Manning, Jesse & Sandy	JSManning Enterprise, Inc.	190 Center St Ste 108	New Braunfels	TX	78130	(830) 832-0973	newbraunfels@kona-ice.com
Holleman, Steve & Paige	Holleman Enterprises, LLC	8304 Juniper Dr	North Richland Hills	TX	76182	(817) 939-9805	sholleman@kona-ice.com
Holleman, Steve & Paige	Holleman Enterprises, LLC	8304 Juniper Dr	North Richland Hills	TX	76182	(817) 939-9805	sholleman@kona-ice.com
Holleman, Steve & Paige	Holleman Enterprises, LLC	8304 Juniper Dr	North Richland Hills	TX	76182	(817) 939-9805	sholleman@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Holleman, Steve & Paige	Holleman Enterprises, LLC	8304 Juniper Dr	North Richland Hills	TX	76182	(817) 939-9805	sholleman@kona-ice.com
Thibodeaux, Logan/ Frautschi, Ellen	LAKESIDE FROZEN TREATS, LLC	4950 Cloyce Ct Apt C	North Richland Hills	TX	76180	(405) 355-2922	coppell@kona-ice.com
Thibodeaux, Logan/ Frautschi, Ellen	LAKESIDE FROZEN TREATS, LLC	4950 Cloyce Ct Apt C	North Richland Hills	TX	76180	(405) 355-2922	coppell@kona-ice.com
Waddell, Mike & Shannon	Waddell's Shaved Ice, Co	5010 Colombia Dr	Pasadena	TX	77505	(832) 696-2544	mwaddell@kona-ice.com
Maples, Ron & Kerrie	The Maple Tree Group, LLC	9721 Beck Dr	Plano	TX	75025	(972) 234-4058	kandrmaples@kona-ice.com
Maples, Ron & Kerrie	The Maple Tree Group, LLC	9721 Beck Dr	Plano	TX	75025	(972) 234-4058	kandrmaples@kona-ice.com
Maples, Ron & Kerrie	The Maple Tree Group, LLC	9721 Beck Dr	Plano	TX	75025	(972) 234-4058	kandrmaples@kona-ice.com
Maples, Ron & Kerrie	The Maple Tree Group, LLC	9721 Beck Dr	Plano	TX	75025	(972) 234-4058	kandrmaples@kona-ice.com
Carter, Eric & Sandy	Carter Cool, Inc.	20179 Royal Orchard Dr	Porter	TX	77365	(281) 793-9664	secarter@kona-ice.com
Carter, Eric & Sandy	Carter Cool, Inc.	20179 Royal Orchard Dr	Porter	TX	77365	(281) 793-9664	secarter@kona-ice.com
Bowers, David & Becky	Prosper Shaved Ice, Inc.	1239 Chandler Cir	Prosper	TX	75078	(469) 955-5662	bbowers@kona-ice.com
Fowler, Tom	TGI KONA LLC	10702 Waterview Pkwy	Rowlett	TX	75089	(214) 316-0925	tfowler@kona-ice.com
Fowler, Tom	TGI KONA LLC	10702 Waterview Pkwy	Rowlett	TX	75089	(214) 316-0925	tfowler@kona-ice.com
Fowler, Tom	TGI KONA LLC	10702 Waterview Pkwy	Rowlett	TX	75089	(214) 316-0925	tfowler@kona-ice.com
Rodriguez, Carlos	Ice Dreams Inc.	5929 Lynd Hurst Dr	San Angelo	TX	76901	(432) 290-1123	crodriguez@kona-ice.com
Corona, Jose & Kelly	KYC, LLC	2603 Jupe	San Antonio	TX	78222	(210) 415-3773	kcorona@kona-ice.com
Chapa, Ryan	Ryan Chapa Enterprises, LLC	5403 Green Grass	San Antonio	TX	78223	(210) 213-3757	rchapa@kona-ice.com
Pharis, Mike & Natasha	Kona Ice Calcasieu Parish East, LLC	8235 Olde Village Dr	San Antonio	TX	78250	(210) 504-6780	npharis@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Pharis, Mike & Natasha	Kona Ice Calcasieu Parish East, LLC	8235 Olde Village Dr	San Antonio	TX	78250	(210) 504-6780	npharis@kona-ice.com
Pharis, Mike & Natasha	Kona Ice Calcasieu Parish East, LLC	8235 Olde Village Dr	San Antonio	TX	78250	(210) 504-6780	npharis@kona-ice.com
Pharis, Mike & Natasha	Kona Ice Calcasieu Parish East, LLC	8235 Olde Village Dr	San Antonio	TX	78250	(210) 504-6780	npharis@kona-ice.com
Pharis, Mike & Natasha	Kona Ice Calcasieu Parish East, LLC	8235 Olde Village Dr	San Antonio	TX	78250	(210) 504-6780	npharis@kona-ice.com
Stetson, Randy	Kona Ice San Antonio	61 Granburg Cir	San Antonio	TX	78218	(210) 826-7662	hstetson@kona-ice.com
Stetson, Randy	Kona Ice San Antonio	61 Granburg Cir	San Antonio	TX	78218	(210) 826-7662	hstetson@kona-ice.com
Stetson, Randy	Kona Ice San Antonio	61 Granburg Cir	San Antonio	TX	78218	(210) 826-7662	hstetson@kona-ice.com
Zamora, Rick & Claire	Kona Ice of Alamo City, LLC	6962 Friesenhahn St	San Antonio	TX	78263	(210) 852-8560	rzamora@kona-ice.com
Oeswein, David	CP&Z Enterprises LLC	30 Silverstrand Pl	Spring	TX	77381	(281) 408-4423	david@konaicehouston.com
Oeswein, David	CP&Z Enterprises LLC	30 Silverstrand Pl	Spring	TX	77381	(281) 408-4423	david@konaicehouston.com
Oeswein, David	CP&Z Enterprises LLC	30 Silverstrand Pl	Spring	TX	77381	(281) 408-4423	david@konaicehouston.com
Ontiveros, Lorena	Kona Ice Spring Branch/Boerne	322 Lantana View	Spring Branch	TX	78070	(210) 833-7469	lontiveros@kona-ice.com
Dugan, Jordan & Jessica	JSManning Enterprise, LLC	101 S. Holly St	Sweeny	TX	77480	(979) 798-5662	jsmanning@kona-ice.com
Hargrove, Justin	JB Hargrove, LLC	2405 Kensington	Tyler	TX	75703	(903) 372-0269	hargrove@kona-ice.com
Hargrove, Justin	JB Hargrove, LLC	2405 Kensington	Tyler	TX	75703	(903) 372-0269	hargrove@kona-ice.com
Hargrove, Justin	JB Hargrove, LLC	2405 Kensington	Tyler	TX	75703	(903) 372-0269	hargrove@kona-ice.com
Hargrove, Justin	JB Hargrove, LLC	2405 Kensington	Tyler	TX	75703	(903) 372-0269	hargrove@kona-ice.com
Peña, Jesse/ Garibay, Louis	Victoria Shaved Ice	508 Kelly Crick	Victoria	TX	77904	(361) 579-7423	jpena@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Peña, Jesse/ Garibay, Louis	Victoria Shaved Ice	508 Kelly Crick	Victoria	TX	77904	(361) 579- 7423	jpena@kona-ice.com
Kapavik, Jessica	Tie Dye Enterprises, LLC	420 Crawshaw Ln	West	TX	76691	(254) 265- 1048	jkapavik@kona-ice.com
Davoult, Roy & Carri	Makhes, LLC	P.O. Box 4691	Wichita Falls	TX	76306	(940) 636- 5662	nwtexoma@kona-ice.com
Davoult, Roy & Carri	Makhes, LLC	P.O. Box 4691	Wichita Falls	TX	76306	(940) 636- 5662	nwtexoma@kona-ice.com
Davoult, Roy & Carri	Makhes, LLC	P.O. Box 4691	Wichita Falls	TX	76306	(940) 636- 5662	nwtexoma@kona-ice.com
Brown, Nick	Kona Ice of Killeen, LLC	8281 Mosswood Dr	Woodway	TX	76712	(214) 529- 2169	nbrown@kona-ice.com
Brown, Nick	Kona Ice of Killeen, LLC	8281 Mosswood Dr	Woodway	TX	76712	(214) 529- 2169	nbrown@kona-ice.com
Reeder, Karey/Shelton, Susan	KARSAN'S KONA ICE OF HUNTSVILLE, LLC	144 S Reeder Hill	Buffalo	TX	75831	(903) 388- 6649	karsan@kona-ice.com
Reese, Wayne & Diana	Kona Ice North Grand Prairie, LLC	7701 White Fawn Road	Arlington	TX	76002	(713) 962- 2523	wreese@kona-ice.com
Salamon, Paulene	Chillaxin Enterprises LLC	151 state rd 2130	lubbock	TX	79407	(806) 638- 5662	psalamon@kona-ice.com
Kashuda, Mark & Theresa	MTM ICE LLC	3110 Gray Thrush	Missouri City	TX	77459	(713) 817- 4046	kash@kona-ice.com
Decker, Jon & Stefanie	Texas Panhandle Promotions, LLC	3510 Goodfellow Ln	Amarillo	TX	79121	(806) 318- 8781	jdecker@kona-ice.com
Sutton, Tiffany	Strategic Business Concepts, LLC	2428 Ranchview Drive	Grand Prairie	TX	75052	(972) 742- 1584	tsutton@kona-ice.com
Boudiette, Lisa	Kona Ice of Bryan LLC	4103 Bridgewood Ct.	College Station	TX	77845	(979) 676- 3002	boudiette@kona-ice.com
Galindo, Jose/ Baca, Victor	EPTX Entertainment, LLC	12096 Banner Crest Dr	El Paso	TX	79936	(915) 241- 2234	southelpaso@kona-ice.com
Potts, Luke & Kayla	Nolan Creek Innovations, LLC	3101 Dunn Canyon Rd	Belton	TX	76513	(254) 444- 0766	lkpotts@kona-ice.com
Sanchez, Cynthia	Springbrook Enterprises, LLC	2500 Plaza St.	Arlington	TX	76010	(682) 222- 6447	csanchez@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Oeswein, David	CP&Z Enterprises LLC	30 Silverstrand Pl	Spring	TX	77381	(281) 408-4423	david@konaicefun.com
Oeswein, David	CP&Z Enterprises LLC	30 Silverstrand Pl	Spring	TX	77381	(281) 408-4423	david@konaicefun.com
Holleman, Steve & Paige	Holleman Enterprises, LLC	8304 Juniper Drive	North Richland Hills	TX	76182	(817) 939-9805	sholleman@kona-ice.com
Dibble, Keith & Sandy	K&S Shaved Ice, LLC	4616 Cattail Lane	Longview	TX	75604	(903) 431-1165	dibble@kona-ice.com
McLaughlin, Cameron & Jessica	McLaughlin Kerrville Shaved Ice, LLC	164 Stewart-Junkin PO Box 204	Hunt	TX	78028	(830) 777-0623	cmclaughlin@kona-ice.com
Sutton, Tiffany	Strategic Business Concepts, LLC	2428 Ranchview Drive	Grand Prairie	TX	75052	(972) 742-1584	tsutton@kona-ice.com
Spring, Richard	SS Unlimited, Inc	15157 North State Hwy 94 P.O. BOX 42	Apple Springs	TX	75926	(936) 676-2399	rspring@kona-ice.com
Becerra, Annya	Kona Ice of South Orem/Provo	1657 N. 400 West	Orem	UT	84057	(801) 319-8620	annyab@kona-ice.com
Becerra, Annya	Kona Ice of South Orem/Provo	1657 N. 400 West	Orem	UT	84057	(801) 319-8620	annyab@kona-ice.com
Campbell, Lance & Rosemarie	CAMFAM LLC	1422 Galloway Place	Syracuse	UT	84075	(385) 770-8514	campbell@kona-ice.com
DiMaio, Jeremy	Kona Ice of the Piedmont, LLC	696 Rockfish School Ln	Alton	VA	22920	(808) 800-4849	jdimai@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com



