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FRANCHISE

DISCLOSURE DOCUMENT

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FRANCHISE DISCLOSURE DOCUMENT

REPICCI'S FRANCHISE GROUP, LLC
a Tennessee Limited Liability Company
P O Box 380423
Birmingham, Alabama 35238
Phone (888) 732-5423
www RepiccisItalianIce com
FrankR@RepiccisItalianice com

Repicci's Franchise Group, LL C ("RFG") offers franchises to operate a mobile-based business that distributes and sells nonfat frozen Italian ices, Italian gelato, and other products known as "Repicci's Real Italian" to individuals at a variety of venues

The total investment necessary to begin operation of a "Repicci's Real Italian" mobile franchise is ~~$152,150~~159,400 to ~~$176~~183,400 This includes ~~$31~~28,900 that must be paid to the franchisor or its affiliate(s)

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 the 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 government agency has verified the information contained in this document**

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Frank Repici, ~~President~~Managing Partner, at P O Box 380423, Birmingham, Alabama 35238, and (888) 732-5423

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

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

Issuance Date ~~September 30, 2015~~April 18, 2016, as amended June 14, 2016

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state

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

Please consider the following RISKS FACTORS before you buy this franchise:

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ARBITRATION/MEDIATION ONLY IN ALABAMA OUT-OF-STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO SUE/ARBITRATE/MEDIATE WITH US IN ALABAMA THAN IN YOUR OWN STATE

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

3 YOU DO NOT RECEIVE AN EXCLUSIVE TERRITORY YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, FROM OTHER CHANNELS OF DISTRIBUTION, INCLUDING NON-TRADITIONAL CHANNELS, OR COMPETITIVE BRANDS THAT WE CONTROL

4 IF THE FRANCHISEE IS AN ENTITY, FRANCHISOR REQUIRES THAT ALL OF OWNERS OF THE ENTITY MUST PERSONALLY GUARANTEE AND BE PERSONALLY BOUND BY THE FRANCHISEE'S OBLIGATIONS OWED TO THE FRANCHISOR

5 THE FRANCHISEE MUST MEET MINIMUM ANNUAL SALES QUOTAS FAILURE TO MEET THE MINIMUM ANNUAL SALES QUOTA COULD RESULT IN INCREASED PRODUCT PRICE AND/OR TERMINATION OF THE FRANCHISE AGREEMENT AND LOSS OF YOUR INVESTMENT

6 THE FRANCHISEE MUST MAKE A MINIMUM MONTHLY ROYALTY PAYMENT, EVEN IF NO REVENUE WAS DERIVED FAILURE TO MAKE THE PAYMENT COULD RESULT IN TERMINATION OF THE FRANCHISE AGREEMENT AND LOSS OF YOUR INVESTMENT

7 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

8 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Effective Date See the next page for 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, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, New York, North Carolina, North Dakota, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states

STATE	EFFECTIVE DATE	AMENDMENT DATE
California	Pending	
Florida	April 27, ~~2015~~2016	
Texas	June 29, 2015 - Exempt	

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of ~~September 30, 2015~~ April 18, 2016, as amended June 14, 2016

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EXHIBITS:

A Financial Statements
B Franchise Agreement
- Attachment I Territory Addendum to Franchise Agreement
- Attachment II Electronic Payment Authorization
- Attachment III Collateral Assignment of Telephone Numbers, Addresses, and Listings
- Attachment IV Statement of Ownership
- Attachment V Guaranty and Assumption of Franchisee's Obligations
- Attachment VI Full and Final Mutual Release

C Compliance Questionnaire
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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "we", "us", "our", Repicci's Real Italian", "Repicci's Real Italian Ice", or "RFG" means Repicci's Franchise Group, LLC, the Franchisor "You" means the person or entity that buys the franchise (the "Franchisee") If you are a business entity, each of the following individuals (the "Related Parties") must sign our Guaranty - (i) each of your shareholders and their spouses, if you are a corporation, (ii) each of your general partners and their spouses, if you are a partnership, or (iii) each of your members and managers and each of their spouses, if you are a limited liability company All of the provisions of our Franchise Agreement (a copy of which is attached as Exhibit B to this Disclosure Document) will apply to you and to each individual that signs the Guaranty

