

FRANCHISE DISCLOSURE DOCUMENT



Mister Softee Franchise, L.L.C.
A New Jersey Limited Liability Company
901 E. Clements Bridge Road
Runnemede, New Jersey 08078
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Mister Softee Franchise, L.L.C. (“Mister Softee”) franchises the right to distribute soft-serve ice cream and other frozen confections to the general public within a defined territory from a vehicle built to Mister Softee’s specifications.

The total investment necessary to begin operation of a Mister Softee franchised business is \$241,500 to \$287,000. This includes \$215,500 to \$245,500 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.**

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The issue date of this Franchise Disclosure Document (“FDD”) is: ~~April 20, 2023.~~
March 26, 2024

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 4.
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 discretion. 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 5 include 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 Mister Softee 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 franchise 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 Mister Softee franchisee?	Item 20 or Exhibit 4 list 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 to 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 state 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 1.

Your state may also 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 us by litigation only in New Jersey. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with us in New Jersey than in your own state.

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.

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Exhibits

- Exhibit 1 -- List of State Administrators
- Exhibit 2 -- List of Agents for Service of Process
- Exhibit 3 -- Table of Contents of Operations Manual
- Exhibit 4 -- List of Mister Softee Dealers/List of Mister Softee Dealers that Left the Franchise System or That Have Not Communicated with Franchisor
- Exhibit 5 -- Financial Statements
- Exhibit 6 -- Mister Softee Franchise, L.L.C. Franchise Agreement
 - Exhibit A -- Territory Addendum
 - Exhibit B -- Guaranty Agreement and Acknowledgment of Guarantor
 - Exhibit C -- Confidentiality and Noncompetition Agreement
- Exhibit 7 -- Truck and Equipment Sale Agreement
 - Exhibit A - Truck and Equipment Schedule
 - Exhibit B - Promissory Note
 - Exhibit C - Assignment of Manufacturer's Warranties
- Exhibit 8 -- Sample Release
- Exhibit 9 -- State Specific Addenda
- Exhibit 10 -- Statement of Prospective Franchisee
- Exhibit 11 -- State Effective Dates
- Exhibit 12 -- Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, the term “Mister Softee” refers to Mister Softee Franchise, L.L.C., the franchisor. The term “you” refers to the person or legal entity who buys the franchise, but does not include the principals of the corporation, partnership, limited liability company or other entity unless otherwise stated.

The Franchisor, Its Predecessors and Affiliates

Mister Softee is a New Jersey Limited Liability Company formed on March 2, 2000. It does business only under its corporate name. Mister Softee’s principal business address is 901 E. Clements Bridge Road, Runnemede, New Jersey 08078. Its agents for service of process are reflected on Exhibit 2 of this Franchise Disclosure Document. Mister Softee has been offering this type of franchise since March 2000. It has never operated the type of business that you will operate and has never offered franchises in any other line of business. As described in Item 20 of this Franchise Disclosure Document, as of December 31, ~~2023~~²⁰²², there were ~~594~~⁵⁹⁴ franchised trucks in operation in 19 states.

Mister Softee’s affiliate, Mister Softee, Inc. (“MSI”), is a New Jersey corporation with a principal business address at 901 E. Clements Bridge Road, Runnemede, New Jersey 08078. From 1956 through March 2000, MSI licensed to qualified dealers the right to distribute soft-serve ice cream under the “Mister Softee” name within defined territories throughout the United States. MSI no longer offers or grants “Mister Softee” licenses. MSI has never offered franchises in other lines of business. Mister Softee has assumed the obligations of MSI under the outstanding license and franchise agreements, and all renewals will be through Mister Softee.

Mister Softee’s affiliate, Mister Softee Leasing and Manufacturing, L.L.C., a New Jersey limited liability company formed on March 2, 2000, is the designated supplier for the equipped truck that you will need to operate the Franchised Business. In February 2005, Mister Softee Leasing and Manufacturing, L.L.C. changed its name to Mister Softee Sales and Manufacturing, L.L.C. (“MSSM”). MSSM maintains its principal business address at 901 E. Clements Bridge Road, Runnemede, New Jersey 08078. MSSM has never conducted a business of the type you will operate and has never offered franchises in any line of business.

Mister Softee’s affiliate, MSI Investments LLC (“MSI Investments”), a New Jersey limited liability company formed in March 2000, owns and operates a truck depot where certain area franchisees obtain parking. MSI Investments maintains its principal business address at 901 E. Clements Bridge Road, Runnemede, New Jersey 08078. MSSM has never conducted a business of the type you will operate and has never offered franchises in any line of business.

Mister Softee does not have any parents which offer franchises or provide products or services to our franchisees.

The Franchised Business

Mister Softee grants franchises for the right to establish and operate one “Mister Softee” mobile business offering soft-serve ice cream and other frozen confections to the public from a vehicle built to Mister Softee’s specifications (the “Franchised Business”). You will have the right to use Mister Softee’s proprietary business system, including its distinctive designs, color schemes, copyrighted materials, management and operational procedures, and standards and specifications for product quality, vehicle appearance and customer service (the “System”) and to offer products from a vehicle reflecting the trade name “Mister Softee” and other trademarks, service marks, logos and other indicia of origin designated for use, or which may in the future be designated for use to identify the System (the “Proprietary Marks”). You also will have the right to use Mister Softee’s proprietary jingle and other copyrighted materials designated for use by the System (the “Copyrights”). You will operate the Franchised Business according to a Mister Softee Franchise, L.L.C. Franchise Agreement (“Franchise Agreement”) and Mister Softee’s confidential operations manual (“Operations Manual”).

Market, Competition

The franchised business is a seasonal business which typically operates from March 1st through ~~September~~[October](#) 30th, depending on weather conditions. In warmer climates you will have the option to operate your business throughout the year. The general market for ice cream and frozen confections is well developed and highly competitive. You will compete with other local, regional and national water ice and ice cream chains and franchises that offer similar products from retail shops and mobile trucks.

Industry Specific Laws and Regulations

The jurisdiction in which you operate the Franchised Business may require you to obtain a vending license. Mister Softee is not aware of any other industry-specific laws or regulations that govern the operation of the Franchised Business; however, you will need to comply with all rules and regulations that apply to businesses generally, including state and local health ordinances, sanitation regulations, and employment laws.

Your Franchised Business will be subject to laws and regulations in your state, county, or municipality, including laws and regulations relating to the preparation and dispensation of food products, occupational hazards and health laws, sanitation laws, and consumer protection laws.

You will also be subject to laws or regulations that are not specific to the mobile truck and/or ice cream industry, but are applicable to businesses in general, including zoning laws, labor laws and the Fair Labor Standards Act, workers’ compensation laws, business licensing laws, tax regulations, and the Americans with Disabilities Act. You are advised to examine these laws and regulations before purchasing a franchise from us.

ITEM 2

BUSINESS EXPERIENCE

President: John P. Conway, Jr.

John P. Conway has served as Mister Softee's President since January 2020. Prior to that time, Mr. Conway was Shop Manager for Mister Softee since January 2002.

Vice President: Michael Conway

Michael Conway has served as Mister Softee's Vice President since January 2020. Prior to that time, Mr. Conway was Franchisee Manager for Mister Softee since March 2014.

Consultant: James F. Conway, Jr.

James F. Conway, Jr. has served as Mister Softee's Consultant since January 2020. Prior to that time, Mr. Conway served as Vice President since our formation in March 2000. Mr. Conway also has served as Treasurer of MSI since 1997.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

Initial Fees

You must pay an initial franchise fee of \$7,500 when you sign the franchise agreement. The initial franchise fee is considered fully earned and non-refundable upon payment.

Purchase or Financing of Truck and Equipment

You must purchase a truck and all equipment necessary to operate the Franchised Business from MSSM. If you elect to purchase the truck and equipment, the base purchase price is between \$208,000 and \$238,000, which is payable in full at the time of purchase to MSSM. If you elect to finance the purchase price, then you must pay MSSM: (i) a minimum lump-sum payment of at least 20%-25% of the purchase price upon execution of your Truck and Equipment Sale Agreement (see Exhibit 7 to this Disclosure Document); and (ii) the installment payments required under a promissory note that will be due over a seven-year period and subject to a ten percent (10%) interest rate through an amortization schedule according to the terms of your Truck and Equipment Sales Agreement. These fees are deemed fully earned upon payment and are not

refundable. See Item 10 of this Franchise Disclosure Document for more information about the financing plan.

ITEM 6

OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	\$3,855 per year	Due yearly but paid monthly according to a payment plan approved by Mister Softee.	See Note 1
Renewal Fee	\$500	Prior to renewal	See Note 2
Transfer Fee	\$1,000	Prior to transfer	See Note 3
Interest; Audits; Reimbursement of Audit Costs; Accounting Fee of \$500 per Month of Deficiency	As invoiced	Net upon invoice	See Note 4
Indemnification	Amount of judgment plus attorneys' fees, costs	Net upon invoice	See Note 5
Truck and Equipment Sale Payments	Monthly Note payments; up to \$25 per month contribution to maintenance fund	Monthly	See Note 6
Supplier Approval Fee/ Expense	Reasonable testing costs.	Paid to Mister Softee when incurred.	See Note 7

NOTES

Note 1. You must pay to Mister Softee a yearly Royalty of \$3,855 per year. The Royalty is due each year but is paid according to a payment plan approved by Mister Softee. ~~“Gross Sales” includes all revenues you generate from all business conducted at or from your franchised business during the preceding reporting period, including amounts received from the sale and delivery of services, products, merchandise and tangible property of any nature, whether in cash or for credit, and whether collected or uncollected. “Gross Sales” does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if the taxes are stated separately when the customer is charged and you pay the taxes as and when due to the appropriate taxing authority. Also excluded from Gross Sales are the amount of any documented refunds, charge backs, credits and allowances given to customers in good faith. All barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided to you by a vendor, supplier or customer will be valued at the full retail value of the goods or services provided to you.~~

Note 2. You must pay a \$500 renewal fee if you renew the franchise at the end of the initial term. See Item 17 of this Franchise Disclosure Document for more information about the conditions for renewal.

Note 3. You must pay a \$1,000 transfer fee if you sell or transfer the Franchised Business.

Note 4. If you fail to timely submit complete, accurate and legible reports, you must reimburse Mister Softee the cost of the audit, including the charges of any independent certified public accountant and travel expenses, room, board, and compensation for Mister Softee's employees.

Note 5. You must defend, indemnify and hold harmless Mister Softee and its officers, directors, agents, attorneys and employees from all losses, damages, liabilities, claims, costs, expenses, judgments and attorneys' fees arising out of your ownership or conduct of the Franchised Business.

Note 6. If you elect to finance the purchase price of the vehicle and equipment, you must pay MSSM: (i) a minimum lump-sum payment of at least 20%-25% of the purchase price upon execution of your Truck and Equipment Sale Agreement (see Exhibit 7 to this Disclosure Document); and (ii) the installment payments required under a promissory note that will be due over a seven-year period and subject to a ten percent (10%) interest rate through an amortization schedule according to the terms of your Truck and Equipment Sales Agreement. See Item 10 for more information about financing terms. MSSM may, under the Truck and Equipment Sale Agreement, require you to contribute up to \$25 per month to a vehicle maintenance fund.

Note 7. If Mister Softee incurs any costs in connection with evaluating a supplier at your request, you must reimburse Mister Softee its reasonable testing costs regardless of whether the supplier is subsequently approved. See Item 8 of this Franchise Disclosure Document for more information about the conditions for reimbursement.

Note 8. All fees are fully earned and non-refundable upon payment.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT¹

Name of Fee	Estimated Costs	Method of Payment	When Due	To Whom Made
Initial Franchise Fee ²	\$7,500	Lump Sum	When you sign the Franchise Agreement	Mister Softee
Truck and Equipment ³	\$208,000-\$238,000	As Agreed	When you finance or purchase the truck and equipment	MSSM
Inventory ⁴	\$6,000-\$8,000	As Agreed	Before beginning operation	Third party suppliers
Licenses and Professional Services ⁵	\$1,500-\$3,000	As Required	Before beginning operation	Government authorities
Prepaid Insurance Premium ⁶	\$2,000-\$3,000	Lump Sum	Before beginning operation	Insurance carrier or agent
Training Expenses ⁷	\$1,500-\$2,500	As Incurred	As Incurred	Hotels, restaurants, service providers
Additional Funds (3 Months) ⁸	\$15,000-\$25,000	As Incurred	Before opening and during the first 3 months of operation	Not applicable
Total	\$241,500 to \$287,000			

NOTES

Note 1. This chart describes your payments required by the Franchise Agreement and all costs necessary to begin operation and to operate the Franchised Business for the first three (3) months. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

Note 2. See Item 5 of this Franchise Disclosure Document for more information about the initial franchise fee.

Note 3. See Item 10 of this Franchise Disclosure Document for more information about financing an equipped vehicle from MSSM. The purchase price of the truck is between \$208,000 and \$238,000. If you decide to finance the truck, there is a minimum payment due to MSSM equal to 20% to 25% of the purchase price that will be due upon entering the Sale Agreement. The remaining payments are due monthly according to the terms of a promissory note. See Item 10 for more information on financing the purchase price of the equipped vehicle. Delivery of the truck is not included. You must park your truck at a depot or storage yard maintained by Mister Softee or a third-party designated by Mister Softee which will have additional temperature-controlled storage that you may require.

Note 4. The figures in the chart represent the estimated cost of purchasing initial inventory for the Franchised Business, including an initial inventory of soft-serve ice cream mix and other frozen confections.

Note 5. The cost of permits and licenses will depend upon the county or other geographic locations within which you operate the Franchised Business.

Note 6. The cost of business insurance coverage required by the Franchise Agreement will vary from state to state and will depend on your prior loss experience, if any and/or the prior loss experience of your insurance carrier in the state or locale in which you operate, and national and/or local market conditions. See Item 8 of this Franchise Disclosure Document for a description of required insurance coverage. Mister Softee anticipates that you must pay your insurance carrier or agent a deposit equal to one quarter of the annual premium (not including worker's compensation insurance), which Mister Softee estimates will be approximately \$6,000 to 10,000.

Note 7. The figures in the chart reflect moderately priced lodging accommodations and dining expenses for 2 persons attending Mister Softee's initial training program. These costs will vary according to your choice of living accommodations and dining facilities. These figures do not include transportation to or from the training site (most likely Runnemede, NJ) or automobile rental fees. Costs of commercial transportation, if necessary, would be higher and would vary according to distance and mode of transportation. See Item 11 for more information about Mister Softee's initial training program.

Note 8. Mister Softee estimates that you will need approximately between \$15,000 to \$25,000 in additional funds during the first 3 months you operate the Franchised Business to pay truck and equipment payments, employees' salaries, rent payments (if you keep the truck at a truck depot), and miscellaneous vendors. The actual amount of additional funds you will need may exceed these estimates and will depend on a variety of factors including the number of paid employees you hire and their rate of pay. In preparing these estimates, Mister Softee relied upon its experience and the experience of its principals and affiliates.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To maintain the high quality and uniformity of System services and products, and to enhance the Mister Softee image, you must purchase the truck and equipment from MSSM. You may purchase soft-serve ice cream mix and other consumable inventory only from approved suppliers. In addition, Mister Softee may develop proprietary inventory items which may be identified by the Proprietary Marks or other marks (the "Proprietary Products"). You must purchase a minimum inventory of Proprietary Products, as determined by Mister Softee in writing, from Mister Softee, an affiliate, or approved or designated suppliers. Except for the truck and equipment, neither

Mister Softee nor any affiliate is currently a designated or approved supplier for any item. One or more of Mister Softee's officers own an interest in MSSM.

Mister Softee may require you to purchase other inventory items and supplies from approved suppliers or according to certain standards and specifications. Mister Softee's standards and specifications are provided to you by way of amendments to the Operations Manual or in other written materials. Mister Softee does not issue its standards and specifications to approved suppliers. Mister Softee currently does not require you to purchase or use a computer system. Mister Softee may, however, require you to obtain and use specified computer hardware and software, by providing you with 90 days written notification of these requirements.

As of the issuance date of this Disclosure Document, Mister Softee has negotiated an informal, oral arrangement with a supplier of financing services. Franchisees are not required to use this supplier as of the issuance date of this Disclosure Document. Mister Softee, or its affiliate, may guarantee loans provided by this supplier to System franchisees in Mister Softee's sole and absolute discretion. For each franchisee loan guaranteed by Mister Softee or its affiliate, the supplier has agreed to pay to Mister Softee, or to its affiliate, 1% of the loan amount.

If you wish to purchase any item for which Mister Softee has established approved suppliers, from an unapproved supplier, you must provide Mister Softee the name, address and telephone number of the proposed supplier, a description of the item(s) you wish to purchase, and the purchase price, if known. At Mister Softee's request, you must provide Mister Softee a sample of the supplier's goods for testing. If Mister Softee incurs any costs in connection with evaluating a supplier at your request, you must reimburse Mister Softee its reasonable testing costs regardless of whether the supplier is subsequently approved. Mister Softee will render its decision within 30 days of its receipt of all requested information, if Mister Softee fails to render a decision within thirty days, the request shall be deemed denied. Mister Softee has the right to revoke its approval of any supplier that Mister Softee determines, in its sole discretion, no longer meets Mister Softee's standards. Upon receipt of written notice of such revocation, you may not purchase from these suppliers.

You must obtain and keep in force general liability insurance with minimum policy limits of \$1,000,000 for each occurrence and \$2,000,000 in the aggregate; product liability insurance with minimum policy limits of \$1,000,000. This insurance is for your benefit.

Financed vehicles must carry policy limits of at least \$1,000,000 combined single limits together with collision insurance with a deductible not less than \$1,000 and comprehensive insurance with a deductible not less than \$1,000. All insurance policies must name Mister Softee as additional insured and as an additional loss payee with respect to physical damage to the vehicle and equipment on financed vehicles.

If you are not financing your vehicle, you must carry policy limits of at least \$1,000,000 combined single limits. Mister Softee must be listed as an additional named insured together with their local Distributor.

These insurance requirements reflect minimum requirements imposed under the Mister Softee Franchise Agreement. There is no assurance that the required insurance policies will provide adequate coverage in the event of a loss. Before purchasing insurance, you should make an independent investigation concerning your own insurance needs and obtain coverage that will adequately protect you in the event of a loss. If you hire employees, you must also obtain and keep in force workers compensation insurance as required by the state in which you operate the Franchised Business. All policies must be written by an insurance company acceptable to Mister Softee. Mister Softee has the right to increase or otherwise modify the minimum insurance requirements upon 30 days prior written notice to you, and you must comply with any of these types of modifications within the time specified in the notice.

Mister Softee estimates that your required purchases and leases will account for approximately 80% to 90% of the total cost of establishing your business, and approximately 30% to 50% of the total cost of operating your business after that time. Mister Softee occasionally negotiates purchase arrangements with suppliers. Mister Softee does not provide any material benefits (such as renewal rights or the right to purchase additional franchises) to franchisees based on your use of designated or approved sources.

Mister Softee may derive income on items purchased from Mister Softee, its affiliates or third-party suppliers, including from rebates, commissions and your purchase of the truck. During our most recent fiscal year ended December 31, ~~2023~~2022, Mister Softee derived ~~\$3,0478,868.41~~, or ~~0.185~~% of our total revenue of ~~\$1,695,189~~~~800,991~~ from our franchisees' required purchases. During the most recent fiscal year ended December 31, ~~2023~~2022, MSSM generated ~~\$3,809,428.58~~~~558,468.33~~ from our franchisees' required purchases. During the most recent fiscal year ended December 31, ~~2023~~2022, MSI Investments generated ~~\$71,120~~~~73,390~~ from our franchisees' required purchases. These franchisee purchases include amounts paid by franchisees in connection with franchise truck and equipment, as well as repairs and parts purchases.

We do not currently have any purchasing or distribution cooperatives in place, but we reserve the right to do so in the future.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligations	Section in Franchise Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	No provision	Not applicable
b. Pre-opening purchases/leases	6.1, 6.7	Items 7 and 8
c. Site development and other pre-opening requirements	6.1	Items 6, 7 and 11
d. Initial and ongoing training	7	Items 6, 7 and 11

Obligations	Section in Franchise Agreement	Item in Franchise Disclosure Document
e. Opening	6.2	Item 11
f. Fees	4	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	5.2, 6.5	Items 8 and 11
h. Trademarks and proprietary information	12, 13	Items 13 and 14
I. Restrictions on products/services offered	6.7	Items 8 and 16
j. Warranty and customer service requirements	6.9	Item 11
k. Territorial development and sales quotas	2.2, 4.2, 6.10, 6.16	Item 12
l. Ongoing product/service purchases	6.4, 6.5	Item 8
m. Maintenance, appearance and remodeling requirements	6.1, 6.13, 6.14	Item 11
n. Insurance	8	Items 6 and 7
o. Advertising	14	Items 6 and 11
p. Indemnifications	15.3	Item 6
q. Owner's participation/management/staffing	6.9, 6.10	Items 11 and 15
r. Records and reports	10, 11	Item 6
s. Inspections/audits	11	Items 6 and 11
t. Transfer	17	Item 17
u. Renewal	3.2	Item 17
v. Post-termination obligations	19	Item 17
w. Non-competition covenants	16	Item 17
x. Dispute resolution	22	Item 17
y. Other	Not Applicable	Not Applicable

ITEM 10 **FINANCING**

If you choose to purchase your truck and equipment from MSSM, you are required to execute the Truck and Equipment Sale Agreement (the "Sales Agreement"), Promissory Note (the "Note") and Security Agreement attached as Exhibit 7 to this Franchise Disclosure Document. No one other than you, the franchisee, may personally guaranty this debt. MSSM offers financing of the purchase price, which may vary depending on whether you purchase a new or used truck and equipment. If you purchase a new equipped truck, the purchase price is between \$208,000 and \$238,000. If you elect to finance the purchase price, you must pay MSSM: (i) a minimum lump-sum payment of at least 20%-25% of the purchase price upon execution of your Sales Agreement (see Exhibit 7 to this Disclosure Document); and (ii) the monthly Note payments at an interest rate of ten percent (10%) through an amortization schedule (based on credit rating) per annum, with each payment due on the 20th day of each month. Typically, your monthly payment under the Note will be the same each month, and there is no prepayment penalty due under the Note. The Note contains a confession of judgment if you default. The Note and Franchise Agreement have cross-default provisions that mean a default under one is a default under the other. Payments made more

than 10 days late will incur finance charges equal to 1.75% of the amount outstanding will be assessed each month on the unpaid balance. Upon a default which remains uncured after any applicable cure period, MSSM may accelerate all payments and other amounts due under the Note. If MSSM hires an attorney to collect this debt, you must pay MSSM the costs it incurs in collecting the debt, including attorneys' fees and costs of suit. Under the terms of the Sale Agreement and the Note, MSSM retains a security interest in the truck until the purchase price is paid in full. The Security Agreement grants MSSM a security interest in the equipment until the purchase price is paid in full. It is not MSSM's practice or intent to sell, assign or discount to a third party all or part of the financing arrangement. The Note is payable from April through September of each year.

MSSM will comply with all appropriate laws governing any direct financing offered by MSSM to you, including, if applicable, the California Finance Lenders Law. Except as described above, neither Mister Softee nor any of its affiliates offer, directly or indirectly, any arrangements for financing your initial investment or for the operation of Franchised Business. Mister Softee is unable to estimate whether you will be able to obtain financing other than as disclosed above for all or any part of your investment, and, if you are able to obtain financing, Mister Softee cannot predict the terms of this financing.

The Sales Agreement and the accompanying Note contain an indemnification provision, which may be construed as waiver of defenses by the franchisee. Under the provision, the buyer indemnifies the seller, MSSM, from any liability arising out of the operation or use, with or without his or her authorization, of the truck and/or equipment by the buyer, the buyer's employees, agents and their parties, including liability for personal injury and property damage, fines, forfeitures, penalties and traffic and parking violations. The buyer is expressly required to indemnify MSSM for its own negligence, including negligence in manufacturing of the vehicle, and any injury that may result out of that negligence.

The Sales Agreement also contains the following provision, which may be construed as a waiver of defenses or similar provisions: No terms of the sales agreement can be waived except by the written consent of MSSM. Forbearance or indulgence by MSSM shall not constitute waiver of the term to be performed.

The Promissory Note accompanying the sales agreement contains the following terms which may be construed as waivers of defenses or similar provisions: The buyer waives and releases from all errors, defects, and imperfections in any proceedings instituted by MSSM under the terms of the Promissory Note as well as benefits that may accrue from any present or future laws. The buyer waives presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest and notices of protest of the Promissory Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment in this note. The buyer furthermore agrees that his or her liability is unconditional, regardless of the liability of others, and that this liability is not affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by MSSM.

Within the Promissory Note and the Security Agreement accompanying the Truck and Equipment Sales Agreement, the buyer must irrevocably consent to the personal jurisdiction of the state and federal courts of New Jersey.

The Confession of Judgment accompanying the Truck and Equipment Sales Agreement requires the buyer to irrevocably authorize any attorney to appear before any court at any time after failure to tender payment as required under the Agreement and confess judgment without process in favor of MSSM for both the unpaid amount and attorney's fees and other costs, the sum of which cannot be less than 15% of the outstanding indebtedness. ~~Buyer~~The buyer also waives and releases MSSM from any errors arising from such proceedings and consents to immediate execution upon such judgment, ratifying and confirming all that the attorney may do by virtue of such a judgment. ~~Buyer~~The buyer also waives any benefit and relief from all appraisements, stay or exemption laws of any state.