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Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	11120 Air Park Rd	Ashland	VA	23005	(804) 304-0996	jmitt@kona-ice.com
Townsend, Kevin & Lisa	Kona Ice of Chesapeake	725 Hilda Pine Dr	Chesapeake	VA	23322	(757) 739-3731	konalisa@kona-ice.com
Chaffin, Shannon	Kona Ice of Gloucester, York, N. Newport News	6851 Cedar Lake Dr	Gloucester	VA	23061	(804) 413-9793	schaffin@kona-ice.com
Chaffin, Shannon	Kona Ice of Gloucester, York, N. Newport News	6851 Cedar Lake Dr	Gloucester	VA	23061	(804) 413-9793	schaffin@kona-ice.com
Hamilton, Don & Carrie	Thomas Hamilton Family LLC	107 Citation Ln	Lynchburg	VA	24503	(434) 509-7562	dhamilton@kona-ice.com
Young, Steve & Cindy	Surf N Dipity, Inc.	52 Saddle Ridge Ln	Nellysford	VA	22958	(434) 466-8959	youngs@kona-ice.com
Young, Steve & Cindy	Surf N Dipity, Inc.	52 Saddle Ridge Ln	Nellysford	VA	22958	(434) 466-8959	youngs@kona-ice.com
McCloud, John (Jay) & Linda	Kona Ice of Hampton City	5908 Sturbridge Way	Portsmouth	VA	23703	(757) 652-3675	jmcccloud@kona-ice.com
McCloud, John (Jay) & Linda	Kona Ice of Hampton City	5908 Sturbridge Way	Portsmouth	VA	23703	(757) 652-3675	jmcccloud@kona-ice.com
Hammond, Steve	Eat Good Snacks, LLC	11654 Plaza Americas Dr, #910	Reston	VA	20190	(703) 745-2536	shammond@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Hammond, Steve	Eat Good Snacks, LLC	11654 Plaza Americas Dr, #910	Reston	VA	20190	(703) 745-2536	shammond@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Mittelstaedt, Joel/ Dearing, Tim	DM Concessions, Inc.	1609 Cedar Grove Terr	Richmond	VA	23228	(804) 304-0996	jmitt@kona-ice.com
Moore, Dean	Moore & Associates, LLC	25580 Arthur Pl	South Riding	VA	20152	(703) 403-4616	dmoore@kona-ice.com
Walsh, Bob & Melanie	Kona Ice of Virginia Beach, LLC	4013 Vinland Cir	Virginia Beach	VA	23456	(757) 333-7170	walsh@kona-ice.com
Hamilton, Don & Connie	Thomas Hamilton Family LLC	107 Citation Lane	Lynchburg	VA	24503	(434) 509-7562	dhamilton@kona-ice.com
Dinh, Trung	Dinh Enterprises, LLC	5309 Amber Ct	Burke	VA	22015	(415) 802-6710	tdinh@kona-ice.com
Coyle, Rob	NovaFoods, LLC	7109 Gary Road	Manassas	VA	20109	(703) 447-7178	rcogle@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Lischak, Maria	DariskDream, LLC	132 Harrison Circle	Locust Grove	VA	22508	(540) 935-4705	culpeper@kona-ice.com
Rasmussen, Nate & Brooke	Summit Adventures, LLC	20810 E. First Ave	Green Acres	WA	99016	(509) 599-3191	brasmussen@kona-ice.com
Rasmussen, Nate & Brooke	Summit Adventures, LLC	20810 E. First Ave	Green Acres	WA	99016	(509) 599-3191	brasmussen@kona-ice.com
Kleindel, DiAnna	Kona Ice Bellingham, Inc.	802 Hinotes Ct	Lynden	WA	98264	(360) 815-0653	dkleindel@kona-ice.com
Kerr, Grover & Sandra	Wheelhouse Entertainment LLC	4003 Monterey Dr	Pasco	WA	99301	(509) 947-9472	gkerr@kona-ice.com
McCulloch, Steve & Kelli	Kellstep Inc.	21206 NE 10 th Ave	Richfield	WA	98642	(503) 407-7241	smcculloch@kona-ice.com
Brown, Skip & Kim	Kona Ice of Greater Everett	15619 62 nd Ave SE	Snohomish	WA	98296	(425) 356-2063	kim.brown@konaicenw.com
Kerr, Grover & Sandra	Wheelhouse Entertainment LLC	4003 Monterey Dr.	Pasco	WA	99301	(509) 947-9472	gkerr@kona-ice.com
Novick, Joe & Christine	NOVICK FAMILY VENTURE, LLC	11975 Olalla Valley Rd. SE	Olalla	WA	98359	(360) 908-0978	cnovick@kona-ice.com
Donovan, Rick & Lorraine	Skagit Shaved Ice, LLC	935 Clearwater Court	Mount Vernon	WA	98273	(360) 421-9628	rdonovan@kona-ice.com
McCulloch, Steve & Kelli	Kellstep Inc	21206 NE 10th Ave	Ridgefield	WA	98642	(503) 407-7241	smcculloch@kona-ice.com
Speer, Steve & Erin	Kona Ice of Lacamas, Inc	420 NE Birch Street	Camas	WA	98607	(360) 949-2252	lacamas@kona-ice.com
Asciutto, Tony & Tilton, Tamara	Evergreen Orchards LLC	38702 NE 25th Street,	Washougal	WA	98671	(503) 799-8634	evergreen@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Dietzen, Jon	Jon Dietzen Ice, LLC	3700 Woodside Ct	Appleton	WI	54913	(920) 284-4897	jdietzen@kona-ice.com
Dietzen, Jon	Jon Dietzen Ice, LLC	3700 Woodside Ct	Appleton	WI	54913	(920) 284-4897	jdietzen@kona-ice.com
Moistner-Bartlett, Kim	Ice Angels, LLC	3007 Cumberland Dr	Janesville	WI	53546	(608) 436-8940	kimmb@kona-ice.com
Moistner-Bartlett, Kim	Ice Angels, LLC	3007 Cumberland Dr	Janesville	WI	53546	(608) 436-8940	kimmb@kona-ice.com
Moistner-Bartlett, Kim	Ice Angels, LLC	3007 Cumberland Dr	Janesville	WI	53546	(608) 436-8940	kimmb@kona-ice.com
Rocha, David & Julie	Kona Ice of Kenosha, LLC	5815 83 rd Pl	Kenosha	WI	53142	(262) 577-5053	drocha@kona-ice.com
Sanftleben, Scott & Dorothy	Kona Ice of Madison, LLC	643 Rovalia Dr	Verona	WI	53593	(608) 347-9403	scotts@kona-ice.com
Sanftleben, Scott & Dorothy	Kona Ice of Madison, LLC	643 Rovalia Dr	Verona	WI	53593	(608) 347-9403	scotts@kona-ice.com
Sanftleben, Scott & Dorothy	Kona Ice of Madison, LLC	322 Meadowside Dr	Verona	WI	53593	(608) 347-9403	scotts@kona-ice.com
Monazam, Sherry	Esmail Monazam, Almost Heaven Kona Ice, LLC	308 Rotary St	Morgantown	WV	26505-3235	(304) 709-0311	smonazam@kona-ice.com
Monazam, Sherry	Esmail Monazam, Almost Heaven Kona Ice, LLC	308 Rotary St	Morgantown	WV	26505-3235	(304) 709-0311	smonazam@kona-ice.com
Cochran, Troy	Wagon Box Holdings LLC	298 Tongue Canyon Rd	Dayton	WY	82836	(307) 461-2426	tcochran@kona-ice.com
Cochran, Troy	Wagon Box Holdings LLC	298 Tongue Canyon Rd	Dayton	WY	82836	(307) 461-2426	tcochran@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Cochran, Troy	Wagon Box Holdings LLC	298 Tongue Canyon Rd	Dayton	WY	82836	(307) 461-2426	tcochran@kona-ice.com
Cochran, Troy	Wagon Box Holdings LLC	298 Tongue Canyon Rd	Dayton	WY	82836	(307) 461-2426	tcochran@kona-ice.com

Franchisees with Unopened Outlets as of December 31, 2019:

Franchisee Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Leath, Wade	Leath Family Investments, LLC	1049 W 21st Ave	Apache Junction	AZ	85120	(480) 352-6413	wleath@kona-ice.com
Gutierrez, Vanessa	Bold Impact, LLC	2016 Arapaho Place	Fremont	CA	94539	(408) 966-5405	carlosandvanessa@kona-ice.com
Gallardo, John	Gallardo Enterprise, LLC	2016 Arapaho Place	Fremont	CA	94539	(415) 465-2934	gallardo@kona-ice.com
Westphal, Mark & Tonya	Westy's Ice, LLC	9843 Walnut Grove Ln N	Maple Grove	MN	55311	(612) 644-3687	westphal@kona-ice.com
Kinworthy, Brent & Julie	Frozen Cup of Joy, LLC	1734 N 20 th St	Bismark	ND	58501	(701) 595-3134	kinworthy@kona-ice.com
Fargas, Rissa	Providence Torii, LLC.	16282 East Main St. #18E	Tustin	CA	92780	(858) 527-8571	rfargas@kona-ice.com
Massey, Buck	Buckwild Enterprises, LLC	109 Pique Loop Apt. 201	Folsom	CA	95630	(757) 274-6790	bmassey@kona-ice.com
Spencer, Bernadette & Joseph	Spencer's Shaved Ice, LLC	838 Cobblestone ct	Ripon	CA	95366	(209) 302-9238	jbspencer@kona-ice.com
Dunn, Kevin	DunnCo LLC	320 Sunbird Dr	Turlock	CA	95382	(209) 595-6797	kdunn@kona-ice.com
Berger, Stacy & Dave	Berger Boys LLC	PO Box 1357	Tuolumne,	CA	95379	(209) 768-0341	sberger@kona-ice.com
Perez, Sheryll & Devynn	DGPerez Family, LLC.	1513 Onyx Ln	Beaumont	CA	92223	(909) 205-7841	dgperez@kona-ice.com
Stalneck, Janelle	Mangia Bene, LLC	10371 Park Ave #D	Garden Grove	CA	92840	(408) 612-6659	jstalneck@kona-ice.com
Bartlett, Russell & Karen	Kona Ice of Gulf Breeze, LLC	2380 Hilton Dr.	Navarre	FL	32566	(850) 262-8100	happiness@kona-ice.com
NEWTON, John and Diondra	MLC Enterprises LLC	205 Blue Cypress Drive	Groveland	FL	34736	(321) 303-5874	jnewton@kona-ice.com
Hartmann, Jodi	Jo-Bex & Family, LLC	3944 Canoe Creek Road	Saint Cloud	FL	34772	(407) 414-7296	jhartmann@kona-ice.com
Martinez, Robyn & Robert/Pascual-Fernandez, Ana	RSMART Inc.	7415 SW 99 Street	Pinecrest	FL	33156	(786) 393-4080	rmartinez@kona-ice.com
Scott, Wayne & Tamela	Ice-N-EZ of Emerald Coast LLC	118 Lottie Loop	Freeport	FL	32439	(850) 567-5057	wscott@kona-ice.com



Franchisee Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Morefield, Gary and Debbie	DG Morefield Inc	622 Morgan St	Albany	GA	31705	(229) 854-3037	dgmorfield@kona-ice.com
Lomax, Cole	Lomax Kona Ice of Locust Grove, LLC	151 Feather Lane	Jackson	GA	30233	(770) 375-9698	clomax@kona-ice.com
Starr, Robert & Amy	Canyon Starr Promotions, Inc.	2205 Nisqually St.	Twin Falls	ID	83301	(208) 734-7827	rstarr@kona-ice.com
Greer, Ashton	Greer Family Adventures, LLC	1505 N Gilbert St.	Danville	IL	61832	(217) 474-3815	agreer@kona-ice.com
Teodozow, John & Teodozow, Ed	Teodozow Brothers, LLC.	361 New Hope Rd	Calvert City	DE	42029	(270) 205-6609	jet@kona-ice.com
Tremblay, Guy & Heidi	234 Squared	10 Wild Oak Rise	Framingham	MA	01701	(508) 808-4404	gtremblay@kona-ice.com
Almaroad, Matthew	Almaroad Enterprises	9816 Worrell Place	Glenn Dale	MD	20769	(423) 963-0444	malmaroad@kona-ice.com
Thiesen, Ryan & Natalie	MMT ICE Minnesota, LLC	10035 Ponds Way	Elko New Market	MN	55020	(952) 564-5799	rnthiesen@kona-ice.com
Kimball, Chris	Noel Ventures, LLC	309 North Jackson Street	Poplarville	MS	39470	(601) 337-1069	ckimball@kona-ice.com
KING/WHITT, Brian and Jessica	King-Whitt's famous Flavored Ice, LLC	420 Carroll Rd	Denton	NC	27239	(336) 953-7672	kingwhitt@kona-ice.com
YALE, Brett and Trina	Yale Family, LLC	11509 South 109th St.	Papillion	NE	68046	(402) 490-5758	yale@kona-ice.com
Rewczuk, Lori	Kona-Ice of Omaha LLC	18101 S. 228th St	Gretna	NE	68028	(402)-238-6169	omaha@kona-ice.com
Hardman, Richard	Dollar Concessions LLC	1906 Charlton Circle	Toms River	NJ	08755	(732) 966-7716	rhardman@kona-ice.com
Vitz, Stacy	OT Enterprises, LLC	235 Opera House St	Hendersen	NV	89012	(702) 743-0823	svitz@kona-ice.com
Crites, Scott	Kahuna Entertainment, LLC	651 Brumfield Road	Lancaster	OH	43130	(740) 412-3933	sjcrites@kona-ice.com
Murphy, TJ & Heather	TEEG Family, LLC	2471 Orchid St. NW	North Canton	OH	44720	(330) 398-0120	tjmurphy@kona-ice.com
Lindsey, Joe & Cassie	J & C Lindsey, LLC	12609 SW 24th Street	Yukon	OK	73099	(405) 397-4105	jlindsey@kona-ice.com
Green, Bill & Julie	Kona Ice King of Prussia, LP	106 Summit Dr.	Phoenixville	PA	19460	(610) 933-7673	bgreen@kona-ice.com
Gilliland, Mark and Jeanette	Gilliland Shaved Ice, LLC	4561 Gray Heron Drive	North Myrtle Beach	SC	29582	4848945151	gilliland@kona-ice.com
Palumbo, Daniel	Palumbo Family, LLC dba Kona Ice of Sumter	6585 Hidden Haven Rd	Sumter	SC	29154	(803) 883-6119	dpalumbo@kona-ice.com
Holleman, Steve & Paige	Holleman Enterprises, LLC	8304 Juniper Drive	North Richland Hills	TX	76182	(817) 939-9805	sholleman@kona-ice.com
Dibble, Keith & Sandy	K&S Shaved Ice, LLC	4616 Cattail Lane	Longview	TX	75604	(903) 431-1165	dibble@kona-ice.com



Franchisee Name	Entity Name	Address	City	State	Zip Code	Phone	Email
McLaughlin, Cameron & Jessica	McLaughlin Kerrville Shaved Ice, LLC	164 Stewart-Junkin PO Box 204	Hunt	TX	78028	(830) 777-0623	cmclaughlin@kona-ice.com
Sutton, Tiffany	Strategic Business Concepts, LLC	2428 Ranchview Drive	Grand Prairie	TX	75052	(972) 742-1584	tsutton@kona-ice.com
Spring, Richard	SS Unlimited, Inc	15157 North State Hwy 94 P.O. BOX 42	Apple Springs	TX	75926	(936) 676-2399	rspring@kona-ice.com
Moore, Dean	Moore & Associates, LLC	25580 Arthur Place	South Riding	VA	20152	(703) 403-4616	dmoore@kona-ice.com
Hammond, Steve	Eat Good Snacks, LLC	11654 Plaza Americas Dr #910	Reston	VA	20190	(703) 745-2536	shammond@kona-ice.com
Townsend, Kevin & Lisa	Mister K&Co	725 Hilda Pine Drive	Chesapeake	VA	23322	(757) 739-3731	konalisa@kona-ice.com
Dinh, Trung	Dinh Enterprises, LLC	5309 Amber Ct	Burke	VA	22015		tdinh@kona-ice.com
Novick, Joe & Christine	NOVICK FAMILY VENTURE, LLC	11975 Olalla Valley Rd. SE	Olalla	WA	98359	(360) 908-0978	cnovick@kona-ice.com
Harroun, Reed	Oly Ice, LLC	7524 Littlerock Road Southwest	Olympia	WA	98512	(360) 870-2153	raharroun@kona-ice.com

Former Franchisees:

The name and last known address of every franchisee who had a Kona Ice Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2019 to December 31, 2019, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Vickers, Mike & Dalette	MDV Enterprises, LLC	5525 Whistling Straits	Conway	AR	72034	(501) 733-6840	dvickers@kona-ice.com
Vickers, Mike & Dalette	MDV Enterprises, LLC	5525 Whistling Straits	Conway	AR	72034	(501) 733-6840	dvickers@kona-ice.com
Hensley, Robert & Barker-Hensley, Mary	Kona Ice of SW Clovis	6558 E. Pontiac Way	Fresno	CA	93727	(559) 259-6002	rhensley@kona-ice.com
Akkaraporn, Burt	Kona Ice Palm Springs	3095 N. Cypress Rd	Palm Springs	CA	92262	(760) 272-3341	palmsprings@kona-ice.com
Hill, Tamar	Foothill Ice, LLC	434 N Oakland Ave #3	Pasadena	CA	91101	(818) 445-8263	thill@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Hill, Tamar	Foothill Ice, LLC	434 N Oakland Ave #3	Pasadena	CA	91101	(818) 445-8263	thill@kona-ice.com
Hill, Tamar	Foothill Ice, LLC	434 N Oakland Ave #3	Pasadena	CA	91101	(818) 445-8263	thill@kona-ice.com
Wilford, Eric	Kona Ice OC	810 Calle Dulcinea	San Clemente	CA	92672	(949) 939-5318	ewilford@kona-ice.com
Payne, Vicky	Kona Ice Vacaville	143 Donner Dr	Vacaville	CA	93274	(707) 365-6155	vpayne@kona-ice.com
Wells, Cheri	Whee Management Group Inc.	10986 Kings Road	Ventura	CA	93004	(805) 766-4566	cwells@kona-ice.com
Schow, David & Sylvia	Makana Lani, Inc.	9462 Morning Glory Ln	Highlands Ranch	CO	80130	(303) 585-1222	dschow@kona-ice.com
Schow, David & Sylvia	Makana Lani, Inc.	9462 Morning Glory Ln	Highlands Ranch	CO	80130	(303) 585-1222	dschow@kona-ice.com
Chinchilla, Stacey	Kona Ice Of Hernando, LLC	12365 Pine Cone St	Brooksville	FL	34613	(352) 212-5991	schinchilla@kona-ice.com
Benn, Bob & Rose	Kona Ice of SW Fort Meyers, Estero & Lehigh	6911 Buckingham Rd	Fort Myers	FL	33905	(239) 980-2648	bob-rose@kona-ice.com
Benn, Bob & Rose	Kona Ice of SW Fort Meyers, Estero & Lehigh	6911 Buckingham Rd	Fort Myers	FL	33905	(239) 980-2648	bob-rose@kona-ice.com
Tanko, Linda & Tom	Tanko Enterprises, LLC	15390 County Rd. 565A Suite C	Groveland	FL	34736	(352) 988-7554	tltanko@kona-ice.com
Wray, Lincoln	Lincoln Shaved Ice	460 N.E. 169 th St North	Miami	FL	33162	(305)733-0528	lwwray@kona-ice.com
Wray, Lincoln	Lincoln Shaved Ice	460 N.E. 169 th St North	Miami	FL	33162	(305)733-0528	lwwray@kona-ice.com
Shores, Suzanne/ Hernandez, Jennifer	Kona Ice of Perdido Key, LLC	603 Cherokee Tr	Pensacola	FL	32506	(850) 512-0946	perdidokey@kona-ice.com
Neuman, Tom	Tominal, Inc.	2677 SW Cadet Ct	Port St. Lucie	FL	34953	(561) 251-7418	tneuman@kona-ice.com
Smith, Don & Jean	Coopersmith Ice, Inc.	318 Trieste Dr	Punta Gorda	FL	33950	(941) 286 - 8037	dsmith@kona-ice.com
Dye, Matt	Kona Ice Midtown, LLC	1490 Kenwood Ave NW	Atlanta	GA	30309	(404) 275-9903	mdye@kona-ice.com
Thompson, Ted	Tedmo Ice, Inc.	190 Ben Burton Rd	Bogart	GA	30622	(770) 310-3931	tthompson@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Hewitt, Tom & Kristin	Hewitt Shaved Ice, LLC	1337 Hornell Dr	Silver Spring	MD	20905	(301) 384-6326	hewitt@kona-ice.com
Hewitt, Tom & Kristin	Hewitt Shaved Ice, LLC	1337 Hornell Dr	Silver Spring	MD	20905	(301) 384-6326	hewitt@kona-ice.com
Price, Jon	Kona Ice of Macomb County	19823 Rosin Dr	Clinton Township	MI	48038	(586) 329-8303	jprice@kona-ice.com
Moffett, Ben	Kona Ice of Fenton, LLC	2181 Lilac Ln	Fenton	MI	48430	(810) 373-5662	bmoftett@kona-ice.com
Dunn, Stephanie	Dunn Well, LLC	3217 Manley Dr.	Lansing	MI	48910	(517) 626-4116	sdunn@kona-ice.com
McCallum, Matt	Kona Ice of Northeast Oakland, LLC	56350 Winding Creek	Macomb	MI	48042	(248) 820-5662	mccallum@kona-ice.com
McCallum, Matt	Kona Ice of Northeast Oakland, LLC	56350 Winding Creek	Macomb	MI	48042	(248)453-4487	mccaullum@kona-ice.com
Bremer, Patty	Big Toast Inc.	7551 Walnut Curve	Chanhassen	MN	55317	(952) 239-3778	pbremer@kona-ice.com
Ojogwu, Daniel	RoyalDabena, LLC	80 Belvidere Street East	Saint Paul	MN	55107	(651) 331-0288	ojogwu@kona-ice.com
Ewing, Jack	Ewing Enterprises of SW Missouri, LLC	3904 W. Parkridge Circle	Springfield	MO	65802	(417) 268-0050	jdewing@kona-ice.com
Syler, Barb	Kona Ice of Columbia Northeast, LLC	216 Holly Springs Ct	Southern Pines	NC	28374	(703) 868-8362	bsyler@kona-ice.com
Blum, Eric & Kelly	Blums Family, LLC	312 45 th Place	Sea Isle City	NJ	08243	(609) 665-5866	kblum@kona-ice.comW
Spano, Nicole	Kona Ice of South East Westchester	705 Cedar St	Mamaroneck	NY	10543	(914) 732-3146	spano@kona-ice.com
Smith, Larry & Sandra	Larsan, LLC	7271 E. Carey Ave	Las Vegas	NV	89156	(702) 350-0356	lsmith@kona-ice.com
Prosser, Robert (Bobby) & April	Ice Worx, LLC	2120 Township Rd 585	Loudonville	OH	44842	(419) 528-5953	prosser@kona-ice.com
Matthews, Ron & Sara	R&S Matthews, LLC	11964 Beckenham Rd.	North Royalton	OH	44133	(440) 552-954	rmatthews@kona-ice.com
Campbell, Jeremy	Kona Ice of Bartlesville	201 S. Creek	Dewey	OK	74029	(918) 534-6578	jcampbell@kona-ice.com
Campbell, Jeremy	Kona Ice of Bartlesville	201 S. Creek	Dewey	OK	74029	(918) 534-6578	jcampbell@kona-ice.com



Franchisee Name	Entity	Address	City	State	Zip Code	Phone	Email Address
Webber, Steve	Scrumptious Ice, LLC	183 Cypress Rd	Dingmans Ferry	PA	18328	(610) 802-7259	swebber@kona-ice.com
Dick, Carl & Susan	S & C Charleston, LLC	738 Longbranch Dr	Charleston	SC	29414	(843) 693-6463	csdick@kona-ice.com
Grillet, Andrew & Jennifer	Kona Ice Knoxville West	212 Guttery Ln	Clinton	TN	37716	(865) 809-8242	knoxvillewest@kona-ice.com
Dalmolin, Billy	Dolce Ice, LLC	717 Dezso Dr	Alvin	TX	77511	(281) 889-2653	bdalmolin@kona-ice.com
Dalmolin, Billy	Dolce Ice, LLC	717 Dezso Dr	Alvin	TX	77511	(281) 889-2653	bdalmolin@kona-ice.com
Maloney, Eddie	Kona Ice North Roanoke County	1483 Morgans Church Rd	Bedford	VA	24523	(540) 296-0670	emaloney@kona-ice.com
Duarte Jonathan	Duarte Aguilar Enterprises LLC	P.O. Box 140	Richland	WA	99352	(509) 713-0400	jduarte@kona-ice.com
Simonton, Joey	Kona Ice of Charleston WV, LLC	1496 Limestone Road	Charleston	WV	25312	(304)54-7642	jsimonton@kona-ice.com
Simonton, Joey	Kona Ice of Charleston WV, LLC	1496 Limestone Road	Charleston	WV	25312	(304)54-7642	jsimonton@kona-ice.com



EXHIBIT G
STATE ADDENDA
AND AGREEMENT RIDERS



STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR KONA ICE, INC.

The following modifications are made to the Kona Ice, Inc. (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20____ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Kentucky. When the term “**Supplemental Agreements**” is used, it means “none”.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor’s Choice of Law State. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Franchisor’s Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.



California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

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

Our website has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of this website may be directed to the California Department of Business Oversight at www.dbo.ca.gov.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.



THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates."
2. States which have refused, by order or otherwise, to register these Franchises are:

None
3. States which have revoked or suspended the right to offer the Franchises are:

None
4. States in which the proposed registration of these Franchises has been withdrawn are:

None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.



Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.



The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.



The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Kona Ice, Inc., 5945 Centennial Circle, Florence, KY 41042, or send a fax to Kona Ice, Inc. at (859) 282-9890 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND FRANCHISE DISCLOSURE QUESTIONNAIRE

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.



The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Franchise Fee Deferral:

Item 5 of the FDD and the Franchise Agreement are hereby amended to state: Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 transferee to meet our then-current reasonable qualifications or standards.
- (ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.
- (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota



Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J. prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 4.G of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.



NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NY 10005, 212-416-8236. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.



The following is added to the end of Item 4:

Neither the Franchisor, its affiliate, its predecessor, officers or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for Franchisee to renew or extend,” and Item 17(m), entitled “Conditions for Franchisor approval of transfer:”

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the “Summary” section of Item 17(d), titled “Termination by Franchisee:”

You may terminate the agreement on any grounds available by law.

The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by Franchisor:”

However, no assignment will be made except to an assignee who in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor’s obligations under the Franchise Agreement.

The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of Forum”, and Item 17(w), titled “Choice of Law:”

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.



Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Sections 16D and 16G of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials _____ Date _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Kona Ice, Inc., 5945 Centennial Circle, Florence, KY 41042, or send a fax to Kona Ice, Inc. at (859) 282-9890 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.



Franchisee:

Date: _____

By: _____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

SOUTH DAKOTA

Intentionally left blank.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Kona Ice, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

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

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.



RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

On October 4, 2019, Franchisor entered into an Assurance of Discontinuance ("AOD") with the Washington Attorney General's office ("AGO"). Under the AOD Franchisor agreed to permanently discontinue the use of and to not enforce "no-poach" language in Franchisor's agreements which restricted the ability of franchisees to hire the employees from competing franchisees and from Franchisor's corporate locations. Franchisor further agreed to notify the AGO of any efforts by a franchisee in Washington to enforce any existing "no-poach" provision, to proactively remove "no-poach" language from each Washington franchisee's franchise agreement and to remove "no-poach" language from all other Kona Ice franchisees' agreements upon renewal.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)



APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐	California	☐	Michigan	☐	Rhode Island
☐	Hawaii	☐	Minnesota	☐	South Dakota
☐	Illinois	☐	New York	☐	Virginia
☐	Iowa	☐	North Dakota	☐	Washington
☐	Indiana	☐	Ohio	☐	Wisconsin
☐	Maryland				

Dated: _____, 20____

FRANCHISOR:

KONA ICE, INC.

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

Rev. 050918



EXHIBIT H

CONTRACTS FOR USE WITH THE KONA ICE FRANCHISE

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Kona Ice Business. The following are the forms of contracts that Kona Ice, Inc. uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.