The Franchisor, any Parents, Predecessors and Affiliates:

Repicci's Franchise Group, LLC was formed under the laws of Tennessee in September 2004 RFG does not do business under any other name Our principal business address is P O Box 380423, Birmingham, Alabama, 35238 RFG's agent for service of process is disclosed in Exhibit D to this Franchise Disclosure Document RFG has never sold any other franchise We are currently the only approved supplier of uniforms and some specific operating supplies We also currently own and operate one Custom Van Mobile Franchise and have since July 1, 2013 Other than this, we have no business other than offering franchises and assisting franchisees We have been offering franchises since February 2005

Repicci's Franchise Group, LLC has no parent companies

We have two affiliates

1 FDR Enterprises, Inc , is a Tennessee corporation formed in October of 1996 FDR Enterprises, Inc is also our predecessor and began manufacturing and distributing Repicci's Real Italian Ice frozen confections in May, 1998 FDR Enterprises, Inc is located at 2249 Peterson Dr , Chattanooga, TN 37421 On February 17, 2009, FDR Enterprises, Inc transferred its rights to manufacture Repicci's Real Italian Ice frozen confections to Repicci's Franchise Group, LLC FDR Enterprises Inc has never offered franchises in this or any other line of business

2 The Tailored Trailer, LLC, a Georgia Limited Liability Company was formed in July 2011, has a principal business address of 3510 Trotter Drive, Alpharetta, Georgia 30004 and is our designated vendor for our optional custom trailers Should you choose to use an optional trailer to operate your business, The Tailored Trailer is the only approved supplier of this item The Tailored Trailer, LLC has never offered franchises in this or any other line of business

Description of the Franchise:

The Repicci's Real Italian concept was created by our Founder, Frank Repici As a Franchisee, you will provide products derived from his family's recipes, as well as use the proprietary manufacturing and distribution processes that ~~area~~are part of our Licensed Methods

We offer, and award, to qualified applicants, the right to operate a Repicci's Custom Van Mobile Franchise for the purpose of selling nonfat frozen confections, Italian Ice, Gelato, Italian coffee, and other products, known as "Repicci's Real Italian" to a variety of venues within a specified territory, using the System ("Mobile Franchise") under the RFG trademarks, trade names, service marks, and logos ("Marks")

We own and have developed methods of marketing and the operational protocol of Repicci's Real Italian ("Business") using certain trademarks, trade secrets, trade dress, copyrightable works, sources and specifications, designs for certain equipment, training, marketing concepts, manuals, distinctive color schemes and uniforms, specialized products, service and confidential information, all of the Manuals, and all of the research and development (the "System") We require that an approved Repicci's logo shirt be worn at all times and you must purchase these logo shirts from us, or from another approved supplier, should we so designate Any and all equipment used for all events and/or any other venue, including but not limited to any daily retail sales, route sales, and/or catering events, must have the prior approval of RFG and must only use artwork that is approved and certified by RFG

We are designed to support you in your ongoing business efforts RFG reserves the right to change, and/or otherwise modify the System by adding, modifying, adjusting, and/or deleting any of our designs, processes, and/or services at any time in our sole discretion

You may be required to participate in marketing programs in which we may promote our services

You must operate your Outlet in agreement with our standard business operating practices and sign our standard franchise agreement ("Franchise Agreement") which is attached to this Disclosure Document as Exhibit B

As a Franchisee, you will have the right to operate a Franchise within a mutually agreed and specific territory ("Territory") and will only distribute the finished product

The Market and Competition

The franchise targets its services to the general public The market for ice cream and similar frozen desserts is well established and highly competitive Ice cream, gelato, Italian ice, frozen yogurt and similar products have become increasingly popular in the United States Factors such as location, price, and service, time of year, and product quality affect your ability to compete in your market You will experience competition from grocery stores, vending machines, and other concessions offered at, or near, the locations where your Franchise is distributing our products You will compete with national as well as regional ice cream and frozen confection quick service

restaurant ("QSR") chains, operating under well-known and recognizable service marks as well as with independent ice cream and frozen confection QSR facilities and other businesses which offer frozen confections and other food and beverages We have a designated vendor, Repicci's Mid South, LLC, from which you must purchase certain products We have no financial or common ownership interest with this entity You may even experience competition from RFG indirectly, if we distribute pre-packaged single servings or other serving sizes of our proprietary products through alternative channels of distribution within your Territory RFG reserves the right to market the pre-packaged product wholesale through outlets which may be in your territory You will also face other normal business risks that could have an adverse effect on your Franchise These may include industry developments, such as pricing policies of competitors, and supply and demand