In addition, Mister Softee has negotiated an informal, oral arrangement with a third party financing institution, Highway Commercial Services, Inc. ("Highway Commercial"), by which Mister Softee and/or its affiliate may agree to guarantee loans provided to franchisees for truck purchase financing. For each loan guaranteed by Mister Softee and/or its affiliate, Highway Commercial has agreed to pay to Mister Softee 1% of the loan amount. If you secure lending with Highway Commercial, they will designate the loan documents you are required to execute, along with the interest rate charged, which amounts are not set and will vary based on your credit profile. Highway Commercial does not currently require you to sign a security agreement, but may require you to sign a personal guaranty. Your potential liabilities will vary based on the terms of your specific arrangement with Highway Commercial. As of the issuance date of this Disclosure Document, Mister Softee does not require franchisees to use Highway Commercial, nor does it require franchisees who elect to use this vendor to enter into any agreement with Mister Softee or with its affiliates related to the financing arrangement with Highway Commercial. Except as disclosed in this paragraph above, neither Mister Softee, nor any affiliate, receives payment from any person or persons for placing your financing with a lender. Mister Softee is not required to guarantee your note, lease or obligation.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Before you begin operating the Franchised Business, the Franchise Agreement provides that Mister Softee must:

1. At its option, approve the locations at which you intend to keep the vehicle and equipment used in connection with the franchised business (Franchise Agreement, Section 6.15). You must notify Mister Softee of this location prior to commencing operation of the franchised business, and if you do not comply with this obligation, Mister Softee may terminate the

Franchise Agreement after giving you notice of default and offering you a thirty (30) day cure period. Mister Softee does not have any other obligations with respect to site selection.

2. Provide initial, tuition-free training to one person (Franchise Agreement, Section 7.1).

Mister Softee's initial training program is conducted on an as-needed basis. The initial training program consists of 3 to 5 days of training at Mister Softee's headquarters in Runnemede, New Jersey or any other place as Mister Softee may designate. Each day of training will consist of at least seven (7) hours. You, the franchisee, must satisfactorily complete the training program to the franchisor's satisfaction before you begin operating the Franchised Business (Section 7.1). You must pay all expenses incurred during training including travel and lodging accommodations, transportation and dining expenses (Section 7.1).

Mister Softee does not maintain a formal training staff. Training is provided under the supervision of the persons identified in Item 2 of this Franchise Disclosure Document and includes instruction in the following subjects:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Automotive Maintenance	1 hour	--	Runnemede, NJ
Equipment Training	2 hours	--	Runnemede, NJ
Product Preparation, Sales and Route Development	--	30 hours	Runnemede, NJ
TOTALS	3 hours	30 hours	

The initial training program is conducted by James Conway, John P. Conway, Jr. and Michael Conway, as well as other people that Mister Softee may designate.

Mr. John P. Conway Jr.'s instruction focuses primarily on the automotive maintenance and equipment training aspects of the franchised business. John Jr. served as the Shop Manager for Mister Softee for a period of ~~eighteen (18)~~19 years and is ~~therefore~~ experienced in all automotive and equipment aspects of the franchised business.

Mr. James Conway's instruction focuses primarily on product preparations and sales/route development. James served as the Vice-President of Mister Softee from 2000 to December 2019 and is ~~therefore~~ experienced and familiar with all aspects of the franchised business, including sales, marketing and preparing the products sold by Mister Softee franchisees.

Mr. Michael Conway has been with us for over ~~six (6)~~7 years, and ~~therefore~~ has experience across various areas of the franchised business.

Any other personnel that Mister Softee designates to provide training will typically have at least one ~~(1)~~-year of experience with us and with the various subjects the personnel will be instructing.

Mister Softee may offer, periodically, additional tuition-free training programs and/or refresher courses to you and/or your employees (Franchise Agreement, Section 7.2). You and your employees must attend this training if Mister Softee requires it. You must pay for all training related expenses, including transportation to and from the training site, lodging, meals and salaries for you and your employees during training (Section 7.2).

1. Loan you one copy of the confidential operations manual containing Mister Softee's policies, procedures, standards, specifications and methods for operating a Mister Softee Mobile Business (Franchise Agreement, Section 5.2). Mister Softee may modify the contents of the Operations Manual, although modifications will not alter your fundamental rights under the Franchise Agreement. The table of contents of Mister Softee's Operations Manual is attached to this Franchise Disclosure Document as Exhibit 3. The Operations Manual is a total of ~~44~~37 pages.
2. Consult with you about the initial inventory you need to begin operating the Franchised Business (Franchise Agreement, Section 5.4).

Obligations After Opening

After you begin operating the Franchised Business, Mister Softee must:

1. Consult with you about the continuing inventory needs of the Franchised Business (Franchise Agreement, Section 5.4).
2. Provide you with ongoing advice and assistance as Mister Softee deems appropriate, in its sole discretion (Franchise Agreement, Section 5.3).
3. Provide continuing consultation and advice as Mister Softee deems advisable regarding merchandising and operational matters relating to the Franchised Business. This assistance may be provided, at Mister Softee's option, by telephone, facsimile, or visits by Mister Softee's personnel (Franchise Agreement, Section 5.5).

Advertising

Mister Softee's advertising program currently consists of local giveaway promotions and point-of-purchase signage. Advertising materials are currently created both in-house and by an outside advertising firm. You are permitted to use your own advertising provided that Mister Softee has reviewed and approved the advertising prior to first publication or use. Mister Softee will provide you with written notification within 10 business days of its receipt of your proposed advertising, whether it has been approved or disapproved. Mister Softee's failure to respond within this 10-day period will be considered a disapproval of the advertising. Currently, there are no advertising

programs that you must participate in nor does the Franchisor have to spend any amount on advertising in your territory. (Franchise Agreement, Section 14). As of the Issue Date of this Disclosure Document, there is no advertising council composed of franchisees that advises the Mister Softee on advertising policies.

Computer System

Mister Softee currently does not require you to purchase or use a computer system. Mister Softee may, however, require you to obtain and use specified computer hardware and software, by providing you with 90 days' written notification of these requirements. As of the issuance date of this Disclosure Document, Mister Softee requires that your vehicle be equipped with a GPS device that enables customers to track the location of Mister Softee trucks through a mobile app currently available to customers for downloading via the Apple and Google App Stores. Currently, you will not incur any expenses and you are not required to pay any fees associated with the installation of this GPS device or the mobile app.

Site Selection

You may operate the Franchised Business from any location of your choice; however, you may solicit sales only within your Territory, as described in Item 12 of this Franchise Disclosure Document. This is a mobile franchise, so we do not have specific site selection criteria for where your franchised business is located. We do require you to garage the Truck and Equipment at a location we approve that meets Mister Softee's standards and specifications. We may use certain criteria in evaluating the place where you garage your Truck and Equipment, which may include the size of the parking space, access to utilities and storage, as well as the overall demographics of the surrounding area. We do not typically own the premises where you garage your Truck and Equipment. We may, in our discretion, suggest depots or garages where other System franchisees park their respective Trucks.

Opening for Business

You typically will begin operating your Franchised Businesses within a few days from the date you take possession of your truck, if you purchase your truck during warm weather, or when the weather becomes mild, if you purchase your vehicles and equipment during cold weather. You must begin operating the Franchised Business: (i) within 10 days from the date you take possession of your vehicle and equipment if you sign this Agreement between April 1 and ~~September~~October 30; or (ii) by April 1st if you sign this Agreement between ~~October~~November 1 and March 31. If you do not comply with this obligation, Mister Softee may terminate the Franchise Agreement after giving you notice of default and offering you a 30-day cure period. If you do not begin operating the Franchised Business within a year from the date you sign the Franchise Agreement, the Franchise Agreement will automatically expire at midnight on its anniversary date. Other than personal circumstances and your ability to obtain third-party financing in connection with your Truck and Equipment (other than through MSSM), we are not aware of any other circumstances that would affect your ability to timely commence operations of your Franchised Business.

ITEM 12

TERRITORY

You will solicit business for the Franchised Business only within the territory that will be identified on a map and attached as Exhibit A to the Franchise Agreement (the “Territory”). A typical territory consists of a minimum population of 20,000 persons. The population of the Territory shall be determined from the population statistics from the most recent U.S. census. During the term of the Franchise Agreement, if you have complied with its terms, and except as described below, Mister Softee will not establish or operate, or license another to establish or operate, a mobile retail business using the System and Proprietary Marks within the Territory. Your territorial protection relates solely to the operation of the Franchised Business. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Mister Softee reserves the right to distribute products and services in the Territory using the Proprietary Marks and other marks through other channels of distribution which may include Internet solicitation, distribution of products through supermarkets, convenience stores, restaurants and rest areas. Mister Softee may establish retail shops within the Territory, and to engage in other business activities within the Territory, using the Proprietary Marks or other marks. Mister Softee is not required to pay you any compensation if it solicits or accepts orders within the Territory.

You may operate the Franchised Business from any location of your choice; however, you may solicit sales only within your Territory, as described above. You do not have the right to use alternative channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing to make sales outside your Territory. In addition, you must garage the Truck and Equipment only at a location that meets Mister Softee’s standards and specifications. You must notify Mister Softee of the location at which you intend to keep the vehicle and equipment and Mister Softee has the right to approve the location. If you do not comply with this obligation, Mister Softee may terminate the Franchise Agreement after giving you notice of default and offering you a 30-day cure period.

The Franchise Agreement does not prohibit Mister Softee from operating a similar or competitive business in your Territory under a different trademark. Neither Mister Softee nor its affiliates have established, nor do they presently intend to establish, other franchises or company-owned outlets or other channels of distribution selling or leasing similar products or services under a different trademark.

If you purchase only one Mister Softee truck, and there is no schedule as to future sales, Mister Softee may re-evaluate the Territory two years from the date of your Franchise Agreement or at any time after this two-year period at Mister Softee’s discretion and the number of trucks that the Territory will support shall be re-established based upon a population of 20,000 persons per truck for the Territory. The population of the Territory shall be determined by the most recent census of the United States. If you do not purchase and operate additional truck(s) for each additional 20,000 persons so determined, Mister Softee may, at any time after this two-year period by written notice to you, reduce the Territory.

Continuation of your territorial protection does not depend on your achievement of a specific sales volume, market penetration or other contingency. However, you must exert your best and consistent efforts to develop new customers, increase business and expand the market for Mister Softee products and services.

Mister Softee does not grant you any right of first refusal or similar rights to purchase or acquire additional franchises within the Territory or contiguous territories.

ITEM 13

TRADEMARKS

The Franchised Business will operate under the name “Mister Softee” and other trade names, trademarks, service marks and other indicia of origin designated for use in the System. MSI registered the following marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”), and has filed all required affidavits:

Mark	Registration Number	Registration Date
Mister Softee (block letters)	2,128,918	1/13/98
Mister Softee (and design)	0,667,335	9/23/58
Mister Softee (and design)	0,663,546	6/24/58
Mister Softee (sensory mark)	2,218,017	1/19/99
Mister Softee Truck Design	2,906,357	11/30/04

Mister Softee does not own any state trademark registrations.

MSI licenses to Mister Softee the perpetual right to use the Proprietary Marks and to sublicense the use of the Proprietary Marks to System franchisees according to a written trademark license which may be canceled by either party on 90 days’ written notice to the other party. Except for this license agreement, there is no agreement currently in effect that significantly limits Mister Softee’s rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

MSI has filed all required affidavits and renewals with respect to the Proprietary Marks. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, nor the trademark administrator or court in any state relating to the mark “Mister Softee.” There is no litigation, infringement, opposition or cancellation proceedings or pending material litigation involving the Proprietary Marks. Mister Softee is not aware of any superior or prior rights or infringing uses that could materially affect your use of the principal trademarks in any state.

You must promptly notify Mister Softee of any attempted infringement of the Proprietary Marks by a third party or of any actual or threatened infringement claim by a third party based on your use of the Proprietary Marks. Mister Softee has the right, but is not required, to control any administrative proceedings or litigation involving the Proprietary Marks. Mister Softee is not

required to prosecute any infringement claims or defend you against any infringement claims. If Mister Softee determines, in its sole discretion, that you have used the Proprietary Marks in accordance with this Agreement, Mister Softee shall bear the cost of such defense, including the cost of any judgment or settlement. If Mister Softee, in its sole discretion, determines that you have not used the Proprietary Marks in accordance with this Agreement, you shall reimburse Mister Softee the cost of such defense, including the cost of any judgment or settlement. Unless the litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, Mister Softee will reimburse you for your out-of-pocket costs in performing such acts. If Mister Softee elects to prosecute an infringement claim or defend you against an infringement claim, you must sign all documents and do those acts and things as may, in the opinion of Mister Softee's counsel, be necessary to carry out this defense or prosecution.

Mister Softee has the right to modify or discontinue the use of any of the Proprietary Marks in its discretion, and you must make the appropriate changes as Mister Softee directs. Mister Softee is not obligated to reimburse you for the costs of any change and you have no additional rights under the franchise agreement if Mister Softee requires a modification or discontinuance of one of its Proprietary Marks.

You may not use any portion of any of the Proprietary Marks as part of your corporate, partnership or limited liability company name, and you must file the appropriate fictitious name registration in the jurisdiction in which the Franchised Business is located. You must conspicuously identify yourself on all signs, advertising, checks, invoices, stationery, business cards, and anywhere else the Proprietary Marks appear, as a franchisee operating an independent business. You must prominently display your name, address and telephone number in the form and media as Mister Softee may require.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Mister Softee does not own any right in, or to, any patents or registered copyrights that are material to the franchise. Mister Softee does, however, claim common law copyright protection as to several aspects of the franchise system, including the "Mister Softee" jingle, the Operations Manual and its business materials.

Mister Softee will disclose to you, certain proprietary information and trade secrets, including methods of operation and techniques, some of which are contained in the Operations Manual and copyrighted materials, which it only discloses to its franchisees and its employees (the "Proprietary Information"). Neither you nor any of your employees may copy or disseminate any of the Proprietary Information and all of this information remains Mister Softee's property. You may not directly or indirectly divulge or use the Confidential Information except as expressly authorized in the Franchise Agreement or otherwise in writing. Upon termination or expiration of the Franchise Agreement, you must return all Proprietary Information and all materials containing

Proprietary Information and/or bearing Mister Softee's Proprietary Marks to Mister Softee and may not use them directly or indirectly for any purpose.

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

You (if you sign the franchise agreement as an individual) or at least one of your principals (if you sign the franchise agreement as a legal entity) must personally supervise the day-to-day operation of the Franchised Business. If you are a legal entity, each of your partners, shareholders and members, as applicable, must personally guarantee and agree to be personally bound by your obligations under the Franchise Agreement. You must also ensure that the person(s) supervising the day-to-day operations of the Franchised Business execute a prescribed form of Confidentiality and Non-Competition Agreement (attached to the Franchise Agreement as Exhibit "C"). Drivers hired by you must possess a valid drivers' license in the class required by law.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You will offer all products and services Mister Softee specifies, which Mister Softee may modify and only those products and services and items as Mister Softee specifies. There is no contractual limitation on Mister Softee's right to change the types of authorized goods and services and Mister Softee anticipates that the types of goods and services offered by you may be modified, among other ways, in accordance with industry changes. If Mister Softee develops products for distribution exclusively through the System ("Proprietary Products"), you must offer and promote the sale of the Proprietary Products.

You may advertise and solicit business only from customers located within the Territory. See Item 12 of this Franchise Disclosure Document for more information about territorial protection and advertising restrictions.

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.	Term of franchise	3.1	10 years.
b.	Renewal or extension of term	3.2	One 5-year renewal term.
c.	Requirements for you to renew or extend	3.2	You provide written notice of your intent to renew; your truck and equipment conforms to Mister Softee's then-current specifications; you are not in default of any provision of the Franchise Agreement or any other agreement between you and Mister Softee or its affiliates; you have satisfied all monetary obligations you owe to Mister Softee and/or its affiliates; you have complied with all laws in operating the Franchised Business; you sign Mister Softee's then-current form of franchise agreement; you have complied with Mister Softee's then-current qualification and training requirements; and you sign a general release, which will not be inconsistent with any applicable state statutes regulating franchising; and pay the renewal fees. Franchisees may be asked to sign a contract with materially different terms and conditions than their original contract.
d.	Termination by you	No provision	Not applicable.
e.	Termination by Mister Softee without cause	No provision	Not applicable.
f.	Termination by Mister Softee with cause	18	Mister Softee can terminate the Franchise Agreement for cause.
g.	Cause defined – default which can be cured	18.2	Mister Softee can terminate the Franchise Agreement after providing you a 15-day cure period if you fail to perform or comply with any one or more of its terms or conditions of this Agreement or any ancillary agreements between you and Mister Softee or its affiliates, except as described in Item 17(h), below.
h.	Cause defined – default which cannot be cured	18.1	Mister Softee can terminate the Franchise Agreement without providing you an opportunity to cure if you fail to complete training; if you or your principals made any misrepresentations in your franchise application; if you or your principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct, or commit fraud in the operation of the Franchised Business; if you or your principals materially breach any other agreement with Mister Softee or any of its affiliate, or threaten any material breach of any such agreement and fail to cure this breach within any permitted period for cure; if you misuse the Proprietary Marks, Copyrights or Confidential Information; if you violate any health codes; if you violate the in-term non-compete covenant; if you voluntarily or involuntarily become involved in bankruptcy proceedings; if a levy or writ of attachment or execution is placed against you or your principals; if you or any of your principals is insolvent; if you abandon the Franchised Business; if you attempt to transfer the Franchised Business in violation of the Franchise Agreement; or if Mister Softee sends you 2 or more written notices of default in any 12-month period, whether or not you cure the default within the time permitted for cure. However, this provision may not be enforceable under federal bankruptcy law.
i.	Your obligations on termination/non-renewal	19	Upon termination of the Franchise Agreement you must stop using the Proprietary Marks, Copyrights and Confidential Information; pay Mister Softee all monies owed; return the Operations Manual and all materials reflecting the Proprietary Marks or Copyrights or containing Confidential Information; remove all Proprietary Marks and Copyrights from the truck (or return the truck to Mister Softee's headquarters for

	Provision	Section in Franchise Agreement	Summary
			removal of these items); Take all necessary action to amend or cancel any assumed name, business name or equivalent registration containing any of the Proprietary Marks and provide Mister Softee evidence of compliance with this obligation within 30 days; allow Mister Softee to inspect your records; and comply with the post term covenants contained in the Franchise Agreement. Comply with the post-termination covenants in Section 14 of the Agreement, all of which shall survive the transfer, termination or expiration of this Agreement; and return the music box.
j.	Assignment of contract by Mister Softee	17.1	Mister Softee has the right to assign its interest in the Franchise Agreement.
k.	Transfer by you - definition	17.3	A transfer is deemed to occur if you transfer your interest or any portion of your interest in the Franchise Agreement or any interest in a Truck and Equipment Sale Agreement or: (I) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; (II) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (III) if you are a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company.
l.	Mister Softee's approval of transfer by franchisee	17.1, 17.2	You may not sell, transfer, assign or encumber your interest in the Franchise Agreement or the Franchised Business without Mister Softee's prior written consent.
m.	Condition for Mister Softee's approval of transfer	17.3, 17.5	Mister Softee may condition its approval of any proposed sale or transfer upon satisfaction of the following: full compliance with Franchise Agreement and other agreements; your signing of a general release, however, the release will not be inconsistent with any applicable state law; Mister Softee's receipt of the signed purchase agreement relating to the Franchise Business, if applicable; qualification of the proposed transferee; the proposed transferee's signing of Mister Softee's then - current franchise agreement; payment of the transfer fee; your compliance with the post term covenants contained in the Franchise Agreement.
n.	Mister Softee's right of first refusal to acquire your business	17.4	Before selling the Franchised Business, you must first offer it to Mister Softee on the same terms and conditions offered by the third party.
o.	Mister Softee's option to purchase your business	No provision	Not applicable.
p.	Your death or disability	17.3	In the event of your death, disability or incapacitation, your legal representative may continue to operate the Franchised Business provided that certain conditions are met.
q.	Non-competition covenants during the term of the franchise	16.1	During the term of the Franchise Agreement, you may not have any interest in any business which operates or licenses businesses featuring primarily the sale of ice cream or other frozen confections. This restriction does not apply to your right to operate other Mister Softee franchises under valid agreements with Mister Softee.
r.	Non-competition covenants after the franchise is terminated or expires	16.2	For a 2-year period after the expiration or termination of your interest in the Franchise Agreement, you may not have any interest in any business which operates or licenses businesses featuring primarily the sale of ice cream or other frozen confections in your former Territory or in any other System franchisee's territory.

	Provision	Section in Franchise Agreement	Summary
s.	Modification of this agreement	21.1	The Franchise Agreement may be changed only by written document signed by both parties.
t.	Integration/ merger clauses	21.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	No Provision	Not Applicable.
v.	Choice of forum	22.1	Except for Mister Softee's right to seek injunctive relief in any jurisdiction, the parties agree that all action, at law or in equity, must be brought in the state or federal courts of New Jersey, except to the extent other state laws take precedence as disclosed in the state specific addenda attached to this Franchise Disclosure Document.
w.	Choice of law	22.1	New Jersey laws governs the Franchise Agreement, except to the extent other state laws take precedence as disclosed in the state specific addenda attached to this Franchise Disclosure Document.

ITEM 18

PUBLIC FIGURES

Mister Softee does not currently use any public figure to promote its 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 any reasonable basis for the information, and if the information is included in the disclosure document. Financial information that differs from that included in Item 19 may only be given if (1) 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 [franchiseesfranchisee'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 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 John P. Conway, Jr. at Mister Softee Franchise, L.L.C. 901 E. Clements Bridge Road, Runnemede, New Jersey 08078 and (856) 939-4103, 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 ~~2020~~2021 through ~~2023~~2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2020	602 611	611 585	+9 -26
	2021 2022	611 585	585 591	-26 +6
	2022 2023	585 591	591 594	+6 3
Company/Affiliate Owned	2021 2020	0	0	0
	2022 2021	0	0	0
	2022 2023	0	0	0
Total Outlets	2021 2020	602 611	611 585	+9 -26
	2022 2021	611 585	585 591	-26 +6
	2022 2023	585 591	591 594	+6 3

Table No. 2: Transfers of Outlets from Franchisees to New Owners
(Other than Franchisor)
For Years ~~2020~~2021 through ~~2023~~2022

State	Year	Number of transfers
Delaware	2021 2020	0 1
	2022 2021	1
	2022 2023	1 0
New York	2021 2020	2 16
	2021 2022	16 0
	2022 2023	0
Pennsylvania	2021 2020	0 1
	2022 2021	1 4
	2022 2023	4 1
South Carolina	2021 2020	0
	2022 2021	0 3
	2022 2023	3 0
Totals	2021 2020	2 18
	2022 2021	18 8
	2022 2023	8 1

Table No. 3: Status of Franchise Outlets
For Years ~~2020~~2021 through ~~2023~~2022

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
Arizona	2021 2020	3 2	0	0	1 0	0	0	2
	2022 2021	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2
California	2021 2020	9	0 3	0	0	0	0	9 12
	2021 2022	9 12	3 2	0 0	0 0	0 0	0 0	12 14
	2022 2023	14 13	6 0	0 0	0 0	0 0	0 0	20 13
Connecticut	2021 2020	13	0	0	0	0	0	13
	2022 2021	13	0	0	0	0	0	13
	2022 2023	13	0	0 8	0	0	0	13 5
Delaware	2021 2020	4 6	2 0	0	0	0	0	6
	2021 2022	6 6	0 0	0 0	0 0	0 0	0 0	6 6
	2022 2023	6 8	0 1	0 0	0 0	0 0	0 0	6 9
Florida	2020 2023	16 5	40 2	0	0 0	0	0	5
Florida	2021	5	2	0	0	0	0	7
	2022	7	1	0	0	0	0	8
	2023	8	1	0	0	0	0	9
Georgia	2021 2020	0 1	1 0	0	0	0	0	1
	2021 2022	1	0	0	0	0	0	1
	2022 2023	1	0 1	0	0	0	0	1 2
Illinois	2021 2020	3	0	0	0	0	0 1	3 2
	2021 2022	3 2	0 0	0 0	0 0	0 0	1 0	2 0
	2022 2023	2 2	0 0	0 0	0 2	0 0	0 0	0 0
Kentucky	2021 2020	1	0	0	0	0	0	1
	2022 2021	1	0	0	0	0	0	1
	2022 2023	1	0	0	0	0	0	1
Maryland	2021 2020	3 1	0 1	2 0	0	0	0	1 2
	2021 2022	1 2	1 0	0 0	0 0	0 0	0 0	2 2
	2022 2023	2 2	0 0	1 1	0 0	0 0	0 0	1 1
New Jersey	2021 2020	79 81	62 2	45 5	0	0	0	84 78
	2021 2022	81 78	2 4	5 6	0 0	0 0	0 0	78 76
	2022 2023	78 39276	4 910	6 02	0	0	61*	76 39482
New York	2020 2023	39276 394	910 11	02 22	1	0	14	39482 367
New York	2021	394	11	22	2	0	14	367

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
	2022	367	0	0	0	0	0	367
	2023	367	0	0	0	0	0	367
North Carolina	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2022	4	0	3	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	2	0	0	2
Oklahoma	2021	30	0	0	0	0	0	30
	2022	30	10	0	0	0	0	40
	2023	0	1	0	0	0	0	1
Pennsylvania	2021	75	21	23	0	0	0	73
	2022	75	1	3	0	0	0	73
	2022	73	6	0	0	0	0	79
	2023	79	4*	3	0	0	0	80
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Tennessee	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	41	1	0	0	0	0	52
Texas	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Virginia	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Wisconsin	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	602	250	80	20	0	60	611
Totals	2021	611	21	30	2	0	15	585
	2022	585	15	9	0	0	0	591
	2023	591	23	14	6	0	0	594

*In 2023, one of our New Jersey franchisees sold a truck to a franchisee in Pennsylvania

Table No. 4: Status of Company-Owned Outlets

For Years ~~2020~~2021 through ~~2022~~2023

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
Totals	2020 2021	0	0	0	0	0	0
	2022 2024	0	0	0	0	0	0
	2022 2023	0	0	0	0	0	0

Table 5
Projected Openings as Of December 31, ~~2022~~2023

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPEN	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY- OWNED OUTLETS IN THE NEXT FISCAL YEAR
Florida	0	3 1	0
Texas North Carolina	0	4 1	0
Totals	0	7 2	0

The name and contact information for each of our franchisees as of December 31, 2023 is attached to this Franchise Disclosure Document as Exhibit 4. A list of franchisees that were terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the ~~2022~~2023 fiscal year or who have not communicated with Mister Softee within the ten (10) week period prior to the issue date of this Franchise Disclosure Document is also attached in Exhibit 4. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system, which are required to be disclosed in this Franchise Disclosure Document. During the last three fiscal years, ~~we have not entered into a~~ During the last three years, in some instances, current and former franchisees sign agreements with confidentiality ~~clause with our franchisees which would restrict~~ provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21 FINANCIAL STATEMENTS

Exhibit 5 of this Franchise Disclosure Document contains Mister Softee's audited financial statements as of December 31, 2023, 2022, and 2021, ~~and 2020~~. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Exhibit 6 of this Franchise Disclosure Document contains a copy of Mister Softee's standard franchise agreement including the following exhibits:

- Exhibit A - Territory Addendum
- Exhibit B - Guaranty Agreement and Acknowledgment by Guarantor
- Exhibit C - Confidentiality and Non-Competition Agreement

Exhibit 7 of this Franchise Disclosure Document contains a copy of the Truck and Equipment Sale Agreement you must sign if you purchase or finance the purchase price for your equipped truck from MSSM including the following exhibits:

- Exhibit A - Truck and Equipment Schedule
- Exhibit B - Promissory Note, Schedule of Payments, Security Agreement, Confession of Judgment
- Exhibit C - Assignment of Manufacturers Warranties

Exhibit 8 of this Franchise Disclosure Document contains a sample copy of the general release you may be required to sign before renewing or transferring the Franchise Agreement.