EXHIBIT H-1

KONA ICE FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (“Release”) is made as of _____, 20__ by _____, a(n) _____ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Kona Ice, Inc., a Kentucky corporation (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Kona Ice business;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] or [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such [transfer/successor franchise agreement/amendment/termination/other reason]; and

WHEREAS, as a condition to Franchisor’s consent to [transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason], Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties.** Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release.** Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.



3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Kentucky.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

(Signatures on following page)



IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

By: _____

Name: _____

Its: _____

FRANCHISEE:

_____, a

By: _____

Name: _____

Its: _____

FRANCHISEE:

_____, a

By: _____

Name: _____

Its: _____



FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

Rev. 061518



EXHIBIT H-2

KONA ICE FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Kona Ice, Inc., a Kentucky corporation, and its successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Kona Ice business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Kona Ice business or the solicitation or offer of a Kona Ice franchise, whether now in existence or created in the future.

“*Franchisee*” means the Kona Ice franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Kona Ice business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Kona Ice business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Kona Ice business, including “KONA ICE,” and any other trademarks, service marks, or trade names that we designate for use by a Kona Ice business. The term “Marks” also includes any distinctive trade dress used to identify a Kona Ice business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.



“Restricted Period” means the two (2)-year period after you cease to be a manager or officer of Franchisee’s Kona Ice business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the nine (9) month period after you cease to be a manager or officer of Franchisee’s Kona Ice business.

“Restricted Territory” means the geographic area within: (i) a 20-mile radius from Franchisee’s Kona Ice business (and including the premises of the approved location of Franchisee); and (ii) a 20-mile radius from all other Kona Ice businesses that are operating or under development as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within a 10-mile radius from Franchisee’s Kona Ice business (and including the premises of the approved location of Franchisee).

“System” means our system for the establishment, development, operation, and management of a Kona Ice business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Kona Ice business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s Kona Ice business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s Kona Ice business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have



violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Kona Ice franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Kentucky, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signature Page Follows)



EXECUTED on the date stated below.

Date_____Signature_____

Typed or Printed Name

Date_____Signature_____

Typed or Printed Name

Date_____Signature_____

Typed or Printed Name

Rev. 120619



EXHIBIT H-3

KONA ICE FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Kona Ice, Inc., a Kentucky corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Kona Ice franchisees to use, sell, or display in connection with the marketing and/or operation of a Kona Ice Business, whether now in existence or created in the future.

“*Franchisee*” means the Kona Ice franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Kona Ice Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Kona Ice Business*” means a business that provides flavored shaved ice, ice cream, and related products to the general public in a mobile environment and other related products and services using our Intellectual Property.

“*Manual*” means our confidential operations manual for the operation of a Kona Ice Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Kona Ice Business, including “KONA ICE” and any other trademarks, service marks, or trade names that we designate for use by a Kona Ice Business. The term “Marks” also includes any distinctive trade dress used to identify a Kona Ice Business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation, and management of a Kona Ice Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Kona Ice Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will



maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Kona Ice, Inc. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Kona Ice franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Kona Ice, Inc., you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.



b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Kentucky, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date_____

Signature

Typed or Printed Name

Date_____

Signature

Typed or Printed Name

Date_____

Signature

Typed or Printed Name

Rev. 032916



EXHIBIT H-4

KONA ICE FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment (“**Agreement**”) is entered into this ____ day of _____, 20____, between Kona Ice, Inc. (“**Franchisor**”), a Kentucky corporation, _____ (“**Former Franchisee**”), the undersigned owners of Former Franchisee (“**Owners**”) and _____, a [State] [corporation/limited liability company] (“**New Franchisee**”).

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20____ (“**Former Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate a Kona Ice franchise located at _____ (“**Franchised Business**”); and

WHEREAS, Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor’s current form of franchise agreement together with all exhibits and attachments thereto (“**New Franchise Agreement**”), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee’s rights to operate the Franchised Business are terminated and that from the date of this



Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Kona Ice franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Kentucky.



IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

KONA ICE, INC.

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Rev. 082418



EXHIBIT H-5

KONA ICE FRANCHISE

ADDITIONAL FRANCHISE RESERVATION AGREEMENT

This Additional Franchise Reservation Agreement (“**AFR Agreement**”) is made between **Kona Ice, Inc.** (“**us**” or “**we**”) and _____ (“**you**”) is made and entered into ____, 20__ (“**Effective Date**”).

1. **General Description of Agreement.** This AFR Agreement sets out the terms and the conditions under which we will reserve a Kona Ice franchise and territory (each, a “**Reserved Business**”).

a. In order to establish a Kona Ice franchise, you will be required to enter into a Franchise Agreement for the Reserved Business, the form of which will be our then-current form Franchise Agreement then being offered to new Kona Ice franchisees (that form of Franchise Agreement is referred to in AFR Agreement as the “**Franchise Agreement**”).

b. You acknowledge and represent to us that you understand that this AFR Agreement is not a Franchise Agreement, and that you have no right to open a Kona Ice business under this AFR Agreement. You will be permitted to open a Kona Ice franchise only if: (a) we approve you to do so; (b) you and we sign a Franchise Agreement; and (c) you pay us all applicable initial fees that are due under the Franchise Agreement.

2. **Term.** The term of this AFR Agreement shall commence on the Effective Date and, unless otherwise negotiated, terminated or extended as provided herein, shall continue until the earlier of (i) the Expiration Date (as defined in Section 5), or (ii) the date of execution of the Franchise Agreement for the Reserved Business (“**Term**”).

3. **Reserved Territory.** The territory covered under this AFR Agreement is referred to as the “**Reserved Territory**.” The specific Reserved Territory is:

Reserved Territory Zip Codes

If you fail to purchase a Kona Ice franchise for the Reserved Territory during the term, you will not be able to enter into another agreement to reserve the Reserved Territory.

4. **Deadline.** You must sign a Franchise Agreement for your Reserved Business for the Reserved Territory no later than one (1) year from the Effective Date (the “**Deadline**”).

5. **Right of First Refusal.** If you do not meet the Deadline for any reason, we will allow you a right of first refusal for the Reserved Territory (“**ROFR**”) subject to the restrictions contained in this Section. This ROFR will shall expire on the earlier of the execution of a Franchise Agreement for the Reserved Business, or 12 months after the Deadline (“**Expiration Date**”). If, after the Deadline, a qualified prospective franchisee has applied to operate a Kona Ice business in the Reserved Territory, then we will provide to you (i) written notification stating the same and (ii) the then-current Franchise Disclosure Document and franchise agreement (“**Franchisor’s Notice**”). You will have twenty days from the receipt



of Franchisor's Notice to sign a Franchise Agreement for the Reserved Territory and pay the applicable fees.

You will forfeit your ROFR upon the occurrence of the earlier of the occurrence of any of the following: (1) you indicate in writing that you does not want to exercise this ROFR; and (2) you decline to exercise your rights under this Section within the twenty day period described above.

6. **Reservation Fee.** At the time of signing this AFR Agreement, you must pay us a non-refundable "**Reservation Fee**" of ten thousand dollars (\$10,000). The Reservation Fee is paid in consideration of our agreement not to award franchise rights to any portion of the Reserved Territory prior to the Deadline, subject to the terms of this Agreement. This amount is fully-earned by us when we sign this AFR Agreement. This Additional Franchise Reservation Deposit will be applied towards the initial franchise fee that you must pay us under Franchise Agreement for the Reserved Business if you proceed with the purchase of the Reserved Business. If you do not sign a Franchise Agreement for the Reserved Business for any reason, we will keep the Reservation Fee and you will not be entitled to any refund.

7. **Assignment.** We have the unrestricted right to assign this AFR Agreement without prior notice to you. You may not assign this AFR Agreement.

8. **Defaults.** You will be in default under this AFR Agreement if any other agreement between you (and/or your affiliates) and us (and/or our affiliates) is terminated. If you are in default under this AFR Agreement, we will have the right to terminate AFR Agreement by giving you written notice of termination, which will take effect immediately (unless otherwise required under applicable law).

9. **Entire Agreement.** This Agreement incorporates the full and complete agreement between the parties concerning the subject of this AFR Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this AFR Agreement. This AFR Agreement shall be interpreted under the laws of the State of Kentucky without regard to its conflict of laws principles. This AFR Agreement may not be modified without the written consent of both parties

"Us"

Kona Ice, Inc.

By: _____

Name: _____

Its: _____

Date: _____

"You"

By: _____

Name: _____

Its: _____

Date: _____



EXHIBIT H-6

KONA ICE FRANCHISE

PROMISSORY NOTE - EAGLE FINANCIAL SERVICES, INC.



Eagle Financial Services, Inc.
COMMERCIAL PROMISSORY NOTE

Florence, Kentucky

\$0.00

Effective Date: _____

Maturity Date: _____

On or before the Due Date below, the undersigned, a (check at least one) n/a corporation n/a partnership X individual X limited liability company, for value received, and if more than one, jointly and severally, promise to pay to the order of Eagle Financial Services, Inc., 7791 Dixie Highway, Florence, KY 41042 (hereinafter referred to as "Eagle") the sum of _____ (hereinafter referred to as the "Borrowing") plus interest per annum at a rate of:

%

This note is payable as follows: Principal and interest shall be payable in installments in the amount of \$ _____ which shall be due on the _____ day of each month beginning _____ and any remaining balance on _____ (Maturity). Any balance remaining post-maturity shall bear interest at 15 percent per annum.

Principal and interest payments shall be made at Eagle's address unless otherwise designated by Eagle in writing.

To secure repayment of this note and all modifications, extensions and renewals thereof, and all other Obligations (as herein defined) of the undersigned to Eagle, the undersigned grants Eagle a security interest in all of the undersigned's now owned or hereafter acquired interests in all property in which Eagle is, at any time, granted a lien for any Obligation, including, without limitation, trucks and equipment, vehicles, money, securities, instruments, documents, letters of credit, chattel paper, all property in possession of Eagle, other property delivered to Eagle in transit, for safekeeping, or for collection or exchange for other property, all distributions, dividends, warrants, securities and other rights in addition to such property ("Collateral"). The undersigned agrees that Eagle may, at any time, call for additional Collateral satisfactory to it. The undersigned agrees to execute any and all documents Eagle deems necessary for it to maintain a perfected security interest in the Collateral, including without limitation, documents necessary under the Uniform Commercial Code, vehicle title liens, and other security documents. The failure of Eagle to perfect its lien hereunder shall not diminish its enforceability.