Regulations

As a franchisee, you may be subject to general business, employment and other laws and regulations You should consult with your attorney and local, state and federal government agencies before buying your RFG Franchise to determine all legal requirements and consider their effects on you and your cost of compliance It is your sole responsibility, to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your business Your Outlet may also be required to comply with various health standards and regulations You must also comply with laws that apply generally to all businesses You should investigate these laws

The U S Food and Drug Administration ("FDA") and the federal Nutrition Labeling and Education Act ("NLEA") have set standards for identifying food products with nutrient descriptors such as "nonfat" and "low-fat " Other than the FDA and NLEA standards that are specific to your Business' featured products and the related Federal Trade Commission and state and local laws that may regulate the advertising of the products, we are not aware of any regulations specific to the operation of a Business in your state You must comply with all local, state and federal health and sanitation laws, as well as regulations that apply to a food production and distribution facility and those that apply to a mobile food retail operation You are responsible for complying with these applicable laws, rules and regulations, as well as with all local, state and federal laws of a more general nature, which affect the operation of your business You should consult with your attorney on this subject, especially regarding state and local laws, rules and regulations that may affect the operation of your Repicci's Business at your particular location You are responsible for complying with all employment, worker's compensation, insurance, corporate, taxation, and licensing laws, and similar laws and regulations

General

This Disclosure Document sets forth the terms on which we currently offer RFG Franchises Prior to July 2013, we offered Repicci's Franchises under a different format which differ from the format offered by this Disclosure Document As we further develop this concept, future franchises may sign a Franchise Agreement which may offer different terms than the agreement you will sign There may also be instances where we will vary the terms on which we offer Franchises to suit the circumstances of a particular transaction We strongly urge you to carefully review all documents with independent advisors who can provide legal, business and/or economic guidance, such as a lawyer, CPA and/or an accountant

We retain the right, in our Business Judgment, to award, or not award, an RFG Franchise to you, regardless of the stage of the franchise award process

You should understand that every detail of your RFG Franchise will be important not only to you, but to us and to all RFG Franchisees in order to (a) maintain high and uniform operating standards based on the RFG core operating values, (b) increase the demand for the products and services sold by RFG Franchises, (c) maintain a reputation for offering uniform and high quality products and services, ethical business practices and integrity, and (d) to build the brand by those standards set by RFG A fundamental requirement of your joining and remaining part of the RFG System will be your commitment to the operation of your RFG Franchise Business consistent with the then-current RFG System Standards During the term of the Franchise Agreement, you must, at all times, develop and operate your RFG Franchise Business in compliance with all RFG System Standards, which may be modified anytime in the future as RFG sees necessary

ITEM 2

BUSINESS EXPERIENCE

President and Managing Director: Frank D. ~~Repicci~~Repici

Mr ~~Repicci~~Repici is our ~~President and~~ Managing Director and has been since our inception in September 2004 He is also President of our predecessor and affiliate, FDR Enterprises, Inc since May 1998 He has operated both positions out of the corporate offices in Birmingham, Alabama From August 2007 until December 2012, Mr ~~Repicci~~Repici had an ownership interest in Piedmont Ice, LLC, a Georgia limited liability Company, which operated a Repicci's retail location in Atlanta, Georgia In addition, Mr ~~Repicci~~Repici is 50% owner of The Tailored Trailer, LLC, whose corporate office is located at 3510 Trotter Drive, Alpharetta, Georgia 30004, and has been since inception in July, 2011

Managing Director: Camille Crawford

Mr Crawford has been a Repicci's franchisee (Refreshment Concepts LLC) owner since February 2009, located at 3510 Trotter Drive, in Alpharetta Georgia In August, 2013 Mr Crawford purchased 50% of RFG and became the Director of Sales, Training & Administration while working from his location in Alpharetta, Georgia In addition, Mr Crawford is a 50% owner of The Tailored Trailer, LLC, in Alpharetta, Georgia, and has been since its inception in July, 2011