Additionally, the Statement of Prospective Franchisees is attached as Exhibit 10 to this Franchise Disclosure Document.

ITEM 23

RECEIPTS

Exhibit 12 of this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by you. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to: Mr. John P. Conway, Jr., Mister Softee Franchise, L.L.C., 901 E. Clements Bridge Road, Runnemede, New Jersey 08078.

EXHIBIT 1
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

California Department of Financial Protection and Innovation (217) 782-4465

TOLL FREE 1-(866) 275-2677

LA Office

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office

2101 Arena Boulevard
Sacramento, CA 95834
(866) 275-2677

San Diego Office

1455 Frazee Road, Suite 315
San Diego, CA 92108
(619) 610-2093

San Francisco Office

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8565

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

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

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-11
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer
Protection Division
P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska Department of Banking and Finance
1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries
350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Department of Labor and Regulations
Division Of Securities
233 Richmond Street, Suite 232
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

State of Washington
Director, Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
201 W Washington Ave., 3rd Floor
Madison, WI 53703
(608) 266-8550

EXHIBIT 2
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

LIST OF AGENTS FOR SERVICE OF PROCESS

LIST OF AGENTS FOR SERVICE OF PROCESS

Mister Softee Franchisee, L.L.C.
901 E. Clements Bridge Road
Runnemede, NJ 07078

California Commissioner of Financial Protection
and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834

Commissioner of Financial Protection and Innovation
One Sansome St., #600
San Francisco, California 94104
(415) 972-8559

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

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054
6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza
99 Washington Ave., 6th Floor
Albany, NY 12231

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director, Department of Labor and Regulation
Division of Securities
Suite 232
233 Richmond Street
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501

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

Director, Department of Financial Institutions
Securities Division
150 Israel Road, Southwest
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

EXHIBIT 3
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONAL MANUAL

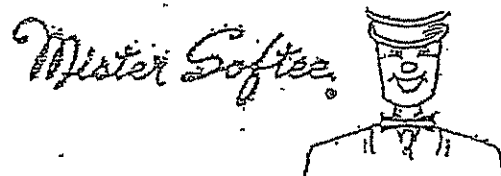


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EXHIBIT 4
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

LIST OF MISTER SOFTEE DEALERS

List of Mister Softee Dealers
As of December 31, ~~2022~~2023

Name	Street	City
John Anthony D'Amato	2802 North 106th Drive	Avondale
John & Antonia D'Amato	13411 W. Indian Springs Road	Goodyear
Jeff Hiller	3410 Fry's Harbor Drive	Camarillo
Felix Tarnarider	923 Summit Drive	Emerald Hills
William Giannos Jeff Hiller	435 Balmforth Street 3350 William Drive	Newbury Bridgeport
Angelina Rodriquez	935 State Street	Santa Barbara
Tarik Saray	70 Morning Mist Road	Milford
Dimitrios Zografos	317 Courtland Avenue	Stanford
Steve & Christina King	3 Lauren Drive	Bear
Jeff King	20 Evergreen Drive	Newark
Patrick Wright	3750 Liberty Hill Dr. Drive	Clermont
James & Carolyn Masino	833 Lake Aire Drive 217 Oviedo Street	Pensacola Gulf Breeze
Peter & Tammy McFadden	333 Greenleaf Lakes Avenue	Ponte Vedra
Michael Bourguignon	126 SW Cabana Point Circle	Stuart
Joseph Myrtetus	13050 Sunkiss Loop	Windermere
Brittany A Brogan	76301 Long Leaf Loop	Yulee
Sean Spratt	10 Summer Place NW	Cartersville
Terri Chanee	16 South Side Country Club	Decatur
Heather Cherry	3328 Smoky Mountain 1063 Redwood Drive	Lexington
Steve & Christina King	14 Crouch Chapel Road	Elkton
Brendan Abiva	113 Ellington Blvd	Gaithersburg
James Bourguignon Carmin Sessa	43707 North Ocean Rd. 4107 Talcott Drive	Ocean City Durham
Anthony/Karen Giambrone	135 Baker Avenue	Atco
Mousa Seif	33 West 42nd Street	Bayonne
Daniel Pittman	22 Orsaf Lane	Bayville
Mark Rigas	334 Cortlandt Street 134 Parkway West	Belleville Bloomfield
Tim Acosta	1625 S. Bowling Green Dr. Drive	Cherry Hill
Fereydown Tarkanpour	181 Rowland Avenue	Clifton
Hakam Bsharat	29 Van Cleve Avenue	Clifton
Lafi Rahman	269 Union Avenue	Clifton
Daniel Pittman	710 Magill Avenue	Collingswood
Scott DiDonato	227 Zion Road	Egg Harbor Twp
Lola Cedillo	155 Van Riper Road	Elmwood Park
Konstantin Tomaras	341 9th Street Apt. C	Fairview
Loretta Morris	214 Marion Street	Gibbstown
Joseph Durkin	39 Friends Avenue	Haddonfield

Omar & Marlon Yumbla	12 Fleetwood Drive	Hamilton Township
Luis Villacis	33 Grace Street	Jersey City

<u>Mousa Seif</u>	<u>100 Clark Avenue</u>	<u>Jersey City</u>	
<u>Joseph Shnoda</u>	<u>PO Box 17141</u>	<u>Jersey City</u>	

Vasilios Vogiatzis	30 College Dr., Apt. 5H	Jersey City
Omar Hammoud	PO Box 184	Keansburg
Nancy Bravo	6 Orchard Court 2nd Floor	Lodi
Wilson Zuniga	6 Orchard Court 1st Floor	Lodi
Fabian Aries	29 Austin Street	Moonachie
<u>Mercy Aries</u>	<u>35 Austin Street</u>	<u>Moonachie</u>
<u>Mariana Cava</u>	<u>59 Helen Drive</u>	<u>Moonachie</u>
Franny Garcia	8 Spruce Street	Moonachie

<u>Mercy Aries</u>	<u>35 Austin Street</u>	<u>Moonachie</u>
<u>Fereydoun Tarkanpour</u>	<u>N Briarcliff Road</u>	<u>Mountain Lake</u>
Andrew Williams	221 5th Avenue	Mt. Ephraim
<u>Lafi Rahman</u>	<u>7424 Bergenline Ave</u>	<u>North Bergen</u>
Gonzalo Zuniga	1500 41st Street	North Bergen
Brian McDowell	2109 Central Ave. Avenue	North Wildwood
Maria Bautista	235 Arlington Ave	Patterson
Romeo Lopez	<u>21 Johnfield Ct</u>	Piscataway
<u>Juan Perez</u>	<u>126 Reade Street</u>	<u>Rengewood</u>
<u>Yasir Omar & Mohammed Ali</u>	<u>366 Bernard Place</u>	<u>Ridgefield</u>
Greta Juella	8993 Teaneck Road Apt. C9	Ridgefield Park

<u>Ronald S. Bright</u>	<u>750 Kennedy Blvd</u>	<u>Somerdale</u>
<u>David Skow</u>	<u>2 Daytona Avenue</u>	<u>Sewell</u>
Michael Moreno	105 Holyoak Avenue	Somerdale

<u>David Skow</u>	<u>14 Belfiore Drive</u>	<u>Swedesboro</u>
<u>Ronald S. Bright</u>	<u>750 Kennedy Blvd.</u>	<u>Somerdale</u>
Sergio Gonzalez	214 33rd Street	Union City
James Brown	224 Maryland Avenue	Villas
Paul Skow	417 Jennifer Lane	Williamstown
John Altera	369 Columbia St. Street	Woodbridge
Nick Georgiadis	24-11 Crescent Street	Astoria
Nick Tjortjoglou	2126 21st Street 1st Floor	Astoria
Sarah Bivens	965 Green Place	Baldwin
Judy Zona	35 Stewart Street	Bayshore
<u>-Mohsan Raza & Nayeem</u>	<u>Choudhry</u>	<u>Brentwood</u>
<u>Segundo Cajo</u>	<u>427 Turneur Avenue Apt 1F</u>	<u>Bronx</u>
<u>Rosa Camacho</u>	<u>2208 Manning St. #1</u>	<u>Bronx</u>
<u>Jose Campo</u>	<u>3030 Barnes Avenue</u>	<u>Bronx</u>
<u>Davy Colon & Jorge Reyes</u>	<u>741 A Hollywood Avenue</u>	<u>Bronx</u>

Carmine Conte	1051 Hollywood Avenue	Bronx
Gabriel Davila	1467 Arnow Avenue	Bronx
Jose Delgado	2810 Bailey Avenue	Bronx
Danny Garzon/J. Suarez	2074 Wallace Avenue Apt. #402	Bronx
Wilson Guayas	2320 Creston Avenue Apt 2C	Bronx
Mario Jimenez	758 Van Nest Avenue	Bronx

Davy Colon & Jorge Reyes Leon	651 E. 170th Street 1746 Seddon St Apt 1A	Bronx
Fabio LePore	1900 Edison Avenue	Bronx
Julio Lopez	649 Sound View Avenue	Bronx
Doris Lucero	3149 Perry Ave. Apt. 5B	Bronx
Roberto Ordenana	1210 Westchester Avenue	Bronx
Juan Ordonez	2810 Olinville Ave. Apt. 6A	Bronx
Emma Pancho	316 Stephens Avenue	Bronx
Jessica Rivera & P Bouziotis	870 Southern Blvd 6H	Bronx
Fabio LePore Jose Rivera	1900 Edison 1920 Washington Avenue Apt 502	Bronx
Carlos Sandoval	284 East 206th Street Apt 3B	Bronx

Fausto Yumiceba Lautauro Vasquez	431 Castle Hill 1150 Colgte Avenue Apt 1D	Bronx
---	--	-------

Gabriel Davila Wilmer Vasquez	1793 Guion Place Apt. 2337 Manida Street	Bronx
Georgia Verikaki	1051 Hollywood Avenue	Bronx
Fausto Yumiceba	431 Castle Hill Avenue	Bronx
Hector & Mariana Yumiceba	758 Van Nest Avenue	Bronx

Jorge Leon	1746 Seddon St Apt 1A	Bronx
Jorge Yumiceba	431 Castle Hill Avenue	Bronx
Omar Yumbla	1162 Franklin Avenue	Bronx
Jorge Yunda	1210 Westchester Avenue	Bronx
Jose Campe	3030 Barnes Avenue	Bronx
Jose Delgado	2810 Bailey Avenue	Bronx
Jose Rivera	1920 Washington Avenue Apt 502	Bronx
Juan Ordonez	2810 Olinville Ave. Apt. 6A	Bronx
Julio Lopez	649 Sound View Avenue	Bronx
Lautauro Vasquez	1150 Colgte Avenue Apt 1D	Bronx
Mario Jimenez	758 Van Nest Avenue	Bronx

Nester Zuniga	2670 Bainbridge Avenue	Bronx
Roberto Ordenana	1210 Westchester Avenue	Bronx

Rosa Camacho Ugar Akar	2208 Manning St. #199 Bay 2erd Street Floor #1	Bronx Brooklyn
Henry Akinbamijo	930 Cleveland Street	Brooklyn
Segundo Cajo Hasan Akveren	427 Turneur 1112 Avenue Apt 1FR 2nd Flr	Bronx Brooklyn
Khusen Alamov	925 E 14th Street Apt 2G	Brooklyn

Fethi Avci	2701 Ocean Ave. #7F	Brooklyn
Hasan Bedir	2440 E 29th St. #5H	Brooklyn
Nahiele Edwards	630 Rugby Road Apt C10	Brooklyn
Fatai Fabanwo	760 Eldert Lane #11M	Brooklyn
Erol Guney	1811 Quentin Road	Brooklyn
Wilson Calderon Ali Has	2010 Powell 2770 Ocean Avenue Apt 6D Apt. 2P	Bronx Brooklyn
Emir Huner	2138 E. 28th Street	Brooklyn

Wilson Guayas Yasin Kavuzlu	2320 Creston 2686 Ocean Avenue Apt 2C C-8	Bronx Brooklyn
Alastan Musayev	1642 66th Street Apt 2F	Brooklyn

Ali Has	2770 Ocean Avenue apt. 2P	Brooklyn	
Atila Kazan	3309 Avenue R	Brooklyn	

Chen Qun	546 92nd Street 2F	Brooklyn
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Emir Huner	2138 E. 28th Street	Brooklyn	
Erol Guney	1811 Quentin Road	Brooklyn	
Fatai Fabanwo	760 Eldert Lane #11M	Brooklyn	
Fethi Avci	2701 Ocean Ave. #7F	Brooklyn	
Hasan Akveren	1112 Avenue R 2nd Flr	Brooklyn	
Hasan Bedir	2440 E 29th St. #5H	Brooklyn	
Henry Akinbami	930 Cleveland Street	Brooklyn	
Khusen Alamov	925 E 14th Street Apt 2G	Brooklyn	
Nahiele Edwards	630 Rugby Road Apt C10	Brooklyn	

Nedim Sezgin	8643 Fort Hamilton Parkway	Brooklyn
Peter Unmokefor	1505 Ocean Drive	Brooklyn
Sedat Yaman	14-38 Ocean Avenue Apt 3E	Brooklyn

Ugar Akar	99 Bay 2erd Street Floor #1	Brooklyn	
Yasin Kavuzlu	2686 Ocean Avenue Apt. C-8	Brooklyn	

Anthony Fortunato	15 Clarence Street	Copiague
Vedat Bozbag	4006 Townhouse Drive	Coram
Santiago Escobar	98-09 34th Avenue	Corona

Kezban Kilincei	422 Carlls Path	Deer Park	
Paul Ferguson	68A Fillmore Avenue	Deer Park	

Tom DelFrancesco	294 Central Avenue	Deer Park
Paul Ferguson	68A Fillmore Avenue	Deer Park
Kezban Kilincci	422 Carlls Path	Deer Park
Luis Vasquez	6 Carstairs Street	E. Patchoque
Roman Vasquez	6 Carstairs Street	E. Patchoque
Charles McCloud	32-31 99th Street	East Elmhurst
Magdalo Pazmino	4135 Hampton Street Apt 2C	Elmhurst
Mohamed Baksh	16 Locustwood Blvd.	Elmont
Orville Malcolm	9 Robert Avenue	Elmont
Christian Lecaro	66-11 Main Street	Flushing
Dritan Tahiri	25-67 125th Street	Flushing

Ben Jenna	Termini	6 Milemore Drive	Fort Salonga
	Ernest Napoleon	22 Hilton Place	Hempstead
	Percival Henry	102-51 189th Street	Holis
	David Keller	79 Division Street	Holtsville
	Lorenzo Magliulo	158-82nd Street	Howard Beach
Hasan Okatan	1979 Veterans Memorial Hwy	Islandia	
	Ari Kostaras	76-14 25th Avenue	Jackson Heights
Mohammed J. Alam	Mariana Cava	37-50 81st Street Apt. 4D	175-45 88th Avenue #40
	Samuel Bamwo	191-01 116th Road	Jackson Hts. Jamaica
	Aktar Hossaim	89-18 171st Street	Jamaica
Nathaniel Johnson	Mdmasudur Rahman	178-10 Wexford Terrace Apt 2W	107-31 Waltham Street
	Mohammed I. Khalil	178-10 Wexford Terrace Apt 7#	Jamaica
Nandkumar Khellawan	Mohammed J. Alam	175-45 88th Avenue #40	107-31 Waltham Street
	Mdmasudur Rahman	107-31 Waltham Street	178-10 Wexford Terrace Apt 2W
	Nandkumar Khellawan		Jamaica
RocheneL Richardson	Nathaniel Johnson	107-31 Waltham Street	14566 177th Place
	Olufunmilayo Wilkens	191-01 116th Road #1	Jamaica
Orlando Roberts	130-24 177th Street	Jamaica	
RocheneL Richardson	14566 177th Place	Jamaica	
Samuel Bamwo	191-01 116th Road	Jamaica	
	Nathaniel McKenzie	115-27 Bedell Street	Jamaica Queens
	Hasan Okatan	231 3rd Street	Lindenhurst
	Selcuk Baturer	63 Cranford Blvd	Mastic
	Mehmet Cevher	88 West Lane	Medford
	Seyit Duran	889 Old Medford Avenue	Medford
	Selcuk Karaagac	1011 N. Ocean Avenue	Medford
Seyit Duran	Steven Zoly	889 Old Medford Ave	3 Hillcrest Place
	Cesar Curevas	69 Pinehurst Avenue Apt. 3A	MedfordMt. Siani
	Ruffino Rivas	160 Sherman Avenue Apt 31	New York
	Remila Ilyas	143 Parkdale Drive	New York
	Tara Galdorise	4001 Judith Lane	North Babylon
	Savatonne Cottone	5 Fams Court	Oceanside
David Kletzel	65 Seaside Avenue	Patchogue	
	Menderes Duran	1 Maple Avenue Apt. 213	Old Bethapage
	David Kletzel	65 Seaside Avenue	Patchogue
	Osman Denizkuslari	45B Piedmont Drive	Patchogue
	Mohammed Kalem	87-11 219th Street	Queens Village

David McFarlane	91-18 215th Street	Queens Village
Maksudur Rahman	89-56 209th Street	Queens Village
Mohammed Kalem	87-11 219th Street	Queens Village
Vincent Douglas	212-18 Murdock Avenue	Queens Village
Gurdev Singh	123-20 97th Street	Richmond Hill
Vincent Douglas	61 Weldon Street	Rochester
Christopher Watkins	136-18 241st Street	Rosedale
John & Antonio Guler	5 Amarr Drive	Shirley
John & Ann Badalamente	61 East Hill Drive	Smithtown
Orlando Roberts	1093 Maple Avenue	South Hempstead
Bibi Baksh	117-33 122nd Place	South Ozone Park
Leroy James	111-27 133rd Street	South Ozone Park
Harish Kumar	117-33 122nd Place	South Ozone Park
Iman Khan Kumar	177-33 122nd Place	South Ozone Park
Leroy James	111-27 133rd Street	South Ozone Park
Tameshwar Singh	117-33 122nd Place	South Ozone Park
Claudius Hanley	188-69 120th Rd	St. Albans
Florence Hanley	188-69 120th Rd	St. Albans
Hilary Guishard	188-65 120th Road	St. Albans
Claudius Hanley	188-69 120th Road	St. Albans
Florence Hanley	188-69 120th Rd	St. Albans
Atila Kazan	176 Lorraine Loop	Staten Island
Tahir Dar	106 Mayfield Lane	Valley Stream
Michael Panagos	1565 A Street	West Babylon
Patrick DelFrancesco	114 Harbour Lane	West Bayshore
Orhan Karadeniz Dayanara Perez	122 Kingsley Drive 1767 Central Park Ave	Yonkers
Dayanara Perez Orhan Karadeniz	1767 Central Park Ave 52 Winchester Avenue 2A	Yonkers
Mike & Stella O'Neill	2065 2071 Baldwin Road	Yorktown Heights
Larry Young	P.O. Box 307	Athens
Craig & Melissa Gabbard Steve Hiller	3825 Woodford Road 7217 E 64th Place	Tulsa Cincinnati
Catherine Roberts	6 Payton Street	Cumbola
Sally Hamada Abuali	12207 Barbary Road	Philadelphia
Mohammed Musa Abu Ali	4333 Glendale Street	Philadelphia
Djamel Boubekri	934 W. Porter Street	Philadelphia
Ahmed Bsharat	2132 Borbeck Avenue	Philadelphia
Mohamed Chergui	2520 S. 9th Street	Philadelphia
Khaled Haddad	9160 Bickley Street	Philadelphia
Mohamed Hawter	2337 N. Carlisle Street	Philadelphia
Najah M. Manassra	1920 Mascher Street	Philadelphia
Hamza Mekhtiche	814 Moore Street	Philadelphia

Morad Mohammad	Abdel Jalil Mustafa	1411 Englewood	14011 Faraday Street-1st Floor	Philadelphia
Saleh Motan		434 E. Loudon Street		Philadelphia
Mohammed Mouakkil		3502 Tudor Street		Philadelphia
Ihab Moursi		2855 E. Thompson Street		Philadelphia
Amer Muhammad		425 Longshore Avenue		Philadelphia
Adib Musleh		4532 North Front Street		Philadelphia
Ahmed Bsharat		2132 Borbeek Avenue		Philadelphia
Abdel Jalil Mustafa	Amer Muhammad	425 Longshore Avenue	1737 Faunce Street	Philadelphia
Anwar Mustafa		826 Longshore Avenue		Philadelphia
Ayman Mustafa		1411 Englewood	1737 Faunce Street-1st Floor	Philadelphia
Djamel Boubekri		934 W. Porter Street		Philadelphia
Hamza Mekhtiche		814 Moore Street		Philadelphia
Ihab Moursi		2855 E. Thompson Street		Philadelphia
Jadallah M. Mustafa		7402 Loretto Ave	Avenue	Philadelphia
Khaled Haddad		9160 Bickley Street		Philadelphia
Mohamed Chergui		2520 S. 9th Street		Philadelphia
Mohamed Hawter		2337 N. Carlisle St		Philadelphia
Mohammed Mouakkil		3502 Tudor Street		Philadelphia
Mohammed Musa Abu Ali		4333 Glendale Street		Philadelphia
Morad Mohammad		1830 Megargee Street		Philadelphia
Najah M. Manassra		1920 Mascher Street		Philadelphia
Saleh Motan		434 E. Loudon Street		Philadelphia
Sally Hamada Abuali		12207 Barbary Rd.		Philadelphia
Twam Mustafa		4525 North Front Street	2306 Ogden Avenue	Philadelphia
Zeiad Omar		2746 Maxwell Street		Philadelphia
El Mustapha Saf		1003 Cottman Avenue	2nd Floor	Philadelphia
Emad Ahmad Mahmoud Alsuleibi		1335 Barnett Street	2nd Floor	Philadelphia
Sadek Sadek		3218 Ryan Avenue		Philadelphia
Emanuel Kolevas		108 Harvest Lane		Reading
Serina Reagan		360 Harbour Reef	485 Harborview Drive	Myrtle Beach
Rick Finnie		5533 Millers Glen Cove		Memphis
Yvonne Dodson	Francis & Barbara Smith	832 Nucces Trail	1220 Satterwhite Rd Ste 105	Midlothian Buda
Richard Peiffer	Yvonne Dodson	7607 Chalk Hill Rd	832 Nucces Trail	Missouri City Midlothian
Francis & Barbara Smith	Richard Peiffer	99 Club Island Way	7607 Chalk Hill Rd	Montgomery Missouri City
Henry J. Dunkle		617 Indian Creek Road		Chesapeake
Jenefer Williams		10257 Charter Point Court		Mechanicsville
Winfred Thomas		4505 Kennelbeck Ave.	Avenue	Norfolk
Nabil Mutlag		4273 W. Granada Street		Greenfield

**List of Mister Softee Dealers Who Have Left The System
During the ~~2022~~2023 Fiscal Year**

Name	City	State	Phone Number	# of Trucks Transferred or Terminated
<u>William Giannos</u>	<u>Bridgeport</u>	<u>CT</u>	<u>(203) 367-3000</u>	<u>1</u>
Steve & Christina <u>Jeff King*</u>	Newark <u>Elton</u>	MD <u>DE</u>	(302) 530-6739 <u>898-9778</u>	1
Julius Peek <u>Terri Chance</u>	Decatur <u>Charlotte</u>	NC <u>IL</u>	(217) 972-1225 <u>704-790-9510</u>	2
Carmine Sessa <u>Jason Donnelly</u>	Fuquay Varina <u>Ocean City</u>	NC <u>MD</u>	(610) 809-4801 <u>919-753-4377</u>	1
<u>James Brown*</u>	<u>Villas</u>	<u>NJ</u>	<u>(609) 675-6323</u>	<u>1</u>
Sharon Wasilewski <u>Joseph Shnoda</u>	Jersey City <u>Bayonne</u>	NJ	(201-663-3357) <u>673-7833</u>	<u>62</u>
Abeida Hoshan <u>Craig Gabbard</u>	Cincinnati <u>Philadelphia</u>	PA <u>OH</u>	(513) 310-1645 <u>267-393-2543</u>	<u>32</u>
Saleh Mohammed <u>Jawdat Omar</u>	Philadelphia	PA	(215-919-5002) <u>982-0243</u>	<u>13</u>
<u>Anastasios Georgakopoulos</u>	<u>Myrtle Beach</u>	<u>SC</u>	<u>843-283-0272</u>	<u>3</u>

**this franchisee transferred one of its trucks in ~~2022~~2023, but is still currently a system franchisee*

EXHIBIT 5
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

MISTER SOFTEE FRANCHISE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

MISTER SOFTEE FRANCHISE, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Member
Mister Softee Franchise, LLC
Runnemede, New Jersey

Opinion

We have audited the accompanying financial statements of **MISTER SOFTEE FRANCHISE, LLC** (a New Jersey limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **MISTER SOFTEE FRANCHISE, LLC** as of December 31, 2023 and 2022, 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 ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **MISTER SOFTEE FRANCHISE, LLC**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Haefele, Flanagan & Co., p.c.