All documents executed in connection with this note, and the following property, further secure the Obligations:

Type of Truck: _____

Year: _____

Make: _____

Model: _____

VIN Truck: _____

Other property: _____

1
Initial



The Obligations secured by the Collateral (herein the "Obligations") shall include this note and each and every liability of the undersigned jointly or severally to Eagle, direct or contingent, due or to become due, whether now existing or hereafter existing, participated in whole or in part, created by trust agreement, lease, overdraft, agreement, or otherwise, in any manner by the undersigned.

The undersigned certifies that the proceeds of this loan are to be used for business purposes. If this note is a renewal, in whole or in part, of a previous Obligation, the acceptance by Eagle of this note shall not effectuate a payment but rather a continuation of the previous Obligation.

Events of default:

This note, and all other Obligations of the undersigned to Eagle, shall be and become immediately due and payable at the option of Eagle, without any demand or notice whatsoever, upon the occurrence of any of the following described events, each of which shall constitute an Event of Default:

- 1) Any failure to make any payment when due of the principal or interest of this note, the occurrence of any event of default as therein defined on any other Obligation of the undersigned, or a default in the Obligations under any security documents.
- 2) The death or dissolution of the undersigned, of any endorser or guarantor, or if the undersigned is a partnership, the death or dissolution of a general partner.
- 3) Any failure to submit to Eagle current financial information upon request.
- 4) The creation of any lien, or the issuance of an attachment against or seizure of any of the property of, or the entry of a judgment against, the undersigned after the effective date of this note.
- 5) In the judgment of Eagle, any adverse change occurs in the ability of the undersigned to repay the Obligations.
- 6) An assignment for the benefit of the creditors of, or the commencement of any bankruptcy, receivership, insolvency, reorganization, or liquidation proceeding by or against the undersigned or any endorser or guarantor hereof.
- 7) The institution of garnishment proceedings by attachment, levy or otherwise, against any Collateral hereunder.
- 8) Eagle has called for additional security and the undersigned has not furnished satisfactory additional security on demand.

Upon the occurrence of an Event of Default herein described, Eagle may, at its option, declare this note and all other Obligations of the undersigned to be fully due and payable in their aggregate amount together with accrued interest plus any fees and charges. In addition to any other remedy permitted by law, Eagle may at any time, without notice, at its option, proceed to enforce and protect its rights by an action in law or in equity or by any other appropriate proceedings.

Notwithstanding any other legal or equitable rights, Eagle, upon an Event of Default, is hereby given full power to collect, sell, assign, transfer and deliver all Collateral or any part thereof, or any substitutes thereof, or any additions thereto, through private or public sale without either demand or notice to the undersigned, or any advertisement, the same being hereby expressly waived, at which sale Eagle is authorized to purchase said property or any part thereof, free from any right of redemption on the part of the undersigned, which is hereby expressly waived and released. In case of sale for any cause, after deducting all costs and expenses of every kind, including but not limited to attorney fees, Eagle may apply, as it shall deem proper, the residue of the proceeds of such sale toward the payment of any one or more or all of the Obligations of the undersigned, whether due or not due, to Eagle; after such application and the return of any

 2
Initial



surplus the undersigned agrees to be and remains liable to Eagle for any and every deficiency after application as aforesaid upon this and any other Obligation. The undersigned shall pay all costs of collection incurred by Eagle, including its attorney's fees, if this note is referred to an attorney for collection whether or not payment is obtained before entry of judgment, which costs and fees are Obligations secured by the Collateral.

The undersigned may prepay all or part of this note without penalty.

All rights and liabilities hereunder shall be governed and limited by and construed in accordance with the laws of the Commonwealth of Kentucky and the parties agree that the Boone County Kentucky Circuit Court is the exclusive court to adjudicate any controversies related to this note.

ENTIRE AGREEMENT: The undersigned agrees that there are no conditions or understandings which are not expressed in this note and the documents referred to herein.

WAIVER: No failure on the part of Eagle to exercise any of its rights hereunder shall be deemed a waiver of any such rights or of any default. Demand, presentment, protest, notice of dishonor, notice of protest, notice of default and all suretyship defenses are hereby waived.

JURY WAIVER: THE UNDERSIGNED, AND ANY ENDORSER OR GUARANTOR HEREOF, WAIVES THE RIGHT TO A TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Any provision herein which may prove limited or unenforceable under any law or judicial ruling shall not affect the validity or enforceability of the remainder of this note.

Each of the undersigned (even if signing as an officer of a corporation, as a partner in a partnership, or in some other representative capacity) are also parties to this note and are jointly and severally obligated to perform its terms.

INDIVIDUAL SIGNATURE(S)

Borrower Signature	Co-Borrower Signature
_____ Printed name	_____ Printed name
Address: _____ _____ _____	_____ _____ _____

COUNTY OF
STATE OF

This instrument was acknowledged before me this day of , 20
by .
(Borrower's Name)

Notary Public
My Commission Expires:

3
Initial



COUNTY OF _____
STATE OF _____

This instrument was acknowledged before me this _____ day of _____, 20____
by _____.
(Co-Borrower's Name)

Notary Public
My Commission Expires: _____

COMPANY SIGNATURE(S)

Full Company Name _____

Borrower's Signature

Printed name

Title

Corporate _____
Address: _____

COUNTY OF _____
STATE OF _____

This instrument was acknowledged before me this _____ day of _____, 20____
by _____, the _____ for _____.
(Borrower's Name) *(Borrower's Title)* *(Company Name)*

Notary Public
My Commission Expires: _____

Initial



EXHIBIT H-7

KONA ICE FRANCHISE

RETAIL INSTALLMENT CONTRACT - ALLY FINANCIAL, INC.



RETAIL INSTALLMENT CONTRACT – MOTOR VEHICLE – SIMPLE INTEREST

FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT				
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.	Total Sale Price The total cost of your purchase on credit, including your downpayment of \$_____.
%	\$	\$	\$	\$

Your payment schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
	\$	monthly beginning
	\$	

Security: You are giving a security interest in the goods being purchased and in any moneys, credits or other property of yours in the possession of the Assignee, on deposit or otherwise.

Late Charge: If any payment is ten (10) days late, you will be charged: (i) 5% of the installment if the installment is in excess of \$200.00, or (ii) \$10.00 if the installment is for \$200.00 or less.

Prepayment: You have the right to prepay the unpaid balance in full or in part at anytime without penalty. See your contract terms below and on the reverse side for any additional information about prepayment, default, any required repayment in full before the scheduled date, prepayment refunds and penalties and further information about security interests.

Buyer(s): _____
(Names)

(Address) _____ (City) (State) (Zip)

Buyer(s): _____
(Names)

(Address) _____ (City) (State) (Zip)

Seller: _____
(Corporate Firm or Trade Name)

(Business Address) _____ (City) (State) (Zip)

Seller hereby sells and Buyer or Buyers, jointly and severally, hereby purchase the following motor vehicle with accessories and equipment thereon for the deferred payment price and on the terms set forth in this contract. Buyer acknowledges delivery and acceptance of said motor vehicle.
The vehicle will be used primarily for personal, family, household or agricultural purposes. However, if the following box is checked the vehicle will be used primarily for business or commercial purposes. ☐

New or Used	Year	Make of Vehicle	Model	Body Style	No. Cyl.	Vehicle Identification Number	Body Color	Odometer	Key No.

Buyer Promises to pay to the order of Seller at the offices at: _____ (Assignee) located in _____

the Amount Financed shown above together with a Finance Charge on the principal balance of the Amount Financed from time to time unpaid at the rate of _____ % per annum from date until maturity in _____ installments of \$ _____ each and a final installment of \$ _____, beginning on _____ and continuing on the same day of each successive month thereafter until fully paid. All payments shall be applied first to accrued Finance Charge and the balance to principal. The Finance Charge has been computed on the scheduled unpaid balances of the Amount Financed on the assumption that all scheduled installments will be paid when due. Guarantor, if any, guarantees collection of all amounts due under this contract upon failure of the Buyer to collect from the Buyer named herein. Herein, Holder means the motor vehicle retail Seller, sales finance agency, or any other Assignee that purchases or makes a loan upon the security of this retail installment contract.

ILLINOIS NOTICE REGARDING USED VEHICLES:
The following applies only if the vehicle is a used vehicle and is not an antique vehicle as defined in the Illinois Vehicle Code, or a collector motor vehicle and does not apply to a vehicle with more than 150,000 miles at the time of sale.

Illinois law requires that this vehicle will be free of a defect in a power train component for 15 days or 500 miles after delivery, whichever is earlier, except with regard to particular defects disclosed on the first page of this agreement. "Power train component" means the engine block, head, all internal engine parts, oil pan and gaskets, water pump, intake manifold, transmission, and all internal transmission parts, torque converter, drive shaft, universal joints, rear axle and all rear axle internal parts, and rear wheel bearings. You (the consumer) will have to pay up to \$100 for each of the first 2 repairs if the warranty is violated.

Attention consumer: sign here only if the Seller has told you that this vehicle has the following problem or problems and you agree to buy the vehicle on those terms:

1. _____ Buyer Signature _____ Date _____

2. _____ Buyer Signature _____ Date _____

3. _____ Buyer Signature _____ Date _____

INSURANCE AGREEMENT: Motor Vehicle Damage or Loss Insurance is required by Seller. (Buyer may choose the person through whom the insurance is to be obtained). If such insurance is to be obtained through Seller, the cost for a term of _____ months will be \$ _____.

LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS CONTRACT

Credit Insurance is not required by Seller nor is it a factor in approval of the extension of credit. No credit insurance is to be provided unless the Buyer signs the appropriate authorization below. Group Credit Insurance is available for the term of the credit upon acceptance by insurer at the following costs:

Credit Life Insurance \$ _____ Credit Disability Insurance \$ _____

I desire Credit Life Insurance. _____ I desire Credit Disability Insurance. _____ I DO NOT want Credit Life or Disability Insurance. _____

(Age of Insured) (Signature) (Date) (Age of Insured) (Signature) (Date) (Signature) (Date)

(Age of Insured) (Signature) (Date) (Age of Insured) (Signature) (Date) (Signature) (Date)

SEE REVERSE HEREOF FOR INFORMATION ON POSSIBLE REFUND OF CREDIT LIFE OR DISABILITY INSURANCE PREMIUM.