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item

ITEM 5

INITIAL FEES

Franchise Fee

The Initial Franchise Fee for the Custom Van Mobile Franchise (which includes an approximate population of 200,000 people~~),~~ is $25,000 The Initial Franchise Fee is due when you sign the Franchise Agreement The Initial Franchise Fee is fully earned upon payment, and there are no refunds under any circumstances

Required Initial Product and Inventory Purchase

You are required to purchase from RFG, a minimum of ~~180 Five Liter Trays~~32 – 2 1 Gallon Pails of Gelato~~,~~ and (48) 4 Gallon buckets of Repicci's Real Italian Ice~~, (6) Stainless Steel Gelato Tray Inserts and (6) Plastic Gelato Tray Lids~~ . You are also required to purchase (1) 1,000 count business cards, (4) Logo Shirts and (1) Apron, (2) Logo Hats, (12) Italian Ice Vollrath Dishers, (8) Gelato Dishers, (1) Free Sample Sandwich Board, (2) Cases 9-ounce Logo squat cups (1,000 ct), (2) Case 5-ounce Logo cups (1,000 ct) and (3) Cases of plastic Spoons The cost of this Initial Product Purchase is $~~6~~3,900 plus freight costs and will be shipped directly to your location

You pay us or our affiliates no other fees or payments for services or goods before your business opens

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Opening Product purchase	~~$6~~3,900	Upon ordering	You must purchase ~~180 Five Liter Trays~~(32) – 2 1 Gallon Pails of Gelato, (48) 4 Gallon buckets of Repicci's Real Italian Ice~~, (6) Stainless Steel Gelato Tray Inserts and (6) Plastic Gelato Tray Lids~~ (1) 1,000 count business cards, (4) Logo Shirts and (1) Apron, (2) Logo Hats, (12) Italian Ice Vollrath Dishers, (8) Gelato Dishers, (1) Free Sample Sandwich Board, (2) Cases 9-ounce Logo squat cups (1,000 ct~~),(~~), (2) Cass 5-ounce Logo cups (1,000 ct) and,(3) Cases of plastic Spoons
Italian Ice Product Cost - ongoing	Currently a 4-gallon bucket of Italian Ice ranges from ~~$33~~35 00 - ~~$43~~45 00 per bucket depending on the flavor + FOB freight	Upon ordering	Your cost may increase depending on your ability to meet the Purchase Quota an increase in ingredient costs and other market conditions Paid to RFG, to another RFG franchisee and/or to an approved Supplier
Gelato Cost - ongoing	Currently ~~$27~~40 00 ~~to $29 00 per five liter tray~~ 2 1 Gallon Pails with freight included (FPP)	Upon ordering	Your cost may increase depending on your ability to meet the Purchase Quota, an increase in ingredient costs and other market conditions Paid to us, and/or an approved Supplier
Royalty Fee	$3,600 / per year	Due on the 10th of each month at a rate of $300 per month	Required of all Franchisees
Advertising Materials	$100 - $500	As incurred	We provide advertising samples at no charge Additional copies or materials are supplied at our cost, plus 10%
National Marketing Fund	3% of product purchases	Due on the 10th of each month in the same manner as the Royalty Fee	3% of your monthly purchases payable on the 10th of each month for the previous months purchases Company and affiliate owned outlets will contribute equally
Initial Training for Additional Persons	$2,000 per person (Note 2)	As incurred	Training for ~~two~~three persons is included in the Initial Franchise Fee You are responsible for all travel, living, incidental and other expenses and compensation of you and your personnel attending any training program
Additional Assistance at Your Franchise	$500 per day (two day minimum) plus travel and living expenses (Note 3)	As incurred	Additional charges only incurred for on-site assistance beyond the initial training