Maple Shade, New Jersey

March 14, 2024

MISTER SOFTEE FRANCHISE, LLC
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 44,705	\$ 143,708
Accounts receivable	<u>52,312</u>	<u>54,604</u>
Total current assets	97,017	198,312
 Due from affiliate	 <u>2,761,229</u>	 <u>2,761,229</u>
 Total Assets	 <u><u>\$ 2,858,246</u></u>	 <u><u>\$ 2,959,541</u></u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities		
Accounts payable	\$ -0-	\$ 8,052
Current portion of deferred franchise fees	<u>34,625</u>	<u>36,875</u>
Total current liabilities	34,625	44,927
 Deferred franchise fees, net	 129,791	 150,354
Paint fund liability	676,391	781,498
 Member's equity	 <u>2,017,439</u>	 <u>1,982,762</u>
 Total Liabilities and Member's Equity	 <u><u>\$ 2,858,246</u></u>	 <u><u>\$ 2,959,541</u></u>

MISTER SOFTEE FRANCHISE, LLC
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Royalties	\$ 1,424,421	\$ 1,376,333
Advertising income	2,000	2,000
Paint fund income	310,357	254,856
Franchise fees	<u>64,213</u>	<u>62,000</u>
Total revenues	1,800,991	1,695,189
Expenses		
Licensing fee	450,000	450,000
Management fees	650,000	750,000
Paint fund	101,430	102,001
Advertising	257,049	140,314
Legal and professional fees	102,239	86,661
Miscellaneous	12,070	6,350
Travel and entertainment	11,960	4,741
Filing fees	76	76
Credit services	531	321
Auto expense	<u>1,205</u>	<u>1,938</u>
Total expenses	<u>1,586,560</u>	<u>1,542,452</u>
Income from operations	214,431	152,737
Other income	<u>25,449</u>	<u>8,940</u>
Net income	239,880	161,677
Member's equity - beginning of year	1,982,762	1,823,841
Distributions	<u>(205,203)</u>	<u>(2,756)</u>
Member's equity - end of year	<u><u>\$ 2,017,439</u></u>	<u><u>\$ 1,982,762</u></u>

MISTER SOFTEE FRANCHISE, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net income	\$ 239,880	\$ 161,677
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in:		
Accounts receivable	2,292	43,107
Increase (decrease) in:		
Accounts payable	(8,052)	8,052
Deferred franchise fees, net	(22,813)	(18,500)
Paint fund liability	<u>(105,107)</u>	<u>(109,795)</u>
Net cash provided by operating activities	<u>106,200</u>	<u>84,541</u>
Cash flows from financing activities:		
Distributions	<u>(205,203)</u>	<u>(2,756)</u>
Net cash used in financing activities	<u>(205,203)</u>	<u>(2,756)</u>
Net increase (decrease) in cash	(99,003)	81,785
Cash and cash equivalents - beginning of year	<u>143,708</u>	<u>61,923</u>
Cash and cash equivalents - end of year	<u><u>\$ 44,705</u></u>	<u><u>\$ 143,708</u></u>

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 1 - Nature of Operations

Mister Softee Franchise, LLC (the “Company”) was established as a New Jersey limited liability company (“LLC”) on March 22, 2000. The purpose of the Company is to hold the rights to sell "Mister Softee" (ice cream truck) franchises and to collect royalties from franchisees primarily located in Pennsylvania, New Jersey, and New York. Mister Softee Franchise, LLC is located in Runnemede, New Jersey.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although management believes the estimates that have been used are reasonable, as events continue to evolve and additional information becomes available, actual results could vary from the estimates that were used.

Accounts Receivable

The allowance for credit losses reduces the accounts receivable balance to the estimated net realizable value which is the amount that is expected to be collected. The allowance is established using assessments of current creditworthiness of customers, historical collection experience, and the aging of receivables, which are adjusted using currently available evidence and expected future trends to prepare reasonable and supportable forecasts. Accounts receivable balances are written off against the allowance if a final determination of uncollectibility is made after management has used reasonable collection efforts. Actual collections of accounts receivable could differ from estimates due to changes in future economic or industry conditions or a specific customer’s financial condition. Management has determined that an allowance for credit losses was not necessary at December 31, 2023 and 2022.

Accounts receivable as of December 31, are as follows:

2023	\$52,312
2022	54,604
2021	97,711

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Franchising

The Company sells "Mister Softee" franchises. The franchise agreements have a ten-year term. The Company recognizes these fees as income over a ten-year period as it fulfills its obligations under the franchise agreement. There is an initial franchise fee of \$7,500 (\$5,000 in 2018 and prior) and a renewal fee of \$500 every ten years. The current yearly royalty fee for franchisees is \$3,855 per vehicle of which 10% is deferred for the future cost of repainting the vehicles. Additionally, there are some franchisees that operate out of physical locations as opposed to vehicles and those franchisees typically pay a negotiated royalty fee based on their gross revenues for the year.

For the years ended December 31, 2023 and 2022 the initial franchise fees recognized in income were \$37,813 and \$41,000, and renewal fees were \$26,400 and \$21,000, respectively. If the franchise is sold through a distributor, the distributor retains a portion of the franchise and royalty fees. In addition if multiple vehicles are purchased, or multiple locations are managed, pricing could change. The purchase and financing, if necessary, of the vehicles by the franchisee is transacted through Mister Softee Sales and Manufacturing, LLC, a related party.

The following is a summary of franchise activity during the years ended December 31:

	<u>2023</u>	<u>2022</u>
Franchisees – Beginning of Year	205	206
Franchisees – Opened During the Year	3	5
Franchisees – Closed or Cancelled During the Year	<u>(3)</u>	<u>(6)</u>
Franchisees – End of Year	<u>205</u>	<u>205</u>

Advertising

The Company generally expenses all advertising costs as incurred. Advertising expense for the years ended December 31, 2023 and 2022 amounted to \$257,049 and \$140,314, respectively.

Income Taxes

The Company is treated as a disregarded entity for income tax purposes. Its taxable income is combined with that of a group of related LLCs and reported as a single Subchapter S corporation. The combined entity, with the consent of its stockholders, has elected to be taxed under sections of federal and state income tax law as an S corporation. As a result of this election, no income taxes are paid by the Company. Instead, the stockholders separately pay tax on their pro rata shares of the Company's income, deductions, losses, and credits.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Company follows the income tax standard for uncertain tax positions that requires companies to recognize the potential income tax and related penalties and interest arising from uncertain tax positions. Potential interest and penalties are recognized as a component of the provision for income taxes. The Company has concluded that there are no taxes, penalties, or interest resulting from uncertain tax positions that would materially impact the financial statements of the Company at December 31, 2023 or 2022.

Statements of Cash Flows

The Company considers money market funds and instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Recently Adopted Accounting Pronouncements

Credit Losses

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13 “Financial Instruments – Credit Losses (ASC Topic 326).” The ASU requires instruments measured at amortized cost, including accounts receivable to be presented at the net amount expected to be received. The ASU requires organizations to measure all expected credit losses for financial instruments held at the reporting date using a methodology that requires consideration of a broad range of information, including, but not limited to, historical experience, current information and reasonable and supportable forecasts. The guidance is effective for fiscal years beginning after December 15, 2022. The Company adopted this standard as of January 1, 2023 which adoption did not have a material effect on the Company’s financial statements.

Note 3 – Revenue Recognition

The Company’s revenues are derived from the sale of franchises and the collections of royalties those franchises generate. The Company recognizes these revenues at the point that it satisfies a performance obligation by transferring control over the service to the franchisee.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property. All other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore accounted for under the revenue recognition rules as a single performance obligation, which is satisfied by granting certain rights to use the Company’s intellectual property over the term of each franchise agreement. These franchise fees are recognized as income on the straight-line method as they are earned over the period of the initial franchise agreement, which is ten years. Renewal fees are recognized at a point in time when paid. The amount of franchise fees outstanding which have not been recognized is disclosed on the balance sheet as a contract liability called deferred franchise fees.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 3 – Revenue Recognition (continued)

Deferred franchise fees for the periods ended December 31, 2023, 2022 and 2021 were;

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred franchise fees, net January 1,	\$ 187,229	\$ 205,729	\$ 216,698
Initial franchise fees	7,500	12,500	13,750
Franchise fees receivable	7,500	10,000	16,250
Initial franchise fees recognized as revenue during the year	<u>(37,813)</u>	<u>(41,000)</u>	<u>(40,969)</u>
Deferred franchise fees, net	164,416	187,229	205,729
Current portion of deferred franchise fees, net	<u>(34,625)</u>	<u>(36,875)</u>	<u>(39,625)</u>
Deferred franchise fees, net	<u>\$ 129,791</u>	<u>\$ 150,354</u>	<u>\$ 166,104</u>

Royalties, which represent recurring fees paid by franchisees, are recognized ratably over the calendar year for which they are incurred. The performance obligation associated with royalties is the continued use of licensed materials and access to the advertising and collective expertise of the franchisor. These revenues are recognized over time.

The Company allocates ten percent of the royalty revenues collected to a paint fund liability, described in Note 5 to the financial statements, “Related Party Transactions,” subsection “Paint Fund Liability,” which assists the franchisees in defraying the cost of repainting their vehicles as required by the franchise agreement. Amounts are distributed from the paint fund when a franchisee requests disbursement to cover the costs of repainting their vehicle. The disbursements are recognized as revenue at the time that the associated expenses, the repainting of the vehicle, are incurred. The performance obligation of providing the funds to a franchisee to repaint their vehicle occurs at a point in time. The remaining amounts are held in the paint fund liability as a contract liability. Additionally, under the franchise agreements, income is recognized from the paint fund when a vehicle is retired or when the franchise under which a vehicle operates ceases. The amount of income recognized is the undisbursed balance in the paint fund related to that specific vehicle.

In the following table, revenue is disaggregated by timing of performance obligations for the years ended December 31, 2023 and 2022;

	<u>2023</u>	<u>2022</u>
Performance obligations satisfied at a point in time	\$ 338,608	\$ 277,856
Performance obligations satisfied over time	<u>1,462,383</u>	<u>1,417,333</u>
Total	<u>\$ 1,800,991</u>	<u>\$ 1,695,189</u>

Note 4 – Concentration of Credit Risk

The Company maintains its cash with a financial institution. Balances on deposit are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Balances in excess of FDIC limits are uninsured. As of December 31, 2023 there was no uninsured balance.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 5 – Related Party Transactions

Licensing Fee

The Company has a contract with Mister Softee, Inc. (its single member) to utilize various intangible assets owned by Mister Softee, Inc. During the years ended December 31, 2023 and 2022, the licensing fee, related to utilizing the intangible assets, was \$450,000 in each year.

Management Fees

Mister Softee, Inc. provides management services to Mister Softee Franchise, LLC. During the years ended December 31, 2023 and 2022, the management fees paid to Mister Softee, Inc. were \$650,000 and \$750,000, respectively.

Paint Fund Liability

By the terms of the franchise operating agreement, a portion of the yearly royalties collected from each vehicle is set aside to offset future painting costs. At the time a vehicle is painted, the franchisee is reimbursed for the cost of painting up to the amount that they have accumulated in the paint fund. The balance of fees collected but unused as of December 31, 2023, 2022, and 2021 was \$676,391, \$781,498, and \$891,293, respectively.

Mister Softee Sales and Manufacturing, LLC (also a single member LLC owned by Mister Softee, Inc.) is responsible for painting some franchisees' vehicles as opposed to third parties. During the years ended December 31, 2023 and 2022, fees for these services, included in the paint fund expense, amounted to \$56,945 and \$53,895, respectively.

Note 6 – Due From Affiliate

The amount due from affiliate represents cash advances to Mister Softee, Inc. as a result of operations in the normal course of business. The Company advances cash to Mister Softee, Inc. for the purchase of vehicles for sale and investments. As of December 31, 2023 and 2022, the Company has no fixed repayment terms for this amount. Management does not believe that there should be an allowance against this receivable. These amounts have been reflected as noncurrent assets in the accompanying Balance Sheets, as they are not expected to be repaid within the next twelve months.

Note 7 - Commitments and Contingencies

The Company is involved in lawsuits and claims incidental to the ordinary course of its operations. In the opinion of management, based on consultation with legal counsel, the resolution of such matters will not have a material adverse effect on the Company. Accordingly, no provision has been made in the accompanying financial statements for losses, if any, that might result from the ultimate outcome of these matters.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 8 – Subsequent Events

The Company evaluated subsequent events through March 14, 2024, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

MISTER SOFTEE FRANCHISE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

MISTER SOFTEE FRANCHISE, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Member
Mister Softee Franchise, LLC
Runnemede, New Jersey

Opinion

We have audited the accompanying financial statements of **MISTER SOFTEE FRANCHISE, LLC** (a New Jersey limited liability company), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **MISTER SOFTEE FRANCHISE, LLC** as of December 31, 2022 and 2021, 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 ("GAAP").

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **MISTER SOFTEE FRANCHISE, LLC**'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Haefele, Flanagan & Co., p.c.

Maple Shade, New Jersey

March 16, 2023

MISTER SOFTEE FRANCHISE, LLC
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 143,708	\$ 61,923
Accounts receivable, net	<u>54,604</u>	<u>97,711</u>
Total current assets	198,312	159,634
 Due from affiliate	 <u>2,761,229</u>	 <u>2,761,229</u>
 Total Assets	 <u><u>\$ 2,959,541</u></u>	 <u><u>\$ 2,920,863</u></u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities		
Accounts payable	\$ 8,052	\$ -0-
Current portion of deferred franchise fees	<u>36,875</u>	<u>39,625</u>
Total current liabilities	44,927	39,625
 Deferred franchise fees, net	 150,354	 166,104
Paint fund liability	781,498	891,293
 Member's equity	 <u>1,982,762</u>	 <u>1,823,841</u>
 Total Liabilities and Member's Equity	 <u><u>\$ 2,959,541</u></u>	 <u><u>\$ 2,920,863</u></u>

MISTER SOFTEE FRANCHISE, LLC
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Revenues		
Royalties	\$ 1,376,333	\$ 1,283,657
Advertising income	2,000	6,000
Paint fund income	254,856	291,706
Franchise fees	<u>62,000</u>	<u>93,469</u>
Total revenues	1,695,189	1,674,832
Expenses		
Licensing fee	450,000	450,000
Management fees	750,000	550,000
Paint fund	102,001	108,295
Advertising	140,314	119,321
Legal and professional fees	86,661	40,272
Miscellaneous	6,351	663
Travel and entertainment	4,741	3,300
Filing fees	76	7,401
Dues and subscriptions	-0-	300
Credit services	321	819
Auto expense	1,988	3,715
Total expenses	<u>1,542,453</u>	<u>1,284,086</u>
Income from operations	152,736	390,746
Other income	<u>8,941</u>	<u>6,292</u>
Net income	161,677	397,038
Member's equity - beginning of year	1,823,841	1,726,803
Distributions	<u>(2,756)</u>	<u>(300,000)</u>
Member's equity - end of year	<u><u>\$ 1,982,762</u></u>	<u><u>\$ 1,823,841</u></u>

MISTER SOFTEE FRANCHISE, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net income	\$ 161,677	\$ 397,038
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease in:		
Accounts receivable	43,107	22,731
Increase (decrease) in:		
Accounts payable	8,052	-0-
Deferred franchise fees, net	(18,500)	(10,969)
Paint fund liability	<u>(109,795)</u>	<u>(109,718)</u>
Net cash provided by operating activities	<u>84,541</u>	<u>299,082</u>
Cash flows from financing activities:		
Distributions	<u>(2,756)</u>	<u>(300,000)</u>
Net cash used in financing activities	<u>(2,756)</u>	<u>(300,000)</u>
Net increase (decrease) in cash	81,785	(918)
Cash and cash equivalents - beginning of year	<u>61,923</u>	<u>62,841</u>
Cash and cash equivalents - end of year	<u><u>\$ 143,708</u></u>	<u><u>\$ 61,923</u></u>

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 1 - Nature of Operations

Mister Softee Franchise, LLC (the “Company”) was established as a New Jersey limited liability company (“LLC”) on March 22, 2000. The purpose of the Company is to hold the rights to sell "Mister Softee" (ice cream truck) franchises and to collect royalties from franchisees primarily located in Pennsylvania, New Jersey, and New York. Mister Softee Franchise, LLC is located in Runnemede, New Jersey.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although management believes the estimates that have been used are reasonable, as events continue to evolve and additional information becomes available, actual results could vary from the estimates that were used.

Accounts Receivable

The Company’s accounts receivable is presented net of an allowance for credit losses. The Company performs ongoing evaluations of its franchisees' financial condition and generally requires no collateral from its franchisees. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for credit losses based on its history of past write-offs and current credit conditions. Accounts receivable balances that are still outstanding after management has used reasonable collection efforts are written off as uncollectible. Management has determined that an allowance for credit losses was not necessary at December 31, 2022 and 2021.

Accounts receivable as of December 31, are as follows:

2022	\$54,604
2021	97,711
2020	120,442

Franchising

The Company sells "Mister Softee" franchises. The franchise agreements have a ten-year term. The Company recognizes these fees as income over a ten-year period as it fulfills its obligations under the franchise agreement. There is an initial franchise fee of \$7,500 (\$5,000 in 2018 and prior) and a renewal fee of \$500 every ten years. The current yearly royalty fee for franchisees is \$3,675 per vehicle of which 10% is deferred for the future cost of repainting the vehicles. Additionally, there are some franchisees that operate out of physical locations as opposed to vehicles and those franchisees typically pay a negotiated royalty fee based on their gross revenues for the year.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Franchising (continued)

For the years ended December 31, 2022 and 2021 the initial franchise fees recognized in income were \$41,000 and \$40,969, and renewal fees were \$21,000 and \$52,500, respectively. If the franchise is sold through a distributor, the distributor retains a portion of the franchise and royalty fees. In addition if multiple vehicles are purchased, or multiple locations are managed, pricing could change. The purchase and financing, if necessary, of the vehicles by the franchisee is transacted through Mister Softee Sales and Manufacturing, LLC, a related party.

The following is a summary of franchise activity during the years ended December 31:

	<u>2022</u>	<u>2021</u>
Franchisees – Beginning of Year	206	273
Franchisees – Opened During the Year	5	8
Franchisees – Closed or Cancelled During the Year	(6)	(75)
Franchisees – End of Year	<u>205</u>	<u>206</u>

Advertising

The Company generally expenses all advertising costs as incurred. Advertising expense for the years ended December 31, 2022 and 2021 amounted to \$140,314 and \$119,321, respectively.

Income Taxes

The Company is treated as a disregarded entity for income tax purposes. Its taxable income is combined with that of a group of related LLCs and reported as a single Subchapter S corporation. The combined entity, with the consent of its stockholders, has elected to be taxed under sections of federal and state income tax law as an S corporation. As a result of this election, no income taxes are paid by the Company. Instead, the stockholders separately pay tax on their pro rata shares of the Company's income, deductions, losses, and credits.

The Company follows the income tax standard for uncertain tax positions that requires companies to recognize the potential income tax and related penalties and interest arising from uncertain tax positions. Potential interest and penalties are recognized as a component of the provision for income taxes. The Company has concluded that there are no taxes, penalties, or interest resulting from uncertain tax positions that would materially impact the financial statements of the Company at December 31, 2022 or 2021.

Statements of Cash Flows

The Company considers money market funds and instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 2 – Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements Not Yet Adopted

Credit Losses

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13 “Financial Instruments – Credit Losses (Topic 326).” The overall objective of the standard is to enable financial statement users to understand the credit risk inherent in the company’s portfolio and how management monitors the portfolio’s credit quality, management’s estimate of expected credit losses, and the changes in the estimate of expected credit losses that have taken place during the period. ASU 2016-13 requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Organizations will now use forward-looking information to better inform their credit loss estimates. The effective date of the standard is for fiscal years beginning after December 15, 2022. The Company is currently evaluating the standard and its impact on the financial statements.

Note 3 – Revenue Recognition

The Company’s revenues are derived from the sale of franchises and the collections of royalties those franchises generate. The Company recognizes these revenues at the point that it satisfies a performance obligation by transferring control over the service to the franchisee.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property. All other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore accounted for under the revenue recognition rules as a single performance obligation, which is satisfied by granting certain rights to use the Company’s intellectual property over the term of each franchise agreement. These franchise fees are recognized as income on the straight-line method as they are earned over the period of the initial franchise agreement, which is ten years. Renewal fees are recognized at a point in time when paid. The amount of franchise fees outstanding which have not been recognized is disclosed on the balance sheet as a contract liability called deferred franchise fees.

Deferred franchise fees for the periods ended December 31, 2022 and 2021 were;

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Deferred franchise fees, net January 1,	\$ 205,729	\$ 216,698	\$ 203,875
Initial franchise fees	12,500	13,750	39,500
Franchise fees receivable	10,000	16,250	13,000
Initial franchise fees recognized as revenue during the year	<u>(41,000)</u>	<u>(40,969)</u>	<u>(39,677)</u>
Deferred franchise fees, net	187,229	205,729	216,698
Current portion of deferred franchise fees, net	<u>(36,875)</u>	<u>(39,625)</u>	<u>(39,375)</u>
Deferred franchise fees, net	<u>\$ 150,354</u>	<u>\$ 166,104</u>	<u>\$ 177,323</u>

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 3 – Revenue Recognition (continued)

Royalties, which represent recurring fees paid by franchisees, are recognized ratably over the calendar year for which they are incurred. The performance obligation associated with royalties is the continued use of licensed materials and access to the advertising and collective expertise of the franchisor. These revenues are recognized over time.

The Company allocates ten percent of the royalty revenues collected to a paint fund liability, described in Note 5 to the financial statements, “Related Party Transactions,” subsection “Paint Fund Liability,” which assists the franchisees in defraying the cost of repainting their vehicles as required by the franchise agreement. Amounts are distributed from the paint fund when a franchisee requests disbursement to cover the costs of repainting their vehicle. The disbursements are recognized as revenue at the time that the associated expenses, the repainting of the vehicle, are incurred. The performance obligation of providing the funds to a franchisee to repaint their vehicle occurs at a point in time. The remaining amounts are held in the paint fund liability as a contract liability. Additionally, under the franchise agreements, income is recognized from the paint fund when a vehicle is retired or when the franchise under which a vehicle operates ceases. The amount of income recognized is the undisbursed balance in the paint fund related to that specific vehicle.

In the following table, revenue is disaggregated by timing of performance obligations for the years ended December 31, 2022 and 2021;

	<u>2022</u>	<u>2021</u>
Performance obligations satisfied at a point in time	\$ 277,856	\$ 350,206
Performance obligations satisfied over time	<u>1,417,333</u>	<u>1,324,626</u>
Total	<u>\$ 1,695,189</u>	<u>\$ 1,674,832</u>

Note 4 – Concentration of Credit Risk

The Company maintains its cash with a financial institution. Balances on deposit are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Balances in excess of FDIC limits are uninsured. As of December 31, 2022 there was no uninsured balance.

Note 5 – Related Party Transactions

Licensing Fee

The Company has a contract with Mister Softee, Inc. (its single member) to utilize various intangible assets owned by Mister Softee, Inc. During the years ended December 31, 2022 and 2021, the licensing fee, related to utilizing the intangible assets, was \$450,000 in each year.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

Note 5 – Related Party Transactions (continued)

Management Fees

Mister Softee, Inc. provides management services to Mister Softee Franchise, LLC. During the years ended December 31, 2022 and 2021, the management fees paid to Mister Softee, Inc. were \$750,000 and \$550,000, respectively.

Paint Fund Liability

By the terms of the franchise operating agreement, a portion of the yearly royalties collected from each vehicle is set aside to offset future painting costs. At the time a vehicle is painted, the franchisee is reimbursed for the cost of painting up to the amount that they have accumulated in the paint fund. The balance of fees collected but unused as of December 31, 2022, 2021, and 2020 was \$781,498, \$891,293, and \$1,001,011, respectively.

Mister Softee Sales and Manufacturing, LLC (also a single member LLC owned by Mister Softee, Inc.) is responsible for painting some franchisees' vehicles as opposed to third parties. During the years ended December 31, 2022 and 2021, fees for these services, included in the paint fund expense, amounted to \$53,895 and \$48,577, respectively.

Note 6 – Due From Affiliate

The amount due from affiliate represents cash advances to Mister Softee, Inc. as a result of operations in the normal course of business. The Company advances cash to Mister Softee, Inc. for the purchase of vehicles for sale and investments. As of December 31, 2022 and 2021, the Company has no fixed repayment terms for this amount. Management does not believe that there should be an allowance against this receivable. These amounts have been reflected as noncurrent assets in the accompanying Balance Sheets, as they are not expected to be repaid within the next twelve months.

Note 7 - Commitments and Contingencies

The Company is involved in lawsuits and claims incidental to the ordinary course of its operations. In the opinion of management, based on consultation with legal counsel, the resolution of such matters will not have a material adverse effect on the Company. Accordingly, no provision has been made in the accompanying financial statements for losses, if any, that might result from the ultimate outcome of these matters.

Note 8 – Subsequent Events

The Company evaluated subsequent events through March 16, 2023, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

11:02 AM

MISTER SOFTEE FRANCHISE, L.L.C.