NOTICE OF PROPOSED GROUP CREDIT LIFE INSURANCE

If a charge is made above for credit life insurance and if such insurance is to be procured by Assignee, the undersigned takes notice that the decreasing term insurance written under a Group Credit Life Insurance Policy is to be purchased on the life of the Buyer or Buyers who signed above requesting it, subject to acceptance by the insurer and issuance of a certificate by (Insurer) _____ (Home Office Address).

The amount of premium is shown above. The term of insurance will commence on the date of this contract and expire on the originally scheduled maturity date of the indebtedness. The initial amount of insurance will be equal to the initial indebtedness and will decrease as any payment is made on the indebtedness in an amount computed by multiplying the amount of the payment by the ratio of initial insurance over the initial indebtedness. The proceeds of any insurance paid will be applied to reduce or extinguish the indebtedness. If insurance is terminated prior to the scheduled maturity date of the indebtedness, any premium refund will be paid or credited promptly to the person entitled thereto. Refund formula is on file with the Director of Insurance and with creditor. All of the foregoing is subject to the provisions of the certificate of insurance to be issued.

Other insurance: _____ (Type of Insurance) _____ the cost for a term of _____ months will be \$ _____.

BUYER AGREES THAT THE PROVISIONS ON THE REVERSE SIDE HEREOF SHALL CONSTITUTE A PART OF THIS RETAIL INSTALLMENT CONTRACT AND BE INCORPORATED HEREIN.

DOCUMENTARY FEE: A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED TO CLOSING OF A SALE. THE BASE DOCUMENTARY FEE BEGINNING JANUARY 1, 2008, WAS \$150. THE MAXIMUM AMOUNT THAT MAY BE CHARGED FOR A DOCUMENTARY FEE IS THE BASE DOCUMENTARY FEE OF \$150 WHICH SHALL BE SUBJECT TO AN ANNUAL RATE ADJUSTMENT EQUAL TO THE PERCENTAGE OF CHANGE IN THE BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX. THIS NOTICE IS REQUIRED BY LAW.

The Annual Percentage Rate may be negotiable with the Seller. If this Contract is assigned, Seller may retain or receive a portion of the Finance Charge.

NOTICE TO BUYER: 1. Do not sign this agreement before you read it or if it contains any blank spaces. 2. You are entitled to an exact copy of the agreement you sign. 3. Under the law you have the right, among others, to pay in advance the full amount due and to obtain under certain conditions a partial refund of the finance charge. Buyer confirms receiving a copy of this contract and had a chance to read and review it before Buyer signed it. By signing below Buyer agrees to the terms of this contract. Guarantor, if any, acknowledges receipt of completed copies of this contract and of Explanation of Guarantor's Obligation.

CO-BUYER: A Co-Buyer is a person who agrees to be primarily responsible for paying the entire debt and who (1) actually receives the vehicle or (2) is a parent or spouse of the Buyer, or (3) will be listed as an owner on the vehicle's title. By signing below, (1) I confirm that I will actually receive possession of the vehicle or will use it, or that I am a parent or spouse of the Buyer, or that I will be listed as an owner on the vehicle's title; (2) I agree to be primarily obligated under this contract; and (3) I consent to the Creditor having a security interest in the vehicle.

Dated: _____

Seller: _____ Buyer(s) acknowledges receipt of a fully completed and executed copy of this Contract.

By: _____ TITLE _____ Buyer _____

Guarantor _____ Buyer _____

Guarantor Address: _____

I hereby guarantee the collection of the above described amount upon failure of the Seller named herein to collect said amount from the Buyer named herein.

INSTRUCTIONS: If parent, spouse, or other person who is or will be listed as an owner on the vehicle's title is a co-buyer, sign above. Other co-signers, sign on the Guarantor line.

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ADDITIONAL AGREEMENTS OF BUYER

1. SECURITY INTERESTS: Seller is granted a purchase-money security interest in the motor vehicle described and all accessories under the Illinois Uniform Commercial Code until the total of Payments and all future indebtedness for taxes, liens, repairs and insurance premiums advanced by Holder hereunder are paid in full. Buyer grants Assignee the right of self-off or lien on any moneys, credits or other property of Buyer in possession of the Seller or on deposit or otherwise, excepting (i) a or similar deposits, Seller is also granted a security interest in any premium payable for insurance or service contracts. If assigned hereunder, in the proceeds of any insurance or service contract on the motor vehicle, and in the proceeds of any credit life and/or accident and health insurance financed hereunder, until all amounts due under this contract are paid in full.

2. ACCELERATION: Buyer agrees that (1) if Buyer shall default in the payment of any installment of the Total of Payments or any other indebtedness due hereon, or (2) Buyer shall fail to perform any agreement or warranty made by Buyer herein, or (3) if the motor vehicle shall be lost, stolen, substantially damaged, destroyed, sold, encumbered, removed, concealed, attached or levied upon, or (4) if the motor vehicle shall be seized or forfeited for violation of any law or ordinance, State, Federal or Municipal, or (5) a proceeding under any bankruptcy or insolvency statute shall be instituted by or against Buyer or Buyer's business or property, or Buyer shall make an assignment for benefit of creditors, or (6) if Buyer shall do or be adjudged incompetent, or (7) if Holder shall, for reasonable cause, deem itself insecure, or (8) if Buyer shall fail to keep the motor vehicle fully insured for the entire term of this contract the Holder may declare all unpaid installments of the Total of Payments and all other indebtedness secured hereby immediately due and payable, without notice or demand, subject to right of reinstatement, if applicable.

3. PREPAYMENT: THE BUYER MAY PREPAY IN FULL OR IN PART THE UNPAID BALANCE OF THE CONTRACT AT ANY TIME WITHOUT PENALTY.

4. DELINQUENCY CHARGE: If any payment is ten (10) days late, you will be charged: (i) 5% of the installment if the installment is in excess of \$200.00, or (ii) \$10.00 if the installment is for \$200.00 or less. In addition, Buyer agrees to pay reasonable attorneys' fees, costs and expenses incurred in the collection or enforcement of the debt or in reaching on the co-maker or Buyer agrees to pay Finance Charge after maturity of the final installment, after acceleration upon default, at the Annual Percentage Rate stated herein so long as there exists any unpaid debt hereunder, all without relief from valuation or apportionment laws.

5. Waiver of any other modification of the terms of the contract shall be binding on Holder unless written consent thereto is given by an executive officer or Holder. This contract shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, successors and assigns.

6. Buyer agrees to keep said motor vehicle fully insured against loss by fire, theft and collision for the entire term of this contract in companies acceptable to Holder. Holder is authorized to purchase all insurance included in this contract. Insurance coverages, other than required insurance, have been voluntarily contacted for by Buyer. Buyer may elect to purchase any required insurance from an insurance company, agent or broker of his own choice. If Buyer so elects, he shall furnish Seller with a policy or binder issued by a company acceptable to Seller on or before taking possession of the motor vehicle, and inclusion of Buyer's premiums in this contract is optional with Seller. All policies procured by Buyer shall provide that loss, if any, shall be payable to Buyer and to the Holder of this contract, as their respective interest may appear and a clause requiring insurer to give the Holder 10 days written notice of cancellation. In the event of the failure of Buyer to insure said motor vehicle or to deliver a fully paid policy to Holder at the times and in the manner herein provided, or in the event of cancellation or expiration of any policy during the term of this contract without replacement by Buyer within 10 days, such failure shall constitute an event of default hereunder. Holder shall have the option, but shall not be required, to procure such insurance for Buyer and to advance the premium therefor. Buyer hereby promises to pay any such premium, with finance charge thereon at the annual percentage rate stated on the reverse side thereof as an additional indebtedness due hereunder. Buyer hereby assigns to Holder the proceeds of all insurance on said motor vehicle including unearned premium refunds, in the event of default by Buyer hereunder. Holder is authorized to cancel such insurance, receive and accept for unearned premiums and to endorse any check or draft therefor made payable to Buyer. Any unearned premiums received by the Holder shall be credited to the final matured installments of this contract except to the extent applied toward payment for similar insurance for similar vehicle. If Buyer or Holder, or either of them, shall be liable for the final matured installments of this contract except to the extent applied toward payment for similar insurance for similar vehicle, Buyer and Holder, or either of them, shall be liable for the final matured installments of this contract except to the extent applied toward payment for similar insurance for similar vehicle.

7. COLLATERAL PROTECTION INSURANCE: Unless you provide us with evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.

8. Buyer shall not use or permit said motor vehicle to be used in violation of any law or ordinance, State, Federal or Municipal. Buyer shall not sell, lease, encumber or place said motor vehicle in any other person's possession or remove it from the U.S. without the written consent of the Holder of this contract. Buyer shall not use said motor vehicle for hire or as a taxi. Buyer shall keep said motor vehicle free from all mechanics' liens, tax liens and all other liens.

9. Upon the occurrence of any event of default, the Holder of this contract shall have the rights and remedies provided by Article 9 of the Illinois Uniform Commercial Code including, but not by way of limitation, the rights of the Holder (a) to take immediate possession of the motor vehicle, with or without judicial process, and for such purpose, to enter upon the premises where it may be located; and (b) to give Buyer reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made; and (c) to dispose of the motor vehicle at public or private sale in accordance with said notice to Buyer and to buy at a public sale; and (d) to apply the proceeds of said first to the reasonable expenses of retaking, holding, preparing for sale and selling and to reasonable attorneys' fees and legal expenses incurred by Holder; and second, to satisfaction of Buyer's indebtedness hereon; and third, to satisfaction of any subordinate security interest in the motor vehicle if demand therefor is received by Holder before disposition of the proceeds; and to account to Buyer for any surplus remaining. Buyer shall be liable for any deficiency. It is expressly agreed by Buyer that the requirements of reasonable notice shall be met if notice is mailed to Buyer at the address of Buyer shown herein not less than 10 days prior to the sale or other disposition. All rights and remedies of the Holder, whether provided for in this contract or conferred by law, are cumulative.

10. Holder is authorized to apply any payment made by Buyer hereon to any other indebtedness of Buyer to Holder, whether arising under the contract or otherwise.

11. Buyer agrees that Holder, in retaining said motor vehicle as herein provided, may take possession of personal effects and property found therein and hold the same for delivery to Buyer.