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	$0 - $10,000 (Note 4)	Prior to acceptance of transfer	Payable at closing of the sale of your franchise
Audit	Cost of audit plus 1 5% interest per month on understatement	30 days after billing	We pay all audit costs unless the audit shows an understatement of at least 2% of Gross Revenue (Note 2) for any month Also payable for failure to submit required reports
Fees for Lost Manual (s)	$250 00 Training Manual, $500 00 Ops Manual	Upon ordering	You must replace any Manuals that are lost, stolen or destroyed The Manual remains our property
Interest	1 5% per month	30 days after due date	Franchisees must pay interest on late payments in the amount of 1 5% per month, or the maximum interest rate allowed by applicable law, whichever is greater
Collection Costs, Attorneys' Fees and Interest	Interest on overdue amounts from the due date until paid at the lesser of 18% interest per year or the highest lawful interest rate, costs of collection, attorneys' fees and court costs	Payable on demand	If we engage an attorney to collect any unpaid amounts (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and collection expenses incurred by us If you are in breach or default of any non-monetary material obligation and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs, and litigation expenses If you institute any legal action to interpret or enforce the terms of the Franchise Agreement, and your claim in the action is denied or the action is dismissed, we may recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against the same
Encroachment Fee	$1,000 per day	Payable on demand	Payable if you provide service to customers located within another franchisee's Protected Area without prior written approval You must also reimburse the franchisee an amount equal to the charge for the goods and service sold
Indemnification	Amount of loss or damages plus costs	As incurred	You must defend, indemnify and hold us and our related parties harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind (Including costs and reasonable attorneys' fees) arising from your ownership, operation or occupation of your franchise, performance or breach of your obligations, breach of any representation or acts or omissions of you or your employees

Type of Fee	Amount	Due Date	Remarks
Bank Charges and Administrative Costs	Actual Fees incurred by us plus a 10% administration fee	Payable on demand	We may charge fees to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid
Franchise Renewal Fee	$2,000	120 days prior to renewal	Initial franchise term is 5 years The renewal term is 5 years
Computer and Communications Equipment Upgrades and Maintenance	Varies, but usually no more than $1,000 per year	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for any required proprietary software, when we require you to do so

(1) We or our affiliates impose all the fees in this table You pay them to us or our affiliate(s) and we ~~(~~or our affiliate(s~~))~~ do not refund them The fees and costs in this Item 6 are uniformly imposed

(2) Training for you and your Manager and one additional person is included in the Initial Franchise Fee Additional charges are only applied if you choose to train more than ~~two~~three people Training fees can be increased or decreased by us at any time and at the sole discretion of RFG

(3) Ongoing assistance by telephone is included We will charge you the Additional Assistance fee only if you require additional assistance at your franchise Fees for additional assistance can be increased or decreased by us at any time in our discretion

(4) No Transfer Fee is required if you transfer your Outlet to a corporation in which you are the majority stockholder, or if you transfer the Outlet to your child, parent, sibling, or spouse You must pay a Transfer Fee of $2,500 if you transfer the Outlet to another franchisee of ours In all other cases, you must pay a Transfer Fee of $10,000

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	$25,000	$25,000	Lump sum	Upon signing the Franchise Agreement	RFG
Travel and Living Expenses	$1,000	$3,000	As incurred	During training	Airlines, Hotels Restaurants, etc
Rent or Real Estate (Note 2)	$0	$2,000	As determined by Lessor	Prior to opening	Lessor
Office Equipment and Supplies (Note 3)	$500	$1,000	As Incurred	Prior to opening	Supplier

Type of Expenditure	Amount -(Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Required Initial Product and Inventory Purchase (Note 4)	~~$63~~,900	~~$63~~,900	As Incurred	Upon signing the Franchise Agreement	RFG
Additional optional inventory (Note 4)	$250	$500	As Incurred	As arranged	RFG or approved supplier
Approved Van including proprietary customization -(Note 5)	~~$110~~120,000	~~$120~~130,000	As arranged with the approved finance company	As arranged with finance company	Approved dealership, leasing company, or finance company, Us
Tax, Title, Licensing, Freight and Delivery	$2,000	$3,000	As incurred	Prior to opening	State or local agencies
Miscellaneous Opening Costs & Contingency (Note 6)	$1,000	$3,000	As incurred	Prior to opening	Suppliers, Utilities, etc
Advertising/Marketing (3 months) (Note 7)	$250	$750	As incurred	Prior to opening and during first three months	Distribution Service and Media
Insurance (Yearly basis) (Note 8)	$2,000	$4,000	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Insurance Company/Agent
Computer Equipment and Proprietary Software -(Note 9)	$500	$750	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Additional Funds for Initial three (3) Months (Note 10)	$3,000	$6,500	As incurred	As incurred	Suppliers, Utilities, Us
TOTALS (Note 11)	**~~$152,150~~159,400 00**	**~~$176~~183,400 00**			