10/13/23

Profit & Loss

Accrual Basis

January through September 2023

	Jan - Sep 23
Ordinary Income/Expense	
Income	
ADVERTISING INCOME	2,000.00
ESCROW FEES	833.34
FRANCHISE FEE	40,250.00
PAINT FUND INCOME	140,779.23
PARTS OHIO	2,108.63
REIMBURSED BANK FEES	150.00
REIMBURSED LEGAL	5,116.68
ROYALTY	1,348,162.17
ROYALTY/NOVELTIES	5,381.41
Total Income	1,544,781.46
Expense	
ACCOUNTING SERVICES	10,945.00
ADVERTISING	229,490.05
Automobile Expense	921.12
Bank Service Charges	39.00
CREDIT SERVICES	391.36
DEALER MEETINGS	0.00
FILING FEE	75.50
MANAGEMENT FEE	950,000.00
Miscellaneous	0.00
PAINT-FUND	45,235.67
PARKING	0.00
Postage and Delivery	0.00
Professional Fees	
Legal Fees	64,717.25
Professional Fees - Other	16,127.84
Total Professional Fees	80,845.09
TOLLS	2,040.00
TRAINING	0.00
TRAVEL	7,302.26
Travel & Ent	
Travel	0.00
Total Travel & Ent	0.00
Total Expense	1,327,285.05
Net Ordinary Income	217,496.41
Net Income	217,496.41

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10/13/23
Accrual Basis

MISTER SOFTEE FRANCHISE, L.L.C.
Balance Sheet
As of October 13, 2023

	Oct 13, 23
ASSETS	
Current Assets	
Checking/Savings	
MISTER SOFTEE FRANCHISE, L.L.C.	65,840.86
Republic Franchise account	44,316.07
Total Checking/Savings	110,156.93
Total Current Assets	110,156.93
TOTAL ASSETS	110,156.93
LIABILITIES & EQUITY	
Equity	
Retained Earnings	3,427,328.14
TRANSFER	-3,482,502.89
Net Income	165,331.68
Total Equity	110,156.93
TOTAL LIABILITIES & EQUITY	110,156.93

MISTER SOFTEE FRANCHISE, LLC
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

**MISTER SOFTEE FRANCHISE, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Member
Mister Softee Franchise, LLC
Runnemede, New Jersey

Opinion

We have audited the accompanying financial statements of MISTER SOTTEE FRANCHISE, LLC (a New Jersey limited liability company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and member's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MISTER SOTTEE FRANCHISE, LLC as of December 31, 2021 and 2020, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MISTER SOTTEE FRANCHISE, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Haefele, Flanagan & Co., p.c.

Maple Shade, New Jersey

March 10, 2022

MISTER SOFTEE FRANCHISE, LLC
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 61,923	\$ 62,841
Accounts receivable	97,711	120,442
Total current assets	<u>159,634</u>	<u>183,283</u>
Due from affiliate	<u>2,761,229</u>	<u>2,761,229</u>
Total assets	<u><u>\$ 2,920,863</u></u>	<u><u>\$ 2,944,512</u></u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities		
Current portion of deferred franchise fees	\$ 39,625	\$ 39,375
Total current liabilities	<u>39,625</u>	<u>39,375</u>
Deferred franchise fees, net	166,104	177,323
Paint fund liability	891,293	1,001,011
Member's equity	<u>1,823,841</u>	<u>1,726,803</u>
Total liabilities and member's equity	<u><u>\$ 2,920,863</u></u>	<u><u>\$ 2,944,512</u></u>

MISTER SOFTEE FRANCHISE, LLC
STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Royalties	\$ 1,283,657	\$ 912,426
Advertising income	6,000	4,000
Paint fund income	291,706	105,764
Franchise fees	<u>93,469</u>	<u>62,427</u>
Total revenues	1,674,832	1,084,617
Expenses		
Licensing fee	450,000	450,000
Management fees	550,000	340,000
Paint fund	108,295	70,904
Advertising	119,321	137,114
Legal and professional fees	40,272	43,360
Miscellaneous	663	7,375
Travel and entertainment	3,300	10,804
Filing fees	7,401	1,114
Dues and subscriptions	300	-0-
Credit services	819	329
Auto expense	3,715	927
Total expenses	<u>1,284,086</u>	<u>1,061,927</u>
Income from operations	390,746	22,690
Other income	<u>6,292</u>	<u>13,083</u>
Net income	397,038	35,773
Member's equity - beginning of year	1,726,803	1,691,030
Distributions	<u>(300,000)</u>	<u>-0-</u>
Member's equity - end of year	<u><u>\$ 1,823,841</u></u>	<u><u>\$ 1,726,803</u></u>

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

MISTER SOFTEE FRANCHISE, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Net income	\$ 397,038	\$ 35,773
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Accounts receivable	22,731	(86,342)
Increase (decrease) in:		
Accounts payable	-0-	(8,019)
Deferred franchise fees, net	(10,969)	12,823
Paint fund liability	(109,718)	32,888
Net cash provided by (used in) operating activities	299,082	(12,877)
Cash flows from investing activities:		
Repayments from affiliate	-0-	15,000
Net cash provided by investing activities	-0-	15,000
Cash flows from financing activities:		
Distributions	(300,000)	-0-
Net cash used in financing activities	(300,000)	-0-
Net increase (decrease) in cash	(918)	2,123
Cash and cash equivalents - beginning of year	62,841	60,718
Cash and cash equivalents - end of year	\$ 61,923	\$ 62,841

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 1 - Nature of Operations

Mister Softee Franchise, LLC (the “Company”) was established as a New Jersey limited liability company (“LLC”) on March 22, 2000. The purpose of the Company is to hold the rights to sell “Mister Softee” (ice cream truck) franchises and to collect royalties from franchisees primarily located in Pennsylvania, New Jersey, and New York. Mister Softee Franchise, LLC is located in Runnemede, New Jersey.

COVID-19 Considerations

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus (“COVID-19”) as a pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures and capacity limitations, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

During the COVID-19 pandemic, the Company’s services have generally not been materially interrupted, however, franchisees did experience interruptions in their businesses due to restrictions put in place in the year 2020, that affected the food service industry, including government ordered mandatory shutdowns of operations. Due to this, revenues of the Company were impacted in the year ended December 31, 2020, because management elected to reduce royalty fees to its franchisees by approximately 20%. In 2021, the Company did not reduce the royalty fees, which was a factor in the increase in both the gross and net revenues of the Company.

As the situation continues to evolve, the Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of business, including how it impacts franchisees’ customers, franchisees, and employees, in addition to how the COVID-19 pandemic impacts the Company’s ability to provide services to its franchisees. The Company believes the ultimate impact of the COVID-19 pandemic on operating results, cash flows, and financial condition is likely to be determined by factors which are uncertain, unpredictable, and outside of the Company’s control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could have a material adverse impact on business.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Given the situation surrounding the COVID-19 pandemic, many estimates and assumptions have required increased judgment and are subject

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Use of Estimates (continued)

to a higher degree of variability and volatility. Although management believes the estimates that have been used are reasonable, as events continue to evolve and additional information becomes available, actual results could vary from the estimates that were used.

Accounts Receivable

The Company's accounts receivable is presented net of an allowance for doubtful accounts. The Company performs ongoing evaluations of its franchisees' financial condition and generally requires no collateral from its franchisees. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on its history of past write-offs and current credit conditions. Accounts receivable balances that are still outstanding after management has used reasonable collection efforts are written off as uncollectible. Management has determined that an allowance for doubtful accounts was not necessary at December 31, 2021 and 2020.

Franchising

The Company sells "Mister Softee" franchises. The franchise agreements have a ten-year term. The Company recognizes these fees as income over a ten-year period as it fulfills its obligations under the franchise agreement. There is an initial franchise fee of \$7,500 (\$5,000 in 2018 and prior) and a renewal fee of \$500 every ten years. The current yearly royalty fee for franchisees is \$3,675 per vehicle of which 10% is deferred for the future cost of repainting the vehicles. Additionally, there are some franchisees that operate out of physical locations as opposed to vehicles and those franchisees typically pay a negotiated royalty fee based on their gross revenues for the year.

For the years ended December 31, 2021 and 2020 the initial franchise fees were \$40,969 and \$39,677, and renewal fees were \$52,500 and \$22,750, respectively. If the franchise is sold through a distributor, the distributor retains a portion of the franchise and royalty fees. In addition if multiple vehicles are purchased, or multiple locations are managed, pricing could change. The purchase and financing, if necessary, of the vehicles by the franchisee is transacted through Mister Softee Sales and Manufacturing, LLC, a related entity.

The following is a summary of franchise activity during the years ended December 31:

	<u>2021</u>	<u>2020</u>
Franchisees – Beginning of Year	273	278
Franchisees – Opened During the Year	8	8
Franchisees – Closed or Cancelled During the Year	<u>(75)</u>	<u>(13)</u>
Franchisees – End of Year	<u>206</u>	<u>273</u>

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 2 – Summary of Significant Accounting Policies (continued)

Advertising

The Company generally expenses all advertising costs as incurred. Advertising expense for the years ended December 31, 2021 and 2020 amounted to \$119,321 and \$137,114, respectively.

Income Taxes

The Company is treated as a disregarded entity for income tax purposes. Its taxable income is combined with that of a group of related LLCs and reported as a single Subchapter S corporation. The combined entity, with the consent of its stockholders, has elected to be taxed under sections of federal and state income tax law as an S corporation. As a result of this election, no income taxes are paid by the Company. Instead, the stockholders separately pay tax on their pro rata shares of the Company's income, deductions, losses, and credits.

The Company follows the income tax standard for uncertain tax positions that requires companies to recognize the potential income tax and related penalties and interest arising from uncertain tax positions. Potential interest and penalties are recognized as a component of the provision for income taxes. The Company has concluded that there are no taxes, penalties, or interest resulting from uncertain tax positions that would materially impact the financial statements of the Company at December 31, 2021 or 2020.

Statement of Cash Flows

The Company considers money market funds and instruments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Note 3 – Revenue Recognition

The Company's revenues are derived from the sale of franchises and the collections of royalties those franchises generate. The Company recognizes these revenues at the point that it satisfies a performance obligation by transferring control over the service to the franchisee.

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property. All other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore accounted for under the revenue recognition rules as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement. These franchise fees are recognized as income on the straight-line method as they are earned over the period of the initial franchise agreement, which is ten years. Renewal fees are immaterial and are recognized at a point in time when paid. The amount of franchise fees

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 3 – Revenue Recognition (continued)

outstanding which have not been recognized is disclosed on the balance sheet as a contract liability called deferred franchise fees.

Deferred franchise fees for the periods ended December 31, 2021 and 2020 were;

	<u>2021</u>	<u>2020</u>
Deferred franchise fees, net January 1,	\$ 216,698	\$ 203,875
Initial franchise fees	13,750	39,500
Franchise fees receivable	16,250	13,000
Initial franchise fees recognized as revenue during the year	<u>(40,969)</u>	<u>(39,677)</u>
Deferred franchise fees, net	205,729	216,698
Current portion of deferred franchise fees, net	<u>(39,625)</u>	<u>(39,375)</u>
Deferred franchise fees, net	<u>\$ 166,104</u>	<u>\$ 177,323</u>

Royalties, which represent recurring fees paid by franchisees, are recognized ratably over the calendar year for which they are incurred. The performance obligation associated with royalties is the continued use of licensed materials and access to the advertising and collective expertise of the franchisor. These revenues are recognized over time.

The Company allocates ten percent of the royalty revenues collected to a paint fund liability, described in Note 5, “Related Party Transactions,” subsection “Paint Fund Liability,” which assists the franchisees in defraying the cost of repainting their vehicles as required by the franchise agreement. Amounts are distributed from the paint fund when a franchisee requests disbursement to cover the costs of repainting their vehicle. The disbursements are recognized as revenue at the time that the associated expenses, the painting of the vehicle, are incurred. The performance obligation of providing the funds to a franchisee to repaint their vehicle occurs at a point in time. The remaining amounts are held in the paint fund liability as a contract liability. Additionally, under the franchise agreements, income is recognized from the paint fund when a vehicle is retired or when the franchise under which a vehicle operates ceases. The amount of income recognized is the undisbursed balance in the paint fund related to that specific vehicle.

In the following table, revenue is disaggregated by timing of performance obligations for the years ended December 31, 2021 and 2020;

	<u>2021</u>	<u>2020</u>
Performance obligations satisfied at a point in time	\$ 350,206	\$ 132,514
Performance obligations satisfied over time	<u>1,324,626</u>	<u>952,103</u>
Total	<u>\$ 1,674,832</u>	<u>\$ 1,084,617</u>

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 4 – Concentration of Credit Risk

The Company maintains its cash with a financial institution. Balances on deposit are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Balances in excess of FDIC limits are uninsured. As of December 31, 2021 there was no uninsured balance.

Note 5 – Related Party Transactions

Licensing Fee

Mister Softee Franchise, LLC has a contract with Mister Softee, Inc. (its single member) to utilize various intangible assets owned by Mister Softee, Inc. During the years ended December 31, 2021 and 2020, the licensing fee, related to utilizing the intangible assets, was \$450,000 in each year.

Management Fees

Mister Softee, Inc. provides management services to Mister Softee Franchise, LLC. During the years ended December 31, 2021 and 2020, the management fees paid to Mister Softee, Inc. were \$550,000 and \$340,000, respectively.

Paint Fund Liability

By the terms of the franchise operating agreement, a portion of the yearly royalties collected from each vehicle is set aside to offset future painting costs. At the time a vehicle is painted, the franchisee is reimbursed for the cost of painting up to the amount that they have accumulated in the paint fund. The balance of fees collected but unused as of December 31, 2021 and 2020, was \$891,293 and \$1,001,011, respectively.

Mister Softee Sales and Manufacturing, LLC (also a single member LLC owned by Mister Softee, Inc.) is responsible for painting some franchisees’ vehicles as opposed to third parties. During the years ended December 31, 2021 and 2020, fees for these services, included in the paint fund expense, amounted to \$48,577 and \$47,739, respectively. \$-0- was included in accounts payable as of December 31, 2021 and 2020.

Note 6 – Due From Affiliate

The amount due from affiliate represents cash advances to Mister Softee, Inc. as a result of operations in the normal course of business. Mister Softee Franchise, LLC advances cash to Mister Softee, Inc. for the purchase of vehicles for sale and investments. As of December 31, 2021 and 2020, the Company has no fixed repayment terms for this amount. Management does not believe that there should be an allowance against this receivable. These amounts have been reflected as noncurrent assets in the accompanying balance sheets, as they are not expected to be repaid within the next twelve months.

MISTER SOFTEE FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note 7 - Commitments and Contingencies

The Company is involved in lawsuits and claims incidental to the ordinary course of its operations. In the opinion of management, based on consultation with legal counsel, the resolution of such matters will not have a material adverse effect on the Company. Accordingly, no provision has been made in the accompanying financial statements for losses, if any, that might result from the ultimate outcome of these matters.

Note 8 – Subsequent Events

The Company evaluated subsequent events through March 10, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

EXHIBIT 6
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

**MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE AGREEMENT**

DATA SHEET

NAME OF FRANCHISOR:

Mister Softee Franchise, L.L.C.

ADDRESS OF FRANCHISOR:

901 E. Clements Bridge Road
Runnemede, New Jersey 08078

NAME OF FRANCHISEE:

ADDRESS OF FRANCHISEE:

TELEPHONE NUMBER:

EFFECTIVE DATE:

**VIN NUMBER OF TRUCK
TO BE OPERATED
UNDER THIS
FRANCHISE AGREEMENT:**

The information contained in this Data Sheet shall be read in conjunction with, and incorporated into, the Mister Softee Franchise, L.L.C. Franchise Agreement which follows.

Franchise Fee: \$

Paid on:

MISTER SOFTEE FRANCHISE, L.L.C. FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into on the Effective Date reflected in the Data Sheet by and between Mister Softee Franchise, L.L.C., a New Jersey limited liability company, with its principal business address at 901 E. Clements Bridge Road, Runnemede, New Jersey 08078 (hereinafter referred to as “Mister Softee”) and the franchisee whose name is reflected in the Data Sheet (who will be referred to as “you”). The information contained in the Data Sheet is incorporated by reference into this Agreement.

BACKGROUND

- A. Mister Softee and/or its affiliate has developed a proprietary business system for the distribution of soft-serve ice cream and other frozen confections from an equipped vehicle, the distinguishing characteristics of which include recognized designs, color schemes, copyrighted materials, management and operational procedures, and standards and specifications for product quality, vehicle appearance and customer services (the “System”);
- B. The System is identified by the mark “Mister Softee” and other trademarks, service marks, logos and other indicia of origin which Mister Softee has designated or may in the future designate for use in connection with the System (the “Proprietary Marks”) and the copyrighted “Mister Softee” jingle and other copyrighted material (the “Copyrights”);
- C. Mister Softee grants franchises to qualified individuals for the right to distribute products within a defined territory from a single vehicle using the System and the Proprietary Marks and Copyrights (the “Franchised Business”);
- D. You have applied for the right to operate a Franchised Business and Mister Softee has accepted your application based on the information contained therein;
- E. You recognize the importance of operating the Franchised Business in strict conformity with this Agreement and Mister Softee’s standards and specifications, and you understand and accept the terms of this Agreement as being reasonably necessary to maintain the uniformity of Mister Softee’s high standards of quality, cleanliness, appearance and service.

NOW, THEREFORE, in consideration of the mutual covenants and commitments contained in this Agreement, the parties agree as follows:

AGREEMENT

1. GRANT

Mister Softee hereby grants to you, upon the express terms and conditions contained in this Agreement, and you hereby accept, the right to operate the Franchised Business and the right to use the System and Proprietary Marks and Copyrights (as they may be changed, improved and further developed from time to time in Mister Softee’s sole discretion) from a single approved truck during the term of this Agreement solely within the Territory identified below. Mister Softee has the right to supplement, improve and otherwise modify the System from time to time; and you agree to comply with all of Mister Softee’s

reasonable requirements in that regard, including, without limitation, offering and selling new or different products or services as Mister Softee specifies.

2. TERRITORY

2.1. So long as you comply with the terms and conditions hereof, Mister Softee will neither establish or operate, nor license another the right to establish or operate, a mobile business using the System and Proprietary Marks and Copyrights within the territory identified on the Data Sheet (“Territory”). Your territorial protection relates solely to the operation of the Franchised Business.

2.2. If you purchase only one Mister Softee truck and there is no schedule as to future sales, it is understood and agreed that the Territory will be re-evaluated by Mister Softee or its designee two years from the date of this Agreement or at any time thereafter at Mister Softee’s discretion and the number of trucks that the Territory will support shall be re-established based upon a population of 20,000 persons per truck for the Territory. The population of the Territory shall be determined by the last census of the United States. If you do not purchase and operate additional truck(s) for each additional 20,000 persons so determined, Mister Softee may, at any time thereafter by written notice to you, reduce the Territory and such reduction shall be final and conclusive upon you.

2.3. Mister Softee reserves all rights to distribute products and services in the Territory using the Proprietary Marks, Copyrights, and System except as set forth in paragraph 2.1. Mister Softee expressly reserves the right, among others, to distribute products and services through other channels of distribution which may include, without limitation, supermarkets, convenience stores, restaurants and at rest areas. Mister Softee reserves the right to establish retail shops within the Territory and to engage in other business activities within the Territory using the Proprietary Marks, Copyrights and System.

2.4. You shall not solicit customers or advertise outside the Territory without Mister Softee’s prior written authorization, which Mister Softee will not unreasonably withhold. Mister Softee may condition its authorization upon your agreement to offer System franchisees operating Mister Softee franchises in contiguous territories the opportunity to participate in and share the expense of such solicitation and/or advertising.

3. TERM AND RENEWAL

3.1. The term of this Agreement shall be for ten (10) years, unless earlier terminated in accordance with this Agreement, beginning on the Effective Date reflected on the Data Sheet; provided, however, if you do not begin operating the Franchised Business within one (1) year from the date of this Agreement, this Agreement shall automatically expire at midnight on its anniversary date.

3.2. You have the right to renew the Mister Softee franchise for one (1) additional five (5) year term, provided the following conditions have been met prior to expiration of the then-current term (unless another time period is stated):

3.2.1. You have notified Mister Softee, in writing, that you intend to renew the franchise at least (3) months, but no more than six (6) months, prior to the expiration of the current term;

3.2.2. Your vehicle and equipment are brought into conformity with Mister Softee’s then-current

specifications for type and appearance, including those regarding color, graphics, exterior and interior design;

3.2.3. You are not in default of any provision of this Agreement, or any other agreement between you and Mister Softee or its affiliates upon expiration of the then-current term, and you have substantially complied with all such agreements during their respective terms;

3.2.4. You have satisfied all monetary obligations you owe to Mister Softee and/or its affiliates;

3.2.5. You pay Mister Softee a renewal fee of \$500.00;

3.2.6. You have consistently operated the Franchised Business in accordance with all existing federal, state and local laws, regulations and ordinances; and have maintained, as applicable, all permits and licenses necessary for the continued operation of the Franchised Business;

3.2.7. You execute, at the time of renewal, Mister Softee's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include, without limitation, higher royalty fees;

3.2.8. You comply with Mister Softee's then-current qualification and training requirements; and

3.2.9. You sign a general release, in the form prescribed by Mister Softee, in favor of Mister Softee and its affiliates and their respective officers, directors, agents and employees, for all claims arising out of or related to this Agreement, or any related agreement. The release will not be inconsistent with any applicable state statutes regulating franchising.

4. FEES

4.1 In consideration of the franchise granted hereunder, you will pay to Mister Softee a seven thousand five hundred (\$7,500) dollar initial franchise fee upon execution of this Agreement. The initial franchise fee is deemed fully earned by Mister Softee and non-refundable upon payment.

4.2. In addition to the initial franchise fee described above, you shall pay a yearly Royalty equal to \$3,855 per year. The Royalty shall be payable, at Mister Softee's election, monthly, according to a payment plan approved by Mister Softee. For purposes of this Agreement, the term "Gross Revenue" means all revenue derived from the sale of such items less applicable sales tax.

5. SERVICES BY FRANCHISOR

5.1. Mister Softee or its designee will provide training as described in Section 7 of this Agreement.

5.2. Mister Softee will loan you one copy of an operations and procedure's manual and appropriate revisions as may be made from time to time (referred to collectively as the "Operations Manual"). You shall operate the Franchised Business in strict compliance with the Operations Manual, as it may be changed from time to time. The Operations Manual is confidential and at all times shall remain the property of Mister Softee. You shall not disclose, duplicate, or use any portion of the Operations Manual in any unauthorized manner. You shall ensure that your copy of the Operations Manual is current and up-to-date.

If there is a dispute relative to the contents of the Operations Manual, the master copy which Mister Softee maintains at its principal office will control. Mister Softee has the right to modify the contents of the Operations Manual from time to time, although modifications will not alter your fundamental rights under this Agreement.

5.3. Mister Softee will provide, either itself or through its designee, periodic assistance as Mister Softee deems appropriate and advisable.

5.4. Mister Softee will consult with you about the initial and continuing inventory for the Franchised Business.

5.5. Mister Softee will provide continuing consultation and advice as it deems advisable regarding merchandising and operational matters relating to the Franchised Business. Such assistance may be provided, at Mister Softee's option, by telephone, facsimile, or visits by Mister Softee's personnel.

6. YOUR OBLIGATIONS

6.1. You shall purchase or lease a vehicle and equipment from an approved supplier in accordance with Mister Softee's specifications and shall operate and maintain the vehicle and equipment in accordance with the terms of this Agreement and Mister Softee's written directives. Every four (4) years, you shall have your vehicle repainted in accordance with Mister Softee's then-current standards and specifications. Mister Softee shall allocate ten percent (10%) of the Royalty paid by you toward the cost of repainting your vehicle. You are solely responsible for paying the difference between the actual cost of the paint job and the amount Mister Softee has allocated to your paint fund.

6.2. You shall begin operating the Franchised Business: (i) within ten (10) days from the date you take possession of the truck if you sign this Agreement between April 1st and September 30th; or (ii) by April 1st if you sign this Agreement between October 1st and March 31st.

6.3. You shall obtain and maintain all permits, licenses and certifications required by federal, state or local law for the operation of the Franchised Business. You shall comply with all applicable federal, state and local laws, ordinances and regulations regarding the operation of the Franchised Business and promptly pay all taxes due as a result of your operation of the Franchised Business.

6.4. You shall use all materials, ingredients, supplies, paper goods, uniforms, furnishings, signs, equipment, methods of exterior and interior design and construction and methods of production and preparation prescribed by, or that conforms to, Mister Softee's standards and specifications. Mister Softee has the right to change the standards and specifications applicable to the operation of the Franchised Business and the System generally. You acknowledge that you may incur an increased cost to comply with such changes and you agree to incur such costs as Mister Softee reasonably deems necessary.

6.5. You shall purchase all equipment, inventory and supplies (including, without limitation, your vehicle and equipment, soft-serve ice cream mixes, hard ice cream, frozen desserts, novelties, stick items and other products) from designated or approved suppliers ("System Suppliers"). System Suppliers will be identified in the Operations Manual or otherwise in writing, and may include Mister Softee, its affiliate or third party vendors or suppliers. You recognize that the failure to pay System Suppliers jeopardizes both your ability to receive such product(s) and the System's relationship with System Suppliers, which may

result in other System licensees' inability to obtain product; or to obtain product only on less favorable credit terms. Accordingly, you promise to pay System Suppliers as and when due. If you wish to purchase any item from an unapproved supplier you shall provide Mister Softee the name, address and telephone number of the proposed supplier, a description of the item(s) you wish to purchase, and the purchase price, if known. At Mister Softee's request, you must provide Mister Softee a sample of the supplier's goods for testing. If Mister Softee incurs any costs in connection with evaluating a supplier at your request, you must reimburse Mister Softee its reasonable testing costs regardless of whether the supplier is subsequently approved. Mister Softee has the right to revoke its approval of particular suppliers when it determines, in its sole discretion, that such suppliers no longer meet Mister Softee's standards. Upon receipt of written notice of such revocation, you may not purchase from such suppliers. Mister Softee has no obligation to approve any proposed supplier.

6.6 You acknowledge and agree that Mister Softee may receive a reasonable profit on all items you purchase from Mister Softee, its affiliates or a third party supplier. Mister Softee and/or its affiliates may from time to time receive consideration from suppliers resulting from your purchases. You agree that Mister Softee and/or its affiliates are entitled to such profits and/or consideration.

6.7. You shall offer for sale all products which Mister Softee prescribes and only those products which Mister Softee prescribes. You shall at all times maintain sufficient levels of inventory to adequately meet consumer demand. You hereby acknowledge Mister Softee's right to develop proprietary inventory items which may be identified by the Proprietary Marks or other marks (the "Proprietary Products"), and you hereby agree to purchase and stock minimum inventory levels of the Proprietary Products as Mister Softee prescribes in writing, and to offer the Proprietary Products for sale in connection with your operation of the Franchised Business. All other products or services which you desire to offer or sell in connection with the Franchised Business must first be approved in writing by Mister Softee.