12. Buyer agrees that Holder may try to contact Buyer in writing, by email, or using prerecorded artificial voice messages, text messages, and automatic telephone dialing systems, as the law allows. Buyer also agrees that Holder may try to contact Buyer in these and other ways at any address or telephone number Buyer provides, even if the telephone number is a mobile phone number or the contact results in a charge to the Buyer.

13. The terms of this contract are governed by the laws of the State of Illinois. If any provision of this contract is held invalid, the invalidity shall not affect the remaining provisions thereof.

USED MOTOR VEHICLE BUYER'S GUIDE. If you are purchasing a used vehicle with this contract, THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS USED VEHICLE IS A PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE. Spanish Translation: Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THIS PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER. The preceding NOTICE applies only to goods and services obtained primarily for personal, family, or household use. In all other cases, Buyer will not assert against any subsequent Holder or Assignee of this contract any claims or defenses the Buyer (debtor) may have against the Seller or manufacturer of the vehicle or equipment obtained under this contract.

"NOTICE OF POSSIBLE REFUND OF CREDIT LIFE OR DISABILITY INSURANCE PREMIUM."

(1) IF YOU HAVE PURCHASED EITHER CREDIT LIFE OR CREDIT DISABILITY INSURANCE, OR BOTH, TO GUARANTEE PAYMENTS BEING MADE IN CASE OF YOUR DEATH OR DISABILITY, ON YOUR VEHICLE PURCHASED UNDER AN INSTALLMENT SALES CONTRACT, YOU MAY BE ENTITLED TO A PARTIAL REFUND OF YOUR PREMIUM IF YOU PAY OFF YOUR INSTALLMENT LOAN EARLY. (2) IN CASE OF EARLY COMPLETE PAYMENT OF YOUR LOAN, YOU SHOULD CONTACT THE SELLER OF YOUR CREDIT LIFE OR CREDIT DISABILITY INSURANCE TO SEE IF A REFUND IS DUE. IF YOUR VEHICLE DEALER FINANCED YOUR LOAN, THE SELLER OF YOUR CREDIT LIFE OR CREDIT DISABILITY INSURANCE IS YOUR VEHICLE DEALER.

FOR VALUE RECEIVED, Seller hereby sells, assigns and transfers to

ASSIGNMENT

(Name of Assignee) (Address of Assignee)

ASSIGNEE, its successors and assigns, all of Seller's right, title and interest in and to the within contract and the motor vehicle described therein. To induce Assignee to purchase said contract, Seller represents and warrants to Assignee (1) that the within contract is valid and genuine and correctly states the terms of the retail installment transaction between Seller and Buyer; (2) that the motor vehicle described has been delivered to and accepted by the Buyer; (3) that the down payment was paid in full, in cash or in trade, and that no part was loaned to Buyer by Seller; (4) that Seller had good title and the right to sell said motor vehicle to Buyer and that the motor vehicle is free of all liens, claims and encumbrances; (5) that no notice of any defense or right of action has been received by Seller from Buyer nor has Seller any knowledge of any fact that would impact the validity of the contract; (6) that Seller has the right to sell and assign this contract to Assignee; (7) that all Buyers have legal capacity to contract with this on the date of the contract Seller executed and delivered to each Buyer a completed copy of the contract and to the Guarantor a completed copy of the contract and Expansion of Guarantor's Obligation; (8) Seller has complied with all requirements of the Federal Truth in Lending Act, Regulation Z, the Federal Trade Commission's Credit Opportunity Act and the Illinois Motor Vehicle Retail Installment Sales Act and the regulations of all governmental agencies; (10) that on the date of the contract, Seller assigned to Buyer the Manufacturer's Statement of Origin or the existing Certificate of Title, as the case may be, issued covering said motor vehicle, procured from the State of Illinois Department of Transportation to be validly transferred to Buyer and Assignee showing correctly the date of the within contract, the name and address of Assignee as holder of the first lien on the motor vehicle and the amount of said lien and caused to be delivered to the Secretary of State of Illinois all of the documents described with the prescribed fee; (11) that the motor vehicle has not been used as a taxi or for hire or for commercial transportation or by law enforcement agencies; (12) that the sale was made at Seller's place of business and was not a door-to-door sale within the definition of the Federal Trade Commission Trade Regulation Rule or the Illinois Consumer Fraud Act; and (13) that the Seller warrants the Buyer is a good moral character and that Buyer will not use the motor vehicle to be used for unlawful purposes. If any of the foregoing representations and warranties are breached, Seller agrees to reimburse the Buyer for the actual damages and all other indebtedness then due from Buyer thereon, together with reasonable attorneys' fees and costs and expenses incurred by Assignee.

Dated: _____ By: _____
Seller Authorized Signature Title

REPURCHASE AGREEMENT (Execute Assignment Also)

In Addition to Seller's obligations set forth in the above assignment, Seller agrees, in the event a claim or defense is asserted against Assignee by the Buyer at any time, Seller shall, on demand, repurchase the within contract for cash at a price equal to the net amount remaining unpaid on said contract, and Seller shall indemnify and hold Assignee harmless from any and all liabilities that may result at any time from any claim asserted by Buyer for recovery of amounts paid arising out of any promise, representation or warranty made by Seller or the Manufacturer to Buyer.

Dated: _____ By: _____
Seller Authorized Signature Title

FULL RECOURSE AGREEMENT (Execute Assignment Also)

In Addition to Seller's obligations to set forth in the above assignment, Seller unconditionally guarantees prompt and full payment by Buyer of the Total of Payments and all other amounts due from Buyer under the within contract. If Buyer shall fail to pay any installment when due, Seller agrees to pay Assignee, on demand, the full amount remaining unpaid on said contract. Seller agrees that it shall not be necessary for Assignee to proceed first against Buyer or to have recourse to the motor vehicle before proceeding to enforce this agreement. Extension of the time of payment or variation of terms effected by Assignee with Buyer shall not release Seller from his obligation hereunder.

Dated: _____ By: _____
Seller Authorized Signature Title

LIMITED REPURCHASE AGREEMENT (Execute Assignment Also)

In Addition to Seller's obligations set forth in the above assignment, Seller agrees, in the event that Assignee repurchases the motor vehicle described in the within contract on account of default by Buyer and delivers the same to Seller, Seller shall, on demand, repurchase said motor vehicle for cash at a price equal to the amount remaining unpaid on said contract plus all costs and expenses, including attorneys' fees, incurred by Assignee by reason of Buyer's default or in connection with repossession and delivery of the motor vehicle. This repurchase agreement shall remain in effect until Buyer has paid _____ full installments of the Total of Payments. Extension of the time of payment or variation of terms effected with the Buyer shall not release Seller from his obligation hereunder.

Dated: _____ By: _____
Seller Authorized Signature Title

LIMITED GUARANTEE AGREEMENT (Execute Assignment Also)

In Addition to Seller's obligations set forth in the above assignment, Seller unconditionally guarantees that, in the event of default by the Buyer in the full payment of any installment of the within contract when due, Seller will pay to Assignee, on demand, the unpaid balance then due on the contract up to the limit of \$ _____. This guarantee shall terminate after Buyer has paid _____ full scheduled installments on the Total of Payments. Extension of the times of payment or variation of terms effected by Assignee with Buyer shall not release Seller from his obligation hereunder.

Dated: _____ By: _____
Seller Authorized Signature Title

SEPARATE ASSIGNMENT AGREEMENT (Do Not Execute Above Assignment)

Instead of the Seller's obligations set forth in the above assignment and other listed agreements (Repurchase, Full Recourse, Limited Repurchase, and Limited Guarantee), this assignment is made under the terms of a separate agreement made between Seller and Assignee:

Dated: _____ By: _____
Seller Authorized Signature Title

NO PUBLIC NOTICE REQUIRED TO BE ISSUED WITH THIS TRANSACTION



EXHIBIT H-8

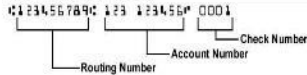
KONA ICE FRANCHISE

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM



ACH AUTHORIZATION FORM

Organization Name: KONA ICE INC.

CUSTOMER BUSINESS NAME:		DATE	
Effective date of authorization: ____/____/____			
Type of authorization: ☐ New authorization ☐ Change payment amount ☐ Change payment date ☐ Change banking information ☐ Discontinue electronic payment			
Last Name		First Name	
Address			
City		State	Zip
Email Address			
PAYMENT INFORMATION FOR ANNUAL ROYALTY & MARKETING FEES: Option for monthly withdrawal (please check one): ☐ 1 ☐ 3 ☐ 6 Installment Installments Installments			
Date of first payment: ____/____/____ Total Amount Due: \$_____ Amount of monthly payment: \$_____			
CHECKING / SAVINGS	Please debit payment from my (check one): ☐ Savings Account (contact your financial institution for Routing #) ☐ Checking Account (staple a voided check below)		Routing Number: _____ Valid Routing # must start with 0, 1, 2, or 3 Account Number: _____ 
	I authorize the above organization to process debit entries to my account. I understand that this authority will remain in effect until I provide reasonable notification to terminate the authorization. Authorized Signature: _____ Date: _____		

If using a checking account, please attach a voided check to the bottom of this page.



EXHIBIT I
STATE EFFECTIVE DATES



State Effective Dates

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

This 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	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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



EXHIBIT J

RECEIPT



RECEIPT
(Retain This Copy)

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 Kona Ice, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Kona Ice, Inc. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Kona Ice, Inc. to give you this disclosure document at least ten (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 you to receive this disclosure document at the earlier of the first personal meeting or ten (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 Kona Ice, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Tony Lamb, 5945 Centennial Circle, Florence, KY 41042 and 1-800-566-2423

Issuance Date: May 18, 2020

I received a disclosure document issued May 18, 2020 which included the following exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Franchise Disclosure Questionnaire
Exhibit E	Success Guide Table of Contents
Exhibit F	List of Current and Former Franchisees
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Kona Ice Franchise
Exhibit I	State Effective Dates
Exhibit J	Receipt

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

Rev. 012417



**RECEIPT
(Our Copy)**

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

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Exhibit I	State Effective Dates
Exhibit J	Receipt

_____	_____	_____
Date	Signature	Printed Name

_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to Kona Ice, Inc., 5945 Centennial Circle, Florence, KY 41042.

Rev. 012417