(1) RFG will approve or decline your application within 45 days of our receipt of your completed application Your Franchise Fee will be due upon signing the Franchise Agreement We will not refund the Initial Franchise Fee under any circumstances Neither RFG, nor any agent or affiliate finances any part of the initial investment

(2) Rent/Real Estate You may be required in some locations to have a Commissary Location and if so, the location must meet all local health department requirements as well as our standards and specifications These are estimated per month costs to lease your Warehouse Location in a light industrial area If required, the commissary location may have approximately 200 - 800 square feet, or as small as your local Health Department allows, and will be used as a commissary and/or

for the storage of Repicci's Real Italian products In many areas these commissaries are shared amongst several operators at a much reduced cost Warehouse space must have a water source approved by the local health Department Agency You should investigate the rental rates in the area where you propose to locate your Business If you purchase property or a building, or both, for the Business, your additional costs will depend on the location and size of the land and building Franchisees do not typically invest in the land and building for a Repicci's Business We are unable to estimate these costs due to the significant variances based on location and market conditions Office space is not required as it can be set up onsite or from a home office set up The purchase of real estate may have additional legal expenses

(3) This item includes the estimated costs to purchase a desk, telephone, and basic office supplies

(4) You must open with and maintain an adequate inventory of our proprietary products and other items necessary to deliver a variety of flavors of Repicci's Real Italian Ice & Gelato frozen confections You must purchase from RFG, an initial inventory of ~~180 Five Liter Trays~~(32) – 2 1 Gallon Pails of Gelato, (48) 4 Gallon buckets of Repicci's Real Italian Ice~~, (6) Stainless Steel Gelato Tray Inserts and (6) Plastic Gelato Tray Lids~~ . You must also purchase (1) 1,000 count business cards, (4) Logo Shirts and (1) Apron, (2) Logo Hats, (12) Italian Ice Vollrath Dishers, (8) Gelato Dishers, (1) Free Sample Sandwich Board, (2) Cases 9-ounce Logo squat cups (1,000 ct), (2) Cass 5-ounce Logo cups (1,000 ct) and,(3) Cases of plastic Spoons Subsequent inventory may be purchased only from RFG, and/or from another RFG franchisee and/or from an approved supplier We estimate the cost of subsequent inventory to be approximately $250 to $500 depending on the amount, if any that you desire to purchase You are not required to sell Italian coffee or Italian hot chocolate, but if you do desire to sell these items, then you must purchase these items from RFG

(5) Custom Vehicle Purchase A van, designed to our specifications, purchased from our designated vendor and customized by our other designated vendor, is required to be utilized in order to operate your Franchise The required van will include all equipment necessary to provide you with a turn-key operation Included in the conversion are vehicle wrap, a custom designed freezer to house your Italian Ice and Gelato products at the proper serving temperatures, a built in three bay custom sink with custom cabinetry, all services, components, cabinets, and items included in this custom unit will be health department compliant for mobile food serving vehicles All surfaces shall be cleanable and non-absorbent From time to time, we may have a custom vehicle available that you can purchase from us After the initial award of the franchise and your purchase of the required custom van, you may purchase an additional custom van(s) and/or an optional custom trailer(s) for use within your territory These purchases must be made from our designated vendor You will pay the then current price for each additional custom van and/or custom trailer that you desire

(6) Includes other deposits, utility costs, telephone, Internet, any other communications costs, incorporation fees and licensing

(7) Advertising Requirements for local and NMF There is a minimum requirement for local advertising of $500 per year In addition, Franchisees will be required to contribute to National Marketing Fund

(8) You must maintain insurance policies in amounts as specified by us periodically in the Manual Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, and all other occurrences against claims of any person, employee, customer, agent, or otherwise You must provide us with a copy of your general

liability insurance and product liability certificate of Insurance showing Repicci's Franchise Group, LLC listed as an additional loss payee