6.8. You shall purchase and use any and all computer software programs ("Software") that Mister Softee designates for use by the System, and, within ninety (90) days from the date you receive written notice from Mister Softee of such computer requirements, shall license such Software and purchase such computer hardware as may be necessary for the efficient operation of the Software. Mister Softee has the right to require you to update or upgrade computer hardware components and/or Software as Mister Softee deems necessary from time to time but not more than three (3) times per calendar year. In addition, Mister Softee has the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Software in the form Mister Softee prescribes.

6.9. You and your employees shall offer prompt, courteous and efficient service to the public, and otherwise operate the Franchised Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System.

6.10. You shall use your best efforts to promote and increase the demand for the goods and services of the Franchised Business.

6.11. You acknowledge that the Mister Softee System has been developed to sell products pursuant to a manner and method which distinguish the Mister Softee Franchised Business from other mobile businesses selling similar products with less attention paid to quality, cleanliness and customer service. You agree to offer products and services and conduct the Franchised Business in such a manner which emulates and enhances the image intended by Mister Softee for the Mister Softee System. You further acknowledge and

agree that each aspect of the Mister Softee System is important not only to you but also Mister Softee, its affiliates and other System licensees in order to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the products sold and services rendered by System licensees, Mister Softee, and its affiliates.

6.12. You shall notify Mister Softee, in writing within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality which may adversely affect the operation of the Franchised Business or your financial condition.

6.13. This Agreement is a personal contract and it is presumed that you will be the operator of the truck(s) and will have clean, neat and competent employees to operate any additional trucks. It is understood and agreed that Mister Softee mobile ice cream trucks dispense products for human consumption which must be kept refrigerated to be fresh and are dispensed to the general public. It is further understood that such trucks are operated generally in residential neighborhood areas and should be operated with the greatest of care for the safety of the general public. For this reason, as well as others, Mister Softee reserves the right to require you to terminate any truck operator who, in the opinion of Mister Softee, does not maintain a neat, clean and well-groomed appearance or in any way, in Mister Softee's opinion, may operate and cause hazard to the general public or be detrimental to the good name and reputation of Mister Softee or violate any of the provisions of this Agreement.

6.14. You shall maintain your Mister Softee mobile ice cream truck(s) and all ice cream mixes and other food products to be dispensed therefrom in a clean and sanitary condition at all times, in conformance with all federal, state and local health laws or regulations and the standards of Mister Softee. In pursuance hereof, you shall permit Mister Softee's agent to inspect your Mister Softee mobile ice cream truck(s) and your stores of ice cream products and other food products at any place and at any time.

6.15. You shall park and store your Mister Softee ice cream truck(s) at a depot or storage yard maintained by Mister Softee or a third party designated by Mister Softee. You shall make your truck available to Mister Softee or its representatives for inspection to insure compliance with the provisions of this Agreement.

7. TRAINING

7.1. You shall attend and satisfactorily complete Mister Softee's initial training program. Mister Softee will train you (or one of your principals if you are a corporation, partnership or limited liability company) and one other individual tuition-free. You will be solely responsible for all personal expenses incurred by each trainee including transportation, food and lodging, and your employee's salary. You will receive no compensation or reimbursement for any services you perform or expenses you incur during any training period or seminar.

7.2. Mister Softee reserves the right to offer, from time to time, additional tuition-free training programs and/or refresher courses to you and/or your employees. You and your employees must attend such training to the extent Mister Softee requires it. You are responsible for all training related expenses, including transportation to and from the training site, lodging, meals and salaries for you and your employees during training.

8. INSURANCE

At all times during the term of this Agreement and at your own expense, you shall obtain and keep in force an insurance policy or policies providing the minimum insurance coverages prescribed by Mister Softee and as required by law. All insurance policies must name Mister Softee as an additional insured and must provide that Mister Softee will be notified immediately if the policies lapse or are no longer in effect. All policies must be written by an insurance company acceptable to Mister Softee. Mister Softee has the right to increase or otherwise modify the minimum insurance requirements upon thirty (30) days prior written notice to you, and you must comply with any such modification within the time specified in the notice. Mister Softee's acceptance of an insurance carrier does not constitute its representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. No insurance policy may be subject to cancellation, termination, nonrenewal or material modification, except upon at least thirty (30) days' prior written notice from the insurance carrier to Mister Softee. At all times, you must provide Mister Softee with a currently issued certificate of insurance evidencing coverage in conformity with the provisions of this paragraph. If you fail to comply with the minimum insurance requirements set forth herein, Mister Softee has the right to obtain such insurance and keep the same in force and effect and you shall pay Mister Softee, on demand, the premium cost thereof and administrative costs of 18% of the premium cost in connection with Mister Softee obtaining the insurance.

9. COLLECTION COSTS, ATTORNEYS' FEES, INTEREST

All payments due Mister Softee or its affiliates must be timely delivered together with any reports or statements which Mister Softee may prescribe. Any payment or report not actually received by Mister Softee on or before the date due shall be deemed overdue. If any payment is overdue, you shall pay Mister Softee, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of eighteen percent (18%) per year or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Mister Softee may have under this Agreement, at law or in equity. You shall not be entitled to set-off any payments required to be made against any monetary claim you may have against Mister Softee. If you are in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between you and Mister Softee and/or its affiliates, and Mister Softee engages an attorney to enforce its rights (whether or not formal judicial proceedings are initiated), you shall pay all reasonable attorneys' fees, court costs and litigation expenses Mister Softee incurs. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, Mister Softee shall be entitled to recover its reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding. In the event any taxing authority, wherever located, shall impose any tax, levy or assessment on any payment made by you to Mister Softee, you shall, in addition to all payments due to Mister Softee, pay such tax, levy or assessment.

10. FINANCIAL RECORDS AND REPORTS

You shall maintain for at least three (3) fiscal years from their preparation complete financial records for the operation of the Franchised Business in accordance with generally accepted accounting principles and must provide Mister Softee, at Mister Softee's request, with periodic sales reports signed by you and in the form Mister Softee specifies and such other information concerning the Franchised Business which Mister Softee may reasonably request, including: (i) annual financial reports and operating statements in the form Mister Softee specifies, prepared by a certified public accountant or state licensed public accountant, within ninety (90) days after the close of each of your fiscal years; (ii) state and local sales tax returns or reports

and federal, state and local income tax returns for each year in which the Franchised Business is operated, within thirty (30) days after their timely completion; and (iii) such other reports as Mister Softee may from time to time require, in the form and at the time Mister Softee prescribes. To assist you in recording and keeping accurate and detailed financial records for reports and tax returns, Mister Softee, at its discretion, may specify the form in which the business records are to be maintained, provide a uniform set of business records for you to use and specify the type of cash register, computer system or other equipment to be used in connection with the Franchised Business.

11. BOOKS AND RECORDS

You shall maintain accurate business records, reports, accounts, books and data relating to the operation of the Franchised Business. Mister Softee and its designees have the right to inspect and/or audit your business records at any time during normal business hours, to determine whether you are current with suppliers and are otherwise operating in compliance with the terms of this Agreement and the Operations Manual.

12. PROPRIETARY MARKS

12.1. Mister Softee represents with respect to the Proprietary Marks that Mister Softee has the right to use, and to license others to use, the Proprietary Marks.

12.2. You shall use only the Proprietary Marks designated by Mister Softee and shall use them only in the manner authorized and permitted by Mister Softee.

12.3. You shall use the Proprietary Marks only for purposes of operating and advertising for the Franchised Business.

12.4. Unless otherwise authorized or required by Mister Softee, you shall operate and advertise the Franchised Business only under the name “Mister Softee” and shall use all Proprietary marks without prefix or suffix and in conjunction with the symbols “SM” or “R”, as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any products which Mister Softee has not authorized for use in connection with the System.

12.5. You may not use the Proprietary Marks as part of your corporate or other legal name, except in strict compliance with Mister Softee’s criteria for fictitious name usage. You must identify yourself as the owner of the Franchised Business (in the manner Mister Softee prescribes) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as Mister Softee may designate in writing on your Mister Softee vehicle. You shall file in the jurisdiction in which the Franchised Business is operated a Certificate of Fictitious Name or comparable instrument, and must provide Mister Softee evidence of such filing before you may begin operation of the Franchised Business.

12.6. Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement and any unauthorized use thereof shall constitute an infringement of Mister Softee’s rights.

12.7. You shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Mister Softee.

12.8. You shall execute all documents Mister Softee deems necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

12.9. All advertising shall prominently display the Proprietary Marks and shall comply with Mister Softee's written standards for using the Proprietary Marks. Mister Softee has the right to approve all signs, menu boards, stationery, business cards, forms and other materials and supplies bearing the Proprietary Marks. You shall use the Proprietary Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by this Agreement or by the prior written consent of Mister Softee.

12.10 You shall promptly notify Mister Softee of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Mister Softee's ownership of, Mister Softee's right to use and to license others to use, or your right to use, the Proprietary Marks. You acknowledge that Mister Softee has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Mister Softee has the right, but not the obligation, to defend you in any action arising out of your use of the Proprietary Marks and to take action against uses by others that may constitute infringement of the Proprietary Marks. If Mister Softee determines, in its sole discretion, that you have used the Proprietary Marks in accordance with this Agreement, Mister Softee shall bear the cost of such defense, including the cost of any judgment or settlement. If Mister Softee, in its sole discretion, determines that you have not used the Proprietary Marks in accordance with this Agreement, you shall reimburse Mister Softee the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you shall execute any and all documents and do such acts as may, in Mister Softee's opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Mister Softee will reimburse you for your out-of-pocket costs in performing such acts. Mister Softee has the right, in its sole discretion, to require you to discontinue, modify or substitute any of the Proprietary Marks as a result of pending or threatened litigation involving your use of the Proprietary Marks.

12.11. You expressly understand and acknowledge that:

12.11.1. Mister Softee is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them and Mister Softee has the right to use and license others to use the Proprietary Marks;

12.11.2. The Proprietary marks are valid and serve to identify the System and those who are authorized to operate under the System;

12.11.3. During the term of this Agreement and after its expiration or termination, you shall not directly or indirectly contest the validity of, or Mister Softee's ownership of, or right to use and to license others to use, the Proprietary Marks;

12.11.4. Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks;

12.11.5. Any and all goodwill arising from your use of the Proprietary Marks shall inure

solely and exclusively to the benefit of Mister Softee and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

12.11.6. Your license to use the Proprietary Marks hereunder is nonexclusive and Mister Softee retains the right, among others, (i) to use the Proprietary Marks itself in connection with selling products and services within and outside of the Territory as set forth in paragraph 2 of this Agreement; (ii) to grant other licenses for the Proprietary Marks; and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks and to grant licenses thereto without providing any rights therein to you; and

12.11.7. Mister Softee reserves the right, in its sole discretion, to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder. You shall discontinue using all Proprietary Marks which Mister Softee has notified you, in writing, have been modified or discontinued with ten (10) days of receiving written notice and, at your sole cost and expense, shall promptly begin using such additional, modified or substituted Proprietary Marks.

13. CONFIDENTIAL INFORMATION

13.1. You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any trade secrets, methods and other techniques and know-how concerning the operation of the Franchised Business (“Confidential Information”) which may be communicated to you or of which you may be apprised by virtue of your operation of the Franchised Business under the terms of this Agreement. You may divulge such Confidential Information only to such of your employees as must have access to it in order to operate the licensed business. Any and all information, knowledge, know-how, techniques, and other data which Mister Softee designates as confidential will be deemed Confidential Information for purposes of this Agreement.

13.2. At Mister Softee’s request, you shall require any personnel having access to any of Mister Softee’s Confidential Information to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you in connection with the Franchised Business. Such covenants shall be in a form satisfactory to Mister Softee including without limitation, specific identification of Mister Softee as a third party beneficiary of such covenants with independent rights to enforce them.

14. ADVERTISING

You shall display on your vehicle only such signs, emblems, lettering, logos and displays and advertising materials as Mister Softee approves in writing from time to time. You shall submit to Mister Softee, prior to publication or use, samples of all sales, promotional and advertising materials you desire to use, including, but not limited to, print, radio and television advertising, signage, supplies and packaging which have not been previously approved by Mister Softee. Such submission shall not affect your right to determine the prices at which you sell your products. Within ten (10) business days of Mister Softee’s receipt of any sample sales promotional materials or advertising materials from you, Mister Softee shall notify you in writing of its approval or disapproval of the materials; provided, however, Mister Softee’s failure to approve or disapprove the materials within ten (10) days of receipt shall be deemed an approval.

You shall not use any advertising or promotional materials for which Mister Softee has not given its prior written approval.

15. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

15.1. You are an independent contractor responsible for full control over the internal management and daily operation of the Franchised Business. Neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. You shall not sign any contract or incur any obligation on Mister Softee's behalf or in its name; and Mister Softee shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Mister Softee be liable by reason of any of your acts or omissions in the operation of the Franchised Business for any claim or judgment arising therefrom against you or Mister Softee.

15.2. All stationery, business cards and contractual agreements entered into by you shall contain your corporate or fictitious name and a conspicuously displayed notice in the place designated by Mister Softee, that you independently own and operate the Mister Softee vehicle pursuant to a franchise agreement with Mister Softee. At Mister Softee's request, you must prominently display a "Franchises Available" sign in the form provided by Mister Softee and in the place designated by Mister Softee.

15.3. You shall defend, indemnify and hold Mister Softee harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind (including costs and reasonable attorneys' fees) arising in whole or in part from the operation of the Franchised Business, including your advertising and business practices.

16. COVENANT RESTRICTING COMPETITION

16.1. During the term of this Agreement, neither you nor your immediate family members, nor your partners, shareholders or members, nor their immediate family members, as applicable, shall directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company; or other entity, own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any other business which operates or licenses businesses featuring primarily the sale of ice cream or other frozen confections except pursuant to this Agreement or any other valid Franchise Agreement between you and Mister Softee.

16.2. For a two (2) year period following the expiration or termination of your interest in this Agreement, neither you nor your immediate family members, nor your partners, shareholders or members, nor their immediate family members, as applicable, shall directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company; or other entity, own, maintain, engage in, be employed by, lend money to, extend credit to, or have any interest in any other business which operates or licenses businesses featuring primarily the sale of ice cream or other frozen confections with the former Territory or within any System franchisee's territory.

16.3. You shall cause your officers, directors, partners, shareholders and members to execute a non-competition agreement containing provisions similar to those set forth herein.

17. SALE OR TRANSFER

17.1. Your rights under this Agreement are personal, and you may not sell, transfer, assign or encumber your interest or any portion of your interest in this Agreement or in the Franchised Business without Mister Softee's prior written consent. Any unauthorized transfer by you shall be voidable by Mister Softee and shall subject this Agreement to termination as specified herein. Mister Softee has the right to sell, transfer, assign and/or encumber all or any part of its rights or obligations under this Agreement.

17.2. A sale, transfer or assignment requiring Mister Softee's prior written consent shall be deemed to occur if you sell, transfer, assign, or pledge your vehicle or equipment to any third party or: (i) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock, or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; (ii) if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; (iii) if you are a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. You must obtain Mister Softee's written consent prior to any change in stock, LLC, or partnership ownership interest in you while this Agreement is in effect which will result in a sale, transfer or assignment as set forth herein. Any new partner, member, or shareholder will be required to personally guarantee your obligations under this Agreement. A transfer pursuant to (i) and (ii) above shall not be subject to Mister Softee's right of first refusal as set forth in Section 17.4.

17.3. In the event of your death, disability or incapacitation (or the death, disability or incapacitation of your partners or personal guarantors), your legal representative (or your partner's or guarantor's respective legal representative, as applicable) shall have the right to continue the operation of the Franchised Business as licensee under this Agreement if: (i) within forty-five (45) days from the date of death, disability or incapacity (the "45 day period"), such person has obtained Mister Softee's prior written approval and has executed Mister Softee's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporate or limited liability company licensee's obligations to Mister Softee and its affiliates; and (ii) such person successfully completes Mister Softee's training program (which Mister Softee will provide at its then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Mister Softee.

17.4. If you propose to transfer this Agreement or any portion of your interest in this Agreement to any third party (other than a corporation or limited liability company as set forth in Section 17.4 hereof and except as otherwise set forth in Section 17.3) in connection with a bona fide offer from such third party, you shall first offer to sell such interest to Mister Softee on the same terms and conditions as offered by such third party. You shall obtain from the third party and provide to Mister Softee a statement in writing, signed by the third party and you, of the terms of the offer ("Letter of Intent"). If Mister Softee elects not to accept the offer within a thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 17.5 hereof. You shall effect no other sale or transfer of your interest in this Agreement without first complying with this Section 17.4. Any material change in the terms of the offer shall be deemed a new proposal subject to Mister Softee's right of first refusal. So long as you have obtained Mister Softee's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner, shareholder or member, or a transfer as a result of the death, disability or incapacity of a shareholder, partner or member, in accordance with the provisions set forth below, is not subject to Mister Softee's first right of refusal.

17.5. Mister Softee may condition its approval of any proposed sale or transfer of the Franchised Business or of your interest in this Agreement upon satisfaction of the following occurrences:

17.5.1. Full compliance with this Agreement, any other agreement between you and Mister Softee and/or its affiliates, any agreement between you and your suppliers and depot operators;

17.5.2. Your execution of a general release under seal, in the form Mister Softee prescribes, of any and all claims against Mister Softee and its affiliates and their officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the release shall not be inconsistent with any applicable state statute regulating franchising;

17.5.3. Mister Softee's receipt of a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of your obligations under this Agreement;

17.5.4. Satisfactory demonstration that the transferee is a financially responsible person acceptable to Mister Softee and the transferee's satisfactory completion of Mister Softee's initial training program;

17.5.5. The transferee's execution of Mister Softee's then-current franchise agreement for the unexpired term of this Agreement;

17.5.6. Your payment of a \$1,000 transfer fee; and

17.5.7. Your compliance with the post-termination provisions of this Agreement.

17.6. If you are an individual, you have the right to assign your rights under this Agreement to a corporation or limited liability company. Such assignment shall not be subject to Section 17.5 of this Agreement provided:

17.6.1 The corporation or limited liability company is newly organized and its activities are confined to operating the franchised business;

17.6.2. You are, and at all times remain, the owner of 51% of the outstanding shares of the corporation or a controlling interest in the limited liability company;

17.6.3. The corporation or limited liability company agrees in writing to assume all of your obligations hereunder; and

17.6.4. All stockholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Mister Softee and/or its affiliates, under this Agreement and any other agreement between you and Mister Softee and/or its affiliates and execute a non-competition agreement as set forth in Section 16 hereof.

18. **BREACH AND TERMINATION**

18.1. This Agreement will automatically terminate without notice upon the happening of any of the

following events:

18.1.1. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the licensed business.

18.1.2. The purported sale, transfer or assignment of any of your interest in this Agreement, or the Franchised Business in violation of Section 17 of this Agreement.

18.2. Mister Softee has the right to terminate this Agreement, effective upon delivery of notice of termination, without providing you an opportunity to cure for any of the following breaches or defaults:

18.2.1. If you fail to complete initial training as provided in Section 7.

18.2.2. If you or your principals have made any misrepresentation or omission in connection with your franchise application including, without limitation, any financial misrepresentation.

18.2.3. If you or your principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct, or commit fraud in the operation of the Franchised Business.

18.2.4. If you or your principals materially breach the Truck and Equipment Sale Agreement or any other agreement with Mister Softee or any of its affiliate, or threaten any material breach of any such agreement and fail to cure such breach within any permitted period for cure.

18.2.5. If you violate any provision of this Agreement pertaining to the Proprietary Marks, Copyrights or Confidential Information.

18.2.6. If you violate any health, safety or sanitation law, ordinance or regulation or operate the Franchise Business in a manner that presents a health or safety hazard to customers, or the general public and fail to timely cure such violation.

18.2.7. If you violate the in-term restrictive covenant contained in Section 16 of this Agreement.

18.2.8. If proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the licensed business without your consent and the appointment is not vacated within sixty (60) days.

18.2.9. If a levy of writ of attachment or execution or any other lien is placed against you or any of your principals or any of their assets which is not released or bonded against within thirty (30) days.

18.2.10. If you or any of your principals are insolvent.

18.2.11. If you voluntarily or otherwise abandon the Franchised Business. The term “abandon” includes any conduct which indicates a desire or intent to discontinue the Franchised Business in accordance with the terms of this Agreement and shall apply in any event you fail to operate the Franchised Business

for a period of five (5) or more consecutive days without Mister Softee's prior written approval.

18.2.12. If Mister Softee sends you two (2) or more written notices of termination pursuant to Section 18.3 of this Agreement in any twelve (12) month period, whether or not you cure the default within the time permitted for cure.

18.3. Mister Softee has the right to terminate this Agreement, effective upon delivery of notice of termination after a five (5) day cure period, if you fail to perform or comply with any one or more of the terms or conditions of this Agreement not otherwise addressed in this Section 18.

18.4. Mister Softee's delay in exercising or failing to exercise any right or remedy under this Agreement or Mister Softee's acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of Mister Softee's rights or remedies against you.

18.5. Neither Mister Softee, its affiliates nor you shall be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if the failure to perform obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as Mister Softee deems reasonable.

19. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

Upon termination of this Agreement, regardless of the cause and upon expiration and non-renewal or transfer of this Agreement, you shall immediately:

19.1. Cease using the Proprietary Marks, Copyrights and Confidential Information.

19.2. Pay to Mister Softee all unpaid fees and pay Mister Softee and its affiliates all other monies owed them.

19.3. Return to Mister Softee the music box in your Mister Softee vehicle, to Mister Softee, and return the Operations Manual and all other materials containing Confidential Information or reflecting the Proprietary Marks and Copyrights.

19.4. Remove from your vehicle all Proprietary Marks and Copyrights and provide Mister Softee satisfactory evidence that these items have been removed; or, in the alternative, you may return the vehicle to Mister Softee's headquarters for removal of these items.

19.5. Take all necessary action to amend or cancel any assumed name, business name or equivalent registration containing any of the Proprietary Marks and provide Mister Softee evidence of compliance with this obligation within thirty (30) days.

19.6. Permit Mister Softee to make final inspection of your financial records, books and other accounting records within six (6) months of the effective date of termination, expiration or transfer.

19.7. Comply with the post-termination covenants set forth in Section 16 hereof, all of which shall survive the transfer, termination or expiration of this Agreement.

19.8. You irrevocably appoint Mister Softee as your attorney-in-fact to execute in your name and on your behalf all documents necessary to discontinue your use of the Proprietary Marks and the Confidential Information.

20. NOTICES

All notices, request and reports to be given under this Agreement are to be in writing and delivered by either hand, overnight mail or certified mail, return receipt requested (except that regular monthly and other reports from you may be sent by regular mail), prepaid, to the addresses set forth on the Data Sheet (which may be changed by written notice).

21. INTERPRETATION

21.1. This agreement reflects the entire agreement between the parties and may not be changed except by a written document signed by both parties. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Mr. Softee made in the franchise disclosure document.

21.2. The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this 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 shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to your “immediate family” means your spouse, parents, children and siblings and your spouse’s parents, children and siblings. Reference to your “principals” means your partners, officers, directors, shareholders, members and managers, as applicable.

21.3. References to you and Mister Softee include such parties’ successors, assigns or transferees, subject to the limitations of Section 17 hereof.

21.4. If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Mister Softee or any of its affiliates or protection of the Proprietary Marks or the Confidential Information, including the Operations Manual and Mister Softee’s other trade secrets, is declared invalid or unenforceable, then Mister Softee at its option may terminate this Agreement immediately upon written notice to you.

21.5. You shall from time to time, subsequent to the date first set forth above, at Mister Softee’s request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Mister Softee reasonably may require in order to effectuate the transactions contemplated herein. In the event that you fail to comply with the provisions of this paragraph, you hereby appoint Mister Softee as its attorney-in-fact to execute any and all documents on your behalf, reasonably necessary to effectuate the transactions contemplated herein.

22. DISPUTE RESOLUTION

22.1. This Agreement, as well as any disputes arising out of this Agreement or the parties' relationship hereunder, shall be governed by the laws of the State of New Jersey. All disputes arising out of the offer, sale or interpretation of the Franchise Agreement, or from the parties' obligations under this Agreement, shall be litigated to conclusion exclusively in the state court located in Camden County, New Jersey or the United States District Court for the District of New Jersey. You acknowledge that this Agreement has been entered into in the State of New Jersey and that you are to receive valuable and continuing services emanating from Mister Softee's headquarters in Runnemede, New Jersey, including but not limited to assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the exclusive personal jurisdiction of the state and federal courts of New Jersey as set forth above.

22.2. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal termination, notice of termination or cure rights is inconsistent with any valid law or regulation of the state in which the Franchised Business is located, then the valid law or regulation of that state applicable to the license shall supersede any provision of this Agreement that is less favorable to you.

22.3. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, you must notify Mister Softee within thirty (30) days after the occurrence of the violation or breach and failure to timely give such notice shall preclude any claim for damages.

22.4. You shall not withhold all or any part of any payment to Mister Softee or any of its affiliates on the grounds of the alleged nonperformance of Mister Softee or any of its affiliates or as an offset against any amount Mister Softee or any of its affiliates may owe or allegedly owe you under this Agreement or any related agreements.

22.5. Nothing in this Agreement shall prevent Mister Softee from obtaining injunctive relief against threatened conduct that will cause it loss or damages under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

22.6. **Limitation of Action.** The parties further agree that no cause of action arising out of or under this Agreement may be maintained by either party against the other unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the complaining party becomes aware of facts or circumstances reasonably indicating that such party may have a claim against the other party hereunder, whichever occurs sooner and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

22.7. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Mister Softee arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery is limited to your actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section shall be construed to prevent or otherwise affect our right to claim and obtain expectation or consequential damages under this Agreement, including future lost Royalties that you

would have owed to us over the balance of the term of this Agreement if this Agreement was not earlier terminated by us, all of which you expressly acknowledge and agree we are entitled to receive under such circumstances.

22.8. Jury Trial and Class Action Waiver. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY AND/OR THE PURCHASE OF THE FRANCHISE OR OF GOODS BY YOU. THE PARTIES FURTHER AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

23. REPRESENTATIONS

23.1. NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE MISTER SOFTEE EXCEPT AN AUTHORIZED OFFICER OF MISTER SOFTEE BY A WRITTEN DOCUMENT. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY OR ON BEHALF OF MISTER SOFTEE WHICH HAVE LED YOU TO ENTER INTO THIS AGREEMENT. YOU UNDERSTAND THAT WHETHER YOU SUCCEED AS A FRANCHISEE DEPENDS UPON YOUR EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF YOUR EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND MISTER SOFTEE'S CONTROL OR INFLUENCE. YOU FURTHER UNDERSTAND THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT MISTER SOFTEE HAS MADE NO REPRESENTATION THAT YOU WILL DO AS WELL AS ANY OTHER FRANCHISEE.

23.2 THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THIS AGREEMENT, WITH ALL BLANKS COMPLETED AND WITH ANY AMENDMENTS AND EXHIBITS, AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO EXECUTION OF THIS AGREEMENT. IN ADDITION, THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF MISTER SOFTEE'S FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT OR YOUR PAYMENT OF ANY MONIES TO MISTER SOFTEE, REFUNDABLE OR OTHERWISE.

23.4. YOU ACKNOWLEDGE THAT MISTER SOFTEE HAS RECOMMENDED, AND THAT YOU HAVE HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND MISTER SOFTEE'S FRANCHISE DISCLOSURE DOCUMENT BY YOUR LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION HEREOF.

23.5. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL

AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH ENTITY WARRANTS TO MISTER SOFTEE, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER, OFFICER OR MANAGER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION, OR ALL OF THE MEMBERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY.

24. GUARANTEE OF PRINCIPALS

If you are a partnership, corporation, limited liability company or other legal entity, or if you assign your rights under this Agreement to any such entity, all general partners, shareholders, or members and managers of such entity, as applicable, must personally guarantee performance under this Agreement by such entity. All such personal guarantors further agree to be bound by the restrictions upon your activities upon transfer, termination or expiration and non-renewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. An individual franchisee shall also cause his or her spouse, and all partners, shareholders and members shall cause their spouse to execute a continuing personal guarantee in the form attached hereto as Exhibit B.

***[The Rest of This Page Has Been Left Intentionally Blank
Signatures on the Following Page]***

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISEE:

Witness

By: _____

Title: _____

Witness

By: _____

Title: _____

PERSONAL GUARANTORS

FRANCHISOR:

Attest:

MISTER SOFTEE FRANCHISE, L.L.C.

By: _____
John P. Conway, Jr., President

EXHIBIT A
TO
MISTER SOFTEE FRANCHISE, L.L.C. FRANCHISE AGREEMENT

TERRITORY ADDENDUM

The Territory defined in Section 2 of the Mister Softee Franchise, L.L.C. Franchise for the truck identified as VIN # _____ consists of the following area:

State: _____ County: _____ City: _____
(fill in actual street boundaries: N,S,E,W:)

FRANCHISEE:

By: _____

Title: _____

By: _____

Title: _____

FRANCHISOR:

MISTER SOFTEE FRANCHISE, L.L.C.

By: _____
John P. Conway, Jr., President

Witness

Witness

Attest:

EXHIBIT B
TO
MISTER SOFTEE FRANCHISE, L.L.C. FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF ITS SHAREHOLDERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF ITS GENERAL PARTNERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, ALL OF ITS MEMBERS AND MANAGERS MUST EXECUTE THE FOLLOWING UNDERTAKING.

The undersigned persons hereby represent to Mister Softee Franchise, L.L.C. that they are all of the shareholders of Franchisee, or all of the general partners of Franchisee, or all of the members and managers of Franchisee, as the case may be. In consideration of the grant by Mister Softee Franchise, L.L.C. to Franchisee as herein provided, each of the undersigned hereby agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Mister Softee Franchise, L.L.C. Franchise Agreement, that they and each of them do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement and that they and each of them will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Mister Softee Franchise, L.L.C. of said proposed transfer and obtaining the prior written consent of Mister Softee Franchise, L.L.C. thereto, which consent shall not be withheld unreasonably, and without first paying or causing to be paid to Mister Softee Franchise, L.L.C. the transfer fee provided for in said Franchise Agreement, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement. The undersigned further agree to be bound personally by the in-term covenants of the aforesaid Franchise Agreement including, without limitation, those relating to confidentiality and non-competition.

EXHIBIT C
TO
MISTER SOFTEE FRANCHISE, L.L.C. FRANCHISE AGREEMENT

CONFIDENTIALITY AND NONCOMPETITION AGREEMENT

(For trained employees, shareholders, officers, directors,
and general partners of Franchisee)

In consideration of my being _____ of _____ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. _____, doing business as _____ Mister Softee (the “Franchisee”), has acquired the right and franchise from Mister Softee Franchise, L.L.C. (the “Company”) to establish and operate a Mister Softee Franchised Business (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, trademarks, service marks, including the service mark “Mister Softee” (the “Proprietary Marks”), the Company’s proprietary jingle and other copyrighted information (the “Copyrights”) and the proprietary business system developed by the Company and/or its affiliates for operation and management of Mister Softee mobile retail businesses (the “System”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, within the Territory identified in the Mister Softee Franchise, L.L.C. Franchise Agreement between the Company and Franchisee (the “Premises”).

2. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes the Operations Manual, trade secrets, methods and other techniques and know-how (the “Confidential Information”).

3. Any and all manuals, trade secrets, methods, information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Company’s Operations Manual (the “Manual”) and other general assistance during the term of this Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination and continuing for two (2) years thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation or other limited liability company own, maintain, engage in, be employed by, or have any interest in any other business which offers or sells primarily ice cream or other frozen confections within the Franchisee's Territory or within the territory of any other Mister Softee Franchise, L.L.C. System franchisee, as of the date of termination of employment. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly 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 Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in the Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of New Jersey. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT 7
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
TRUCK AND EQUIPMENT SALE AGREEMENT

**MISTER SOFTEE SALES AND MANUFACTURING, LLC
TRUCK AND EQUIPMENT SALE AGREEMENT**

DATA SHEET

NAME OF SELLER: Mister Softee Sales and Manufacturing, LLC

ADDRESS OF SELLER: 901 E. Clements Bridge Road
Runnemede, New Jersey 08078

TELEPHONE NUMBER OF SELLER: (856) 939-4103

NAME OF BUYER: _____

ADDRESS OF BUYER: _____

TELEPHONE NUMBER OF BUYER: _____

EFFECTIVE DATE: _____

The information contained in this Data Sheet shall be read in conjunction with and incorporated into the Mister Softee Sales and Manufacturing, LLC Truck and Equipment Sale Agreement which follows.

**MISTER SOFTEE SALES AND MANUFACTURING, LLC
TRUCK AND EQUIPMENT SALE AGREEMENT**

THIS TRUCK AND EQUIPMENT SALE AGREEMENT (“Agreement”) is entered into on the Effective Date reflected in the Data Sheet by and between the Buyer and Seller identified in the Data Sheet. The Seller is referred to in this Agreement as “MSSM” and the Buyer is referred to in this Agreement as “you.” The information contained in the Data Sheet is incorporated into this Agreement by reference.

BACKGROUND

A. You have entered into a Mister Softee Franchise, L.L.C. Franchise Agreement (the “Franchise Agreement”) for the operation of a mobile business featuring the retail sale and distribution of soft-serve ice cream and other frozen confections and products (the “Franchised Business”) designated for sale by Mister Softee Franchise, L.L.C. (“Mister Softee”).

B. MSSM is the owner of the vehicle and equipment described in the Truck and Schedule of Equipment attached as Exhibit A to this Agreement (the “Truck and Equipment”).

C. You desire to purchase the Truck and Equipment from MSSM in connection with the operation of the Franchised Business and MSSM desires to sell to you the Truck and Equipment for such purpose, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and commitments continued in this Agreement, the parties agree as follows:

AGREEMENT

1. Sale Agreement. Subject to terms of this Agreement and on the basis of the representations and warranties set forth below, MSSM hereby agrees to sell and you hereby agree to buy the Truck and Equipment identified on Exhibit “A.”

2. Purchase Price. Upon signing this Agreement, you shall pay to MSSM a total purchase price of \$ _____ for the Truck and Equipment (the “Purchase Price”). You must either pay the Purchase Price in full upon signing this Agreement, or, if you wish to finance this amount, you must pay the Purchase Price as follows: (i) an initial payment of \$ _____ shall be due and payable to MSSM upon signing this Agreement; (ii) the balance of the Purchase Price in the amount of \$ _____ shall be paid pursuant to the terms and conditions of the Promissory Note attached to this Agreement as Exhibit “B” (the “Note”).

3. Title and Ownership. MSSM hereby warrants that it has good, valid and marketable title to the Truck and Equipment and that they are free and clear of any liens. Upon payment of the Purchase Price in full, MSSM shall transfer all of its right, title and interest in and to the Truck and Equipment to you.

4. Indemnification. You shall indemnify MSSM against and hold MSSM harmless from any and all liability in any way connected with or arising out of the operation or use of the Truck and/or Equipment by you, your employees, agents and their parties, whether or not such use was authorized by you, including without limitation liability for personal injury and property damage, fines, forfeitures, penalties and traffic and parking violations. You are expressly required to indemnify MSSM for its own negligence, including manufacturing of the vehicle, and any injury that may result thereof.

5. Insurance. You must procure and maintain all insurance required by Mister Softee under the terms of your Franchise Agreement and as required under the Note. If you finance the purchase price, you must name us as an additional insured under all required policies and provide us with proof of such insurance. If you fail to procure or maintain insurance or to pay any fees, assessments, charges and taxes, or to maintain the Truck and Equipment in good condition and repair, MSSM shall have the right, but not the obligation, to do so, and the costs incurred by MSSM shall be payable on demand, together with interest at the highest rate permitted by law.

6. Miscellaneous.

6.1. This Agreement constitutes the entire integrated agreement between the parties and may not be changed except by a written document signed by both parties.

6.2. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. All words in this 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 shall be joint and several. References to your “principals” include your partners, shareholders, officers, directors, members and managers, as applicable. References to MSSM and you includes each party’s successors, assigns or transferees.

6.3. No term of this Agreement can be waived except by the written consent of MSSM. Forbearance or indulgence by MSSM in any regard whatsoever shall not constitute a waiver of the term to be performed by you to which the same may apply and until complete performance by you of said term, MSSM shall be entitled to invoke any remedy available to it hereunder or by law or in equity despite said forbearance or indulgence.

6.4. If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; and

6.5. You shall from time to time, subsequent to the date first set forth above, at MSSM’s request and without further consideration, execute and deliver such other documentation or agreement and take such other action as MSSM reasonably may require in order to effectuate the transactions contemplated herein. In the event that you fail to comply with the provisions of this paragraph, you hereby appoint MSSM as its attorney-in-fact to execute any and all documents on your behalf, reasonably necessary to effectuate the transactions contemplated herein.

7. Choice of Law and Selection of Venue.

7.1. This Agreement shall be governed by the laws of the State of New Jersey. The parties further agree that any action at law or equity instituted against either party to this Agreement shall be commenced, litigated and concluded only in the state court located in Camden County, New Jersey or the United States District Court for the District of New Jersey. You acknowledge that this Agreement has been entered into in the State of New Jersey. You hereby irrevocably consent to the personal jurisdiction of the state and federal courts of New Jersey set forth above.

7.2. Nothing in this Agreement shall prevent MSSM from obtaining injunctive relief against threatened conduct that will cause it loss or damages in any appropriate state, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

7.3. Upon referral to an attorney to enforce any of your obligations under this Agreement, you shall pay to MSSM all costs incurred by MSSM in enforcing such obligations, including the costs of any lawsuit, all attorney's fees and costs in any appeal taken.

8. REPRESENTATIONS

8.1. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF YOU ARE A PARTNERSHIP OR CORPORATION, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP OR CORPORATION WARRANTS TO MSSM, BOTH INDIVIDUALLY AND IN HIS CAPACITY AS PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP OR ALL OF THE SHAREHOLDERS OF THE CORPORATION, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT.

8.2. EXCEPT FOR THE MANUFACTURERS' WARRANTIES WHICH ARE BEING ASSIGNED TO YOU PURSUANT TO EXHIBIT "C," YOU HEREBY ACKNOWLEDGE THAT MSSM MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OF THE TRUCK AND/OR EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR USE OR PURPOSE.

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND HEREBY,
THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED
EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

BUYER

_____ Witness _____

MISTER SOFTEE SALES and MANUFACTURING LLC

By: _____ Title _____

Exhibit A

TRUCK AND EQUIPMENT

Description of Truck

MAKE	MODEL	YEAR	NEW/USED	VIN. NO.

Odometer reading at inception
of Note

Number of Engine Cylinders

Automatic or Manual Transmission

Brakes and Steering Mechanism Power

Description of Equipment

Serial Number:

1 Air conditioner

1 Generator - Engine

Electrical End

1 Ice Cream Freezer

1 Music Box

EXHIBIT “B”

PROMISSORY NOTE

PROMISSORY NOTE

AMOUNT \$ _____

DATE: _____

FOR VALUE RECEIVED, the undersigned (“you”), jointly and severally, unconditionally promise to pay to the order of **MISTER SOFTEE SALES AND MANUFACTURING LLC**, a New Jersey corporation (“MSSM”), at 901 East Clements Bridge Road, Runnemede, New Jersey 08078, or at such other place as MSSM may designate in writing, the principal sum of \$ _____ (the “Purchase Price”) for the truck and equipment identified on Exhibit “1” (the “Truck and Equipment”), together with interest accruing on the outstanding principal balance from the date set forth above in accordance with the terms of this Promissory Note (the “Note”).

1. **RATE OF INTEREST.** Amounts outstanding under this Note will bear interest at ____% pro-rated per month based on the number of days in the month at the beginning principal balance for that month. Interest will be accrued during the off-season based on the principal.

2. **PAYMENT.** Payments of the Purchase Price shall be made in 6 monthly installments in accordance with the payment schedule attached to this Note as Exhibit “2”. The first payment shall be due on _____ and each subsequent payment shall be due on the twentieth day of each month thereafter. The final payment is due on _____.

3. **SECURITY.** The obligation evidenced by this Note is secured by the pledge of a security interest in the Collateral described in the Security Agreement attached to this Promissory Note as Exhibit “3”.

4. **OVERDUE PAYMENTS/LATE CHARGE.** Should any payments be made more than ten (10) days after the schedule date, a finance charge equal to 1.75% of the amount outstanding will be assessed each month on the unpaid balance. Acceptance of a late payment or late charge does not excuse your late payment or mean that you can keep making payments after they are due. MSSM may also take the steps set forth below if there is any late payment.

5. **OWNERSHIP & RISK OF LOSS.** You agree to pay MSSM the Purchase Price in full in accordance with the terms of this Note even if the Truck is damaged, destroyed or missing regardless of the cause. No loss or damage to the Truck or Equipment shall impair any of your obligations under this Note, all of which shall continue in full force and effect. You agree not to remove the Truck or Equipment from the United States or to sell, rent, lease or otherwise transfer any interest in the Truck or Equipment or this contract without MSSM’s written permission. You agree not to expose the Truck or Equipment to misuse or confiscation. If MSSM pays any repair bills, storage bills, taxes, fines, or other charges on the Truck or Equipment, you agree to repay the amount when MSSM asks for it.

6. **CERTIFICATE OF OWNERSHIP/FINANCING STATEMENT.** The Certificate of Ownership for the Truck shall include MSSM’s name and address as lienholder until such time as the Purchase Price is paid in full. You must sign all necessary financing statement(s) or such other documents required under applicable state laws (“Financing Statement”) upon signing this Note. You and/or MSSM, as directed by MSSM, shall, immediately after signing this Note, file a copy of the Certificate of Ownership and the Financing Statement with the applicable state Department of Motor Vehicles (“DMV”) and you shall be responsible for paying all applicable filing fees. Once you have paid the Purchase Price in full, MSSM shall take all steps necessary to notify DMV that the Purchase Price has been paid in full within the applicable time period.

7. **INSURANCE.** At all times during the term of the Franchise Agreement and during the term of this Note, at your own expense, you must obtain and keep in force general liability insurance with minimum

Truck and Equipment Sale Agreement

policy limits of \$1,000,000 for each occurrence and \$2,000,000 in the aggregate; product liability insurance with minimum policy limits of \$2,000,000; automobile liability insurance with minimum policy limits of \$1,000,000 (bodily injury and property damage combined single limit) and UM/UIM coverage with minimum policy limits of \$35,000; collision insurance with a deductible not to exceed \$1,000 and comprehensive insurance with a deductible not to exceed \$1,000. All insurance policies must name MSSM as an additional insured and must provide that MSSM will be notified immediately if the policies lapse or are no longer in effect. All policies must be written by an insurance company acceptable to MSSM. MSSM has the right to increase or otherwise modify the minimum insurance requirements upon thirty (30) days prior written notice to you, and you must comply with any such modification within the time specified in the notice. MSSM's acceptance of an insurance carrier does not constitute its representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. No insurance policy may be subject to cancellation, termination, nonrenewal or material modification, except upon at least thirty (30) days' prior written notice from the insurance carrier to MSSM. At all times, you must provide MSSM with a currently issued certificate of insurance evidencing coverage in conformity with the provisions of this paragraph. If you fail to comply with the minimum insurance requirements set forth herein, MSSM has the right to obtain such insurance and keep the same in force and effect and you shall pay MSSM, on demand, the premium cost thereof and administrative costs of 18% of the premium cost in connection with MSSM obtaining the insurance.

8. INDEMNIFICATION. You shall indemnify MSSM against and hold MSSM harmless from any and all liability in any way connected with or arising out of the operation or use of the Truck and/or Equipment by you, your employees, agents and their parties, whether or not such use was authorized by you, including without limitation liability for personal injury and property damage, fines, forfeitures, penalties and traffic and parking violations. You are expressly required to indemnify MSSM for its own negligence, including manufacturing of the Truck and/or Equipment, and any injury that may result thereof.

9. LIENS, ENCUMBRANCES, TAXES. You shall keep the Truck and Equipment free and clear of all liens and encumbrances other than those being contested in good faith and which as a result of such contest do not threaten MSSM's title to the Truck or Equipment and shall pay when due all fees, assessments, charges and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, possession or use of the Truck, other than taxes on or measured by MSSM's income. This includes, but is not limited to sales, use, gross receipts, personal property and/or other taxes that become due as a result of this Agreement.

10. DEFAULT AND ACCELERATION. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

10.1. If you fail to make any payment due under this Note and such default remains uncured after 5 days of written notice from MSSM;

10.2. If you otherwise commit a default under this Note and such default remains uncured after 5 days of written notice from MSSM; or

10.3. You commit a default of any of your obligations under the Truck and Equipment Sale Agreement entered into between you and MSSM, or the Franchise Agreement or any other Agreement entered into between you and Mister Softee Franchise, LLC, which default remains uncured after the expiration of any applicable cure period.

11. RIGHTS AND REMEDIES UPON DEFAULT. Upon an Event of Default, MSSM, at its option, shall have the right to exercise any one or more of the following remedies, which are cumulative, and may be exercised concurrently or separately:

Truck and Equipment Sale Agreement

11.1. Immediately accelerate all payments and other amounts due under this Note;

11.2. MSSM may enter upon your property and take possession of the Truck and/or any and all items of Equipment, wherever same may be located, without demand or notice, without any court order or other process of law and without liability to you for any damage occasioned by such taking of possession. Any such taking of possession shall not constitute a termination of this Note;

11.3. Upon repossession or surrender of the Truck and/or Equipment, MSSM may, at its sole option: (i) sell or otherwise dispose of same, with or without notice and on public or private sale and apply the net proceeds thereof (after deducting all expenses, including attorneys' fees, incurred in connection therewith) to any amounts to which MSSM is entitled under this Note or any other agreement between you and MSSM or its affiliate; or (ii) re-sell the Truck and Equipment for a term which may be equal to, greater than or less than the unexpired portion of this Note. In the event MSSM is unable to sell or otherwise dispose of such Truck and/or Equipment within a reasonable time, MSSM may recover from you all expenses (including attorneys' fees) it incurred in taking possession of the Truck and/or Equipment. To the extent that MSSM re-sells the Truck and/or Equipment to a third party, MSSM will apply all payments received from the third party during any unexpired portion of this Note (less any expenses MSSM incurred in connection with taking possession, storing, re-conditioning and re-selling the Truck and/or Equipment) to your obligations hereunder and you shall be liable for any deficiency;

11.4. If MSSM repossesses the Truck and/or Equipment, you have the right to get it back (redeem) by paying the entire amount you owe under this Note (not just past due payments) plus any late charges, the cost of taking and storing the Truck and/or Equipment, and other expenses that the seller or MSSM has had including attorneys' fees and costs of litigation. In figuring the entire amount you owe under this Note, MSSM will give you a refund for part of the Finance Charge figured the same as if you had prepaid your contract, except that there will be no prepayment charge. Your right to redeem will end when the Truck and/or Equipment is sold;

11.5. MSSM may pursue any other remedy under applicable law; and

11.6. Notwithstanding MSSM's repossession of the Truck and/or Equipment or any other action which MSSM may take, you shall be and remain liable for the full performance of all obligations under this Note.

12. APPLICATION OF PAYMENTS. All payments received by MSSM shall be applied first to the payment of any late charges due, second to the payment of interest and third to the payment of principal.

13. COLLECTION COSTS. Upon referral to an attorney to enforce this obligation or to protect the collateral secured under this Agreement, you shall pay to MSSM the collection costs incurred by MSSM and the costs of suit, including attorney's fees and costs in any appeal taken, but in no event shall this sum for attorney's fees be less than 15% of the outstanding and unpaid indebtedness.

14. OFFSET OR DISPUTE. In any action to enforce this obligation, the amount of the indebtedness shall not be subject to offset or dispute.

15. WAIVERS BY YOU. You hereby waive and release all errors, defects and imperfections in any proceedings instituted by the MSSM under the terms of this Note, as well as all benefits that might accrue to you by virtue of any present or future laws, exempting any property, real or personal, or any part of the proceeds arising from any sale of any such property, from attachment, levy, or sale under execution, or providing for any stay of execution, exemption from civil process or extension of time for payment; and

Truck and Equipment Sale Agreement

you agree that any real estate that may be levied upon pursuant to a judgment obtained by virtue hereof, or any writ of execution issued thereon, may be sold upon any such writ in whole or in part in any order desired by MSSM.

Further, you waive presentment for payment, demand, notice of demand, notice of nonpayment or dishonor, protest and notices of protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note, and agrees that your liability shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by MSSM. You consent to any and all extensions to time, renewals, waivers, or modification that may be granted by MSSM hereof with respect to the payment of this Note, and to the release of the collateral or any part thereof, with or without substitution.

YOU HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY THAT IT MAY HAVE IN ANY ACTION BROUGHT PURSUANT TO THIS NOTE.

16. PAST DEFAULTS. MSSM's failure to enforce any right granted under this Note shall not constitute a waiver of such right.

17. MODIFICATION. This Note may not be changed orally, but only by an agreement in writing signed by both parties.

18. SEVERABILITY OF PROVISIONS. If any clause or provision of this Note is or becomes un-constitutional, illegal, invalid, or unenforceable because of present or future laws, the remaining clauses and provision of this Note shall not be affected thereby and shall remain fully enforceable.

19. CHOICE OF LAW. This Note shall be construed under the laws of the State of New Jersey, which laws shall control in the event of any conflict of law.

20. JURISDICTION AND VENUE. The parties further agree that any action at law or equity instituted against either party to this Agreement shall be commenced, litigated and concluded only in the state court located in Camden County, New Jersey or the United States District Court for the District of New Jersey. You acknowledge that this Note has been entered into in the State of New Jersey. You hereby irrevocably consent to the personal jurisdiction of the state and federal courts of New Jersey set forth above. Nothing in this Agreement shall prevent MSSM from obtaining injunctive relief against threatened conduct that will cause it loss or damages in any appropriate state, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

21. REPRESENTATION BY COUNSEL. YOU ACKNOWLEDGE THAT YOU HAVE BEEN REPRESENTED BY COUNSEL OF YOUR CHOICE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS NOTE; THAT YOU HAVE CONSULTED WITH SUCH COUNSEL AS TO THE MEANING AND EFFECT OF THE TERMS OF THIS NOTE, INCLUDING, BUT NOT LIMITED TO, THE PROVISIONS FOR CONFESSION OF JUDGMENT, AND THAT YOU UNDERSTAND THE TERMS OF THIS NOTE.

22. COUNTERPARTS. This Note may be executed in counterparts.

THIS NOTE IS SUBJECT TO A CONFESSION OF JUDGMENT PROVISION WHICH HAS BEEN INTENTIONALLY OMITTED FROM THE BODY OF THIS NOTE AND IS ATTACHED AS EXHIBIT “4.”

I HAVE READ THE ABOVE NOTE INCLUDING THE CONFESSION OF JUDGMENT ATTACHED AS EXHIBIT “4” AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS NOTE INCLUDING THE CONFESSION OF JUDGMENT ATTACHED AS EXHIBIT “4” IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

WITNESS

You/Buyer Signature

EXHIBIT 1

TRUCK AND EQUIPMENT

Description of Truck

MAKE	MODEL	YEAR	NEW/USED	VIN. NO.

Odometer reading at inception
of Note _____

Number of Engine Cylinders _____

Automatic or Manual Transmission _____

Brakes and Steering Mechanism Power _____

Description of Equipment

Serial Number:

1 Air conditioner _____

1 Generator - Engine _____

Electrical End _____

1 Ice Cream Freezer _____

1 Music Box _____

EXHIBIT 2

SCHEDULE OF MONTHLY PAYMENTS

EXHIBIT 3

SECURITY AGREEMENT

DEBTOR: _____

Address: _____

SECURED PARTY: Mister Softee Sales and Manufacturing, L.L.C.

Address: 901 E. Clements Bridge Road
Runnemede, New Jersey 08078

This Agreement dated _____, 200__

1. Grant of Security Interest: Description of Collateral. Debtor grants to Secured Party a security interest in the property described below, along with all present, replacement and future attachments and accessories thereto and replacement and proceeds thereof, including amounts payable under any insurance policy, all hereinafter referred to collectively as "Collateral":

All of Debtor's right, title and interest in the property located now or hereafter in the vehicle identified by the following Vehicle Identification Number: _____, whether said property is moveable, attached or affixed thereto, including by way of example and without limitation: all equipment, appliances, instruments, machines and devices of every kind utilized for the storage, preparation, serving, or consumption of foods and beverages; all accessories, decorations and general intangibles of every kind; all inventory including food, beverages and all other goods, whether or not said goods are held for sale or to others.

2. What Obligations the Collateral Secures. Each item of the Collateral shall secure Debtor's obligations under the Promissory Note (the "Note") entered into between Debtor and Secured Party simultaneously herewith.

3. Use and Location of Collateral. Debtor warrants and agrees that the Collateral is to be used solely in connection with the operation of the Mister Softee Business (the "Business") in the territory identified in the Franchise Agreement entered into between Debtor and Mister Softee Franchise, L.L.C. ("Mister Softee").

4. Location of Collateral. Debtor agrees to keep the Collateral within the Vehicle at all times and will notify Secured Party promptly in writing of any change in the location of the Collateral. Debtor further agrees that Debtor will not remove the Collateral from the state in which Debtor is authorized by Mister Softee to operate its Business without the prior written consent of Secured Party.

5. Debtor's Warranties and Representations. Debtor warrants and represents:

- (a) the Debtor is justly indebted to Secured Party for the full amount of the indebtedness identified in the Note;
- (b) that except for the security interest granted hereby, the Collateral is free from and will be kept free from all liens, claims, security interests and encumbrances;

- (c) that no financing statement covering the Collateral or any proceeds thereof is on file in favor of anyone other than Secured Party, but if such other financing statement is on file, it will be terminated or subordinated;
- (d) that all information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Agreement regarding this transaction are and shall be true, correct, valid and genuine as of the date submitted; and
- (e) Debtor has full authority to enter into this Agreement and in so doing it is not violating its charter or by-laws, any law or regulation or agreement with third parties, and it has taken all such action as may be necessary or appropriate to make this Agreement binding upon it.

6. Debtor's Agreements. Debtor agrees:

- (a) to defend at Debtor's own cost any action, proceeding, or claim affecting the Secured Party's interest in the Collateral;
- (b) to pay reasonable attorneys' fees and other expenses incurred by Secured Party in enforcing its rights after Debtor's default.
- (c) to pay promptly all taxes, assessments, license fees and other public or private charges when levied or assessed against the Collateral, and this obligation shall survive the termination of this Agreement;
- (d) that if a certificate of title be required or permitted by law, Debtor shall obtain Secured party thereon and in any event do everything necessary or expedient to preserve or perfect the security interest of Secured Party;
- (e) that Debtor will not misuse, fail to keep in good repair, secrete, or without the prior written consent of Secured Party, and notwithstanding Secured Party's claim to proceeds, sell, rent, lend, encumber or transfer any of the Collateral, except in the ordinary course of business;

7. Insurance and Risk of Loss. All risk of loss of, damage to, or destruction of the Collateral shall at all times be on Debtor. Debtor will procure forthwith and maintain all insurance required under the Franchise Agreement entered into between Debtor and Mister Softee plus such other insurance as Secured Party may reasonably specify, and promptly deliver each policy to Secured Party with a standard long form endorsement attached showing loss payable to Secured Party or assigns as respective interests may appear. Secured Party's acceptance of policies in lesser amounts or risks shall not be a waiver of Debtor's foregoing obligation.

8. Events of Default; Acceleration. A very important element of this Agreement is that Debtor make all its payments promptly as agreed under the terms of the Note. Also essential is that the Collateral continue to be in good condition and adequate security for the indebtedness. The following are "Events of Default" under this Agreement which will allow Secured Party to take such action under this Agreement in connection with this transaction;

- (a) any default under the Note, which remains uncured after notice and expiration of all applicable cure periods;
- (b) any default under any other agreement between Debtor and Secured Party, or Debtor and

Mister Softee, which remain uncured after notice and expiration of any applicable cure periods;

(c) Debtor breaches any warranty or provision hereof, or of any note or of any other instrument or agreement delivered by Debtor to Secured Party in connection with this transaction;

(d) Debtor is insolvent or ceases to operate the Business;

(e) it is determined that Debtor has given Secured Party materially misleading information regarding its financial condition;

(f) a petition for arrangement, reorganization or bankruptcy is filed by or against Debtor or Debtor or any guarantor admits an inability to pay debts as they mature; and

(g) property of Debtor is attached or a receiver is appointed for Debtor.

If an Event of Default occurs hereunder, the indebtedness under the Note and all other debts then owing by Debtor to Secured Party under this or any other present or future agreement shall, if Secured Party so elects, become immediately due and payable. This acceleration of all indebtedness, if elected by Secured Party, shall be subject to all applicable laws, including laws as to rebates and refunds of unearned charges.

9. Secured Party's Remedies After Default; Consent to Enter Premises. Upon Debtor's default and at any time thereafter, Secured Party shall have all the rights and remedies of a Secured Party under the Uniform Commercial Code and any other applicable laws, including the right to any deficiency remaining after disposition of the Collateral for which Debtor hereby agrees to remain fully liable. Debtor agrees that Secured Party, by itself or its agent, may without notice to any person and without judicial process of any kind, enter into any premises or upon any land owned, leased or otherwise under the real or apparent control of Debtor or any agent of Debtor where the Collateral may be or where Secured Party believes the Collateral may be, and disassemble, render unusable and/or repossess all of any item of the Collateral, disconnecting and separating all Collateral from any other property and using all force necessary. Debtor expressly waives all further rights to possession of the Collateral after default and all claims for injuries suffered through or loss caused by such entering and/or possession. Debtor shall, at the sole discretion of Secured Party, assemble the Collateral and make it available to the Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties.

Secured Party will give Debtor reasonable notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition of the Collateral is to be made. Unless otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown herein at least ten (10) days before the time of the sale or disposition. Debtor understands that Secured Party's rights are cumulative and not alternative.

10. Attorney's Fees. Upon referral to an attorney to enforce Secured Party's rights under this Agreement, Debtor shall pay to Secured Party all costs incurred by Secured Party including reasonable attorneys' fees and all expenses of retaking, holding, preparing for sale, selling and the like, and all other legal expenses.

11. Waiver of Defaults; Agreement Inclusive. Secured Party may in its sole discretion waive a default, or cure, at Debtor's expense, a default. Any such waiver in a particular instance or of a particular default shall not be a waiver of other defaults or the same kind of default at another time. No modification or change in this Agreement or the Note, instrument or agreement shall bind Secured Party unless in writing signed by Secured Party. No oral agreement shall be binding.

12. Financing Statements. If permitted by law, Debtor authorizes Secured Party to file a financing statement with respect to the Collateral signed only by Secured Party, and to file a carbon, photograph or other reproduction of this Agreement or of a financing statement.

13. Miscellaneous. Debtor waives all exemptions. Secured Party may correct patent errors herein and fill in such blanks as serial numbers, date of first payment and the like. Any provisions hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof. Debtor acknowledges receipt of a true copy and waives acceptance hereof.

14. Governing Law. This Agreement shall be governed for all purposes by the laws of the State of New Jersey.

15. Jurisdiction and Venue. The parties further agree that any action at law or equity instituted against either party to this Agreement shall be commenced, litigated and concluded only in the state court located in Camden County, New Jersey or the United States District Court for the District of New Jersey. You acknowledge that this Note has been entered into in the State of New Jersey. You hereby irrevocably consent to the personal jurisdiction of the state and federal courts of New Jersey set forth above. Nothing in this Agreement shall prevent MSSM from obtaining injunctive relief against threatened conduct that will cause it loss or damages in any appropriate state, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

If Debtor is a corporation, this Agreement is executed pursuant to authority of its Board of Directors. "Debtor" and "Secured Party" as used in this Agreement include the heirs, executors or administrators, successors or assigns to those parties.

SECURED PARTY:

ATTEST:

Mister Softee Sales and Manufacturing, LLC

By:_____

DEBTOR:

ATTEST:

By:_____

EXHIBIT 4

CONFESSION OF JUDGMENT

TO SECURE PAYMENT UNDER THE ATTACHED PROMISSORY NOTE, THE UNDERSIGNED IRREVOCABLY AUTHORIZES ANY ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR THE UNDERSIGNED IN SUCH COURT AT ANY TIME AFTER THE UNDERSIGNED FAILS TO TENDER PAYMENT AS REQUIRED UNDER THE AGREEMENT, AND CONFESS A JUDGMENT WITHOUT PROCESS IN FAVOR OF MSSM, FOR SUCH AMOUNT AS MAY APPEAR TO BE UNPAID, TOGETHER WITH COSTS OF SUIT, INCLUDING ATTORNEY'S FEES AND COSTS IN ANY APPEAL TAKEN, BUT IN NO EVENT SHALL THIS SUM FOR ATTORNEY'S FEES BE LESS THAN FIFTEEN (15%) PERCENT OF THE OUTSTANDING AND UNPAID INDEBTEDNESS. THE UNDERSIGNED WAIVES AND RELEASES MSSM FROM ALL ERRORS WHICH MAY INTERVENE IN SUCH PROCEEDINGS AND CONSENTS TO THE IMMEDIATE EXECUTION UPON ANY SUCH JUDGMENT, RATIFYING AND CONFIRMING ALL THAT THE ATTORNEY MAY DO BY VIRTUE OF SUCH JUDGMENT. THE UNDERSIGNED WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY LAW, ALL BENEFIT AND RELIEF FROM ANY AND ALL APPRAISEMENT, STAY OR EXEMPTION LAWS OF ANY STATE, NOW AND FOR HEREAFTER ENACTED. MSSM'S RIGHT TO ENTER JUDGMENT BY CONFESSION SHALL NOT BE EXHAUSTED BY THE ENTRY OF SUCH JUDGMENT AND MSSM SHALL HAVE THE RIGHT TO ENTER SUCCESSIVE JUDGMENTS.

I HAVE READ THE ABOVE NOTE INCLUDING THE CONFESSION OF JUDGMENT AND I UNDERSTAND THEIR TERMS. I WOULD NOT SIGN THIS CONFESSION OF JUDGMENT PROVISION IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS. I HAVE HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING.

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND HEREBY, THE UNDERSIGNED HAS EXECUTE THIS NOTE ON THE _____ DAY OF _____, _____.

SEALED AND DELIVERED
IN THE PRESENCE OF:

WITNESS

You/Buyer Signature

EXHIBIT “C”

ASSIGNMENT OF MANUFACTURERS' WARRANTIES

MSSM hereby assigns, transfers and sets over to Buyer all of its interest in and to the manufacturer's warranties attached hereto.

BUYER:

(Individual, Partnership or Corporation Name)

Witness _____

By: _____
Title: _____

SELLER:

Attest:

MISTER SOFTEE SALE AND
MANUFACTURING, L.L.C.

By:_____

Title:_____

EXHIBIT 8
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE RELEASE

TERMINATION OF FRANCHISE AGREEMENT AND RELEASE

This Termination of Franchise Agreement and Release (the “Agreement”) is made this _____ day of _____, 20____, by and between Mister Softee Franchise, L.L.C. (“Mister Softee”), a New Jersey Limited Liability Company, with a place of business at 901 E. Clements Bridge Road, Runnemede, NJ 08078, and _____ (“Franchisee”), individuals with an address at _____.

BACKGROUND

A. On _____, 20____, the Franchisee entered into a franchise agreement (the “Franchise Agreement”) with Mister Softee for the right to operate a Mister Softee Franchised Business at _____ (the “Franchised Business”).

B. The Franchisee now desires to sell the Franchised Business to a qualified buyer (“Buyer”).

C. In order to complete their sale of the Franchised Business, the Franchisee now desire to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Mister Softee desires to accept such termination, pursuant to the terms of this Agreement.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between Mister Softee and the Franchisee arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. This Agreement is contingent on the execution and closing the Asset Purchase Agreement by and between the Franchisee and Buyer dated as of _____ as well as Buyer’s execution of Mister Softee’s current form of Franchise Agreement.

3. Notwithstanding anything in this Agreement to the contrary, the parties agree that the Franchisee shall remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to confidentiality (Section 13), non-competition (Section 16) and post-termination obligations (Section 19).

4. The Franchisee represent and warrant that all of their monetary obligations to Mister Softee and its subsidiaries and affiliates have been satisfied in full as of the date of this Agreement.

5. The Franchisee, for themselves and all persons and entities claiming by, through or under them, release, acquit and forever discharge Mister Softee and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the “Mister Softee Releasees”) from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Mister Softee Releasees arising out of or related to the offer, sale and operation of the Franchised Business, and the parties’ rights or obligations under the Franchise Agreement.

6. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.

7. This Agreement shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

8. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

9. In the event that Mister Softee retains the services of legal counsel to enforce the terms of this Agreement, it shall be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.

10. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement shall be deemed to be effective as original signatures.

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I
WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE
TO BE BOUND BY ITS TERMS.**

MISTER SOFTEE FRANCHISE, L.L.C.

Attest:_____

By:_____
John P. Conway, Jr., President

FRANCHISEE

Witness:_____

Witness:_____

EXHIBIT 9
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

**ADDENDUM TO THE MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

In recognition of the requirements of the California Franchise Investment Law, Cal. Corporations Code Sections 31000 et seq. the Franchise Disclosure Document for Mister Softee Franchise, L.L.C. for use in the State of California shall be amended as follows:

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

1. Item 3 of the Franchise Disclosure Document shall be supplemented to include the following:

Neither **MISTER SOFTEE**, nor any person or franchise broker in Item 2 of the Franchise Disclosure Document, is subject to any currently effective order or 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 person from membership in such association or exchange.

2. Item 17 shall be supplemented to include the following:

California Business & Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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

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

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document approved by the Commissioner of Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (911 U.S.C. Sec. 101 *et seq.*).

The Franchise Agreement requires that any litigation will occur in Camden County, New Jersey. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws to any provisions of a franchise agreement restricting venue to a forum outside the state of California.

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 Section 20000 through 20043).

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**AMENDMENT TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA**

The Franchise Agreement and Development Agreement are specifically amended as follows:

Section 23.1 of the Franchise Agreement is amended to omit the following language:

YOU ACKNOWLEDGE THAT NO REPRESENTATIONS, PROMISES,
INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE
BY OR ON BEHALF OF MISTER SOFTEE WHICH HAVE LED YOU TO ENTER INTO
THIS AGREEMENT.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:

FRANCHISOR:

MISTER SOFTEE FRANCHISE, L.L.C.

By: _____

Title: _____

[OR]

OWNERS (SHAREHOLDERS/PARTNERS/
MEMBERS):

Corporate Name, Partnership or
Limited Liability Company

By: _____

Title: _____

**AMENDMENT TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

Illinois law shall apply to and govern the Franchise Agreement

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee's right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 19 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:

FRANCHISOR:

MISTER SOFTEE FRANCHISE, L.L.C.

[OR]

By: _____

Title: _____

OWNERS (SHAREHOLDERS/PARTNERS/
MEMBERS):

Corporate Name, Partnership or
Limited Liability Company

By: _____

Title: _____

**ADDENDUM TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS**

For franchises and Franchisee/developers subject to the Illinois Franchise Disclosure Act of 1987 and the Illinois General Rules and Regulations under the Franchise Disclosure Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Mister Softee Franchise, L.L.C. Disclosure Document.

Item 17 shall be supplemented to include the following disclosure:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

The Franchise Agreement provides that the law of a forum outside of Illinois applies. However, the foregoing choice of law clause should not be considered a waiver of any right conferred upon you by the provisions of the Illinois Franchise Disclosure Act of 1987 and the Rules and Regulations under the Act with respect to the offer and sale of a franchise and the franchise relationship. Where required under Illinois law, the laws of the State of Illinois will govern.

Any provision which designates jurisdiction or venue or requires Franchisee/developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except mediation may take place outside the State of Illinois.

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 the Illinois Franchise Disclosure Act or any other law of Illinois is void. To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**AMENDMENT TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

This Amendment shall pertain to franchises sold in the State of Maryland, residents of the State of Maryland, and franchises to be operated in the State of Maryland, and shall be for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

Any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law. The sections of this Agreement which contradict this Code provision are amended accordingly.

To the extent that the Franchise Agreement contains any provision requiring a franchisee to file any lawsuit against the franchisor only in a court in the State of New Jersey, such provision is amended to permit the franchisee to 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 3 years after the grant of the franchise, and any provision in the Franchise Agreement to the contrary is hereby amended to comply with Maryland law.

To the extent that the Franchise Agreement requires a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise, such provision is amended to state that such representations are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise and Disclosure Law.

In accordance with the deferral condition imposed by the Maryland Securities Commissioner, Mister Softee Franchise, L.L.C. will defer your payment of the initial franchise fee and other initial payments payable to Mister Softee Franchise, L.L.C. until Mister Softee Franchise, L.L.C. has completed its pre-opening obligations.

Section 23 of the Franchise Agreement, "REPRESENTATIONS," is hereby deleted in its entirety.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:

[OR]

Corporate Name, Partnership or
Limited Liability Company

By: _____

Title: _____

FRANCHISOR:

MISTER SOFTEE FRANCHISE, L.L.C.

By: _____

Title: _____

OWNERS (SHAREHOLDERS/PARTNERS/
MEMBERS):

**ADDENDUM TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Mister Softee Franchise, L.L.C. Franchise Disclosure Document.

Item 5.

In accordance with the deferral condition imposed by the Maryland Securities Commissioner, Mister Softee Franchise, L.L.C. will defer your payment of the initial franchise fee and other initial payments payable to Mister Softee Franchise, L.L.C. until Mister Softee Franchise, L.L.C. has completed its pre-opening obligations.

Item 17.

A franchisee 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 3 years after the grant of the franchise.

Any general release required of the franchisee as a condition of renewal, sale, assignment and/or transfer shall not apply to any release from liability under the Maryland Franchise Registration and Disclosure Law.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**ADDENDUM TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK**

NEW YORK

1. 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, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the 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 injunctive 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.

3. 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 that officer or general partner of the franchisor held this position in the company or partnership.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**ADDENDUM TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Mister Softee Franchise, L.L.C. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosures. The following statements are added to Item 17.H:

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

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

FOR FRANCHISEES GOVERNED BY STATE LAW OF ANY STATE LISTED IN THE FOREGOING STATE-SPECIFIC ADDENDA

Notwithstanding anything in the Franchise Agreement to the contrary, this Addendum shall not be merged with or into, or superseded by, the Franchise Agreement. In the event of any conflict between the Franchise Agreement and this Addendum, this Addendum shall be controlling. Except as otherwise expressly set forth herein, no other amendments or modifications of the Franchise Agreement are intended or made by the parties.

Applicable State: _____

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISEE:

[OR]

Corporate Name, Partnership or
Limited Liability Company

By: _____

Title: _____

FRANCHISOR:

MISTER SOFTEE FRANCHISE, L.L.C.

By: _____

Title: _____

OWNERS (SHAREHOLDERS/PARTNERS/
MEMBERS):

EXHIBIT 10
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

STATEMENT OF PROSPECTIVE FRANCHISEES
COMPLIANCE CERTIFICATION

Statement of Prospective Franchisee

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES : CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE) : FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, DO NOT COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

The date of my first face-to-face meeting with a franchise sales representative of Mister Softee Franchise, L.L.C. ("Franchisor"), or a Franchise Seller(s), Franchise Marketing Representative(s) or Franchise Broker(s) of Franchisor, or any other person to discuss the possible purchase of a Mister Softee franchise was _____, 20____.
Franchisee's Initials _____

The date on which I received a Franchise Disclosure Document was _____, 20____.
Franchisee's Initials _____

The date when I received a fully completed copy (other than signatures) of the Franchise Agreement I later signed was _____, 20____.
Franchisee's Initials _____

The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt page) was _____, 20____. Franchisee's Initials _____

The earliest date on which I delivered cash, check or other consideration to the Franchise Seller, Franchise Marketing Representative, broker, Franchisor or any other person or company was _____, 20____.
Franchisee's Initials _____

Representations:

No promises, agreements, contracts, commitments, understandings, "side-deals," options, rights-of-first-refusal or otherwise have been made to or with me with respect to any matter (including but not limited to any representations or promises regarding advertising (television or otherwise), marketing, site location, operational assistance or otherwise) nor have I relied in any way on any such except as expressly set forth in the Franchise Agreement or written addendum signed by me and the President of Franchisor except as follows: _____
_____.

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)
Franchisee's Initials _____

No oral, written or visual claim or representation, promise, agreement, contract, commitment, understanding or otherwise which contradicted, expanded upon or was inconsistent with the Franchise Disclosure Document or the Franchise Agreement was made to me by any person or entity, except as follows: _____
_____.

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)
Franchisee's Initials _____

No oral, written or visual claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations) which stated or suggested any specific level or range of actual or potential sales, income, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) was made to me by any person or entity, except as follows:_____.

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)
Franchisee's Initials _____

No contingency, condition, prerequisite, prior requirement, proviso, reservation, impediment, stipulation, provision or otherwise exists with respect to any matter (including but not limited to obtaining financing, selection, purchase, lease or otherwise of a site, operational matters or otherwise) and/or with respect to my fully performing all of my obligations under the Franchise Agreement and/or any other documents to be executed by me nor have I relied in any way on any such, except as expressly set forth in a writing signed by me and the President of Franchisor, except as follows:

(If none, the prospective franchisee shall write NONE in his/her own handwriting and initial same.)
Franchisee's Initials _____

I hereby understand that there will be no refunds. Franchisee's Initials _____

Franchisor does not make or endorse nor does it allow any marketing representative, broker or other individual to make or endorse any oral, written, visual or other claim or representation (including but not limited to charts, tables, spreadsheets or mathematical calculations) which states or suggests any specific level or range of actual or potential sales, income, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained) with respect to this or any other Franchise, whether made on behalf or for Franchisor, any Franchisee or other individual and expressly disclaims any such information, data or results.

In addition, Franchisor does not permit any promises, agreements, contracts, commitments, understandings, "side-deals," options, rights-of-first-refusal or otherwise or variations of, changes in or supplements to the Franchise Agreement or the existence of any contingencies or conditions to Franchisee's obligations except by means of a written Addendum signed by Franchisee and Franchisor.

If any such representations, "side-deals," contingencies or otherwise have been made by you by any person or otherwise exist, immediately inform the President of Franchisor.

Signatures appear on following page.

The prospective franchisee understands and agrees to all of the foregoing and certifies that all of the above statements are true, correct and complete.

Dated: _____

FRANCHISEE

Prospective Franchisee

Prospective Franchisee

Approved:

MISTER SOFTEE FRANCHISE, L.L.C.

By: _____

Title: _____

EXHIBIT 11
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE
California	Pending Registration
Florida	Effective
Illinois	Pending Registration
Maryland	Pending Registration
New York	Pending Registration
Virginia	Pending Registration
Wisconsin	Pending Registration

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 12
TO MISTER SOFTEE FRANCHISE, L.L.C.
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

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.

If Mister Softee Franchise, L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Oregon requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Mister Softee Franchise, L.L.C. 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, DC 20580 and your State Administrator listed in Exhibit 1. A list of franchisor's agents registered to receive service of process is listed in Exhibit 2.

I have received a disclosure document with an issue date of ~~April 20, 2023~~ March 26, 2024, that included the following Exhibits:

- Exhibit 1 -- List of State Administrators
- Exhibit 2 -- List of Agents for Service of Process
- Exhibit 3 -- Table of Contents of Operations Manual
- Exhibit 4 -- List of Mister Softee Dealers/List of Mister Softee Dealers that Left the Franchise System or that Have Not Communicated with Franchisor
- Exhibit 5 -- Financial Statements
- Exhibit 6 -- Mister Softee Franchise, L.L.C. Franchise Agreement
 - Exhibit A -- Territory Addendum
 - Exhibit B -- Guaranty Agreement and Acknowledgment of Guarantor
 - Exhibit C -- Confidentiality and Noncompetition Agreement
 - Exhibit D -- Additions to Your Obligations
- Exhibit 7 -- Truck and Equipment Sale Agreement
 - Exhibit A - Truck and Equipment Schedule
 - Exhibit B - Promissory Note
 - Exhibit C - Assignment of Manufacturer's Warranties
- Exhibit 8 -- Sample Release
- Exhibit 9 -- State Specific Addenda
- Exhibit 10 -- Statement of Prospective Franchisee
- Exhibit 11 -- State Effective Dates
- Exhibit 12 -- Receipts

The name, principal business address and telephone number of each franchise seller offering the franchise:

John P. Conway, Jr. or Michael Conway
Mister Softee Franchise, L.L.C.
901 E. Clements Bridge Road
Runnemede, New Jersey 08078
(856) 939-4103

Date: _____

_____ Franchisee

(Print Name)

(Telephone Number)

Complete Below for a Partnership, Corporation or Limited Liability Corporation:

Name: _____

Title: _____

Name of Company: _____

Address: _____

RECEIPT (YOUR 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 Mister Softee Franchise, L.L.C. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Oregon requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Mister Softee Franchise, L.L.C. 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, DC 20580 and your State Administrator listed in Exhibit 1. A list of franchisor's agents registered to receive service of process is listed in Exhibit 2.

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The name, principal business address and telephone number of each franchise seller offering the franchise:

John P. Conway, Jr. or Michael Conway
Mister Softee Franchise, L.L.C.
901 E. Clements Bridge Road
Runnemede, New Jersey 08078
(856) 939-4103

Date: _____

_____ Franchisee
_____ (Print Name)
_____ (Telephone Number)

Complete Below for a Partnership, Corporation or Limited Liability Corporation:

Name: _____

Title: _____

Name of Company: _____

Address: _____