(9) We do not require that you use any specific vendors for your computer, Internet, and communications equipment We do require that you meet certain minimum standards established periodically in the Manual You may be required to purchase or lease certain software for the operation of your franchise

(10) This estimates your pre-operational expenses and additional funds necessary for the first three months of your business operations which we have not listed above These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business Your costs depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products and service, the prevailing wage rate, competition, and the sales level reached during this initial period This item includes a variety of expenses and working capital items during your start-up phase such as additional inventory, legal and accounting fees, insurance premiums, employee salaries and benefits, and other miscellaneous costs However this item excludes your salary

(11) We relied on our principal s ~~fifteen~~16 years of experience in the business of selling Repicci's Real Italian products, when preparing these figures These estimates are based on the purchase of one vehicle prior to opening Your costs will be more if you purchase additional vehicles Because the ranges in the chart are only estimates, it is possible to reduce and exceed the estimated range of costs listed in each item of the chart In certain major metropolitan areas, actual costs may substantially exceed the high range estimates in the chart You should review these figures carefully with a business advisor before making any decision to purchase a franchise We do not offer financing either directly or indirectly for any part of the initial investment The availability and terms of financing from independent -third -parties -depends -on -factors -such -as -the availability -of -financing -generally, -your creditworthiness, other security and collateral you may have and policies of lenders

Since costs can vary from market to market, we strongly recommend that you (1) obtain, before you buy a franchise or make any commitments, independent estimates from third-party vendors and your accountant of the costs which would apply to your proposed establishment and continued operation of a Repicci's Real Italian franchise, (2) discuss with current Repicci's Real Italian franchisees, their economic experiences (including initial costs) in opening and operating a Repicci's Real Italian Ice franchise and (3) carefully evaluate the adequacy of your total financial reserves

Although we make no estimates or representations regarding financial performance of Repicci's Real Italian franchise, we recommend that, in addition to the additional funds shown, you have sufficient personal savings and/or income so that you will not need to draw funds from your Repicci's Real Italian franchise for at least 12 months after start-up

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We require that you establish and operate your Franchise in compliance with your Franchise Agreement You must strictly follow our specifications as described in the operations manual we provide to you or other written materials from us (collectively, the "Manual"), which we may modify from time to time, and which may be in print or electronic format We reserve the right to require you to use an electronic version of the Manual and to require you to access the document using the Internet or an intranet created and supported by us Our standards and specifications have been prescribed in order to maintain a uniform standard of high quality, value, advertising support and availability to be furnished to the public in connection with our Marks In operating the Franchise, all equipment, supplies and Outlet designs must conform to our standards and specifications, which have been established through years of experience In the future, we may modify our Outlet equipment, supplies and Outlet design specifications

You must purchase your initial inventory of Repicci's Real Italian Ice and Gelato frozen confections, Italian coffee and Italian hot chocolate, branded serving cups, dishers, and all other branded items, such as logo shirts, caps and aprons, from RFG Subsequent purchases of Repicci's Real Italian Ice may be purchased from RFG, and/or from another RFG franchisee and/or from an approved supplier At the present time, RFG is the only approved or designated supplier of Gelato, Italian Coffee, Italian hot chocolate, and any branded items We reserve the right to require that you purchase from us, our affiliates, an approved franchisee, and/or our designated suppliers all other proprietary products that we may require you to sell through your franchise during the term of your Franchise Agreement The Repicci's Real Italian products and the serving cups and dishers used to serve consumers are proprietary and bear our Marks Prior to signing the Franchise Agreement, and upon request, we, and/or our affiliates, will make the wholesale price list for the Italian Ice & Gelato products, serving cups, dishers, and other branded items available to prospective franchisees

You must purchase your mobile van only from our approved supplier Currently, that supplier is Mercedes-Benz of Birmingham, http //www mbbhm com/ 1800 Montgomery Highway Hoover, AL 35244, Tel 877-452-6507 Following the purchase, you must use Cruising Kitchens, 14732 Bulverde Rd, San Antonio, TX 78247, info@cruisingkitchens com, Tel 210-402-2829, Fax 1-888-414-1680~~,~~ Toll Free 1-888-414-1680, 1-888-414-1680 Neither RFG, nor any affiliate of ours is an approved supplier of the van or the conversion of the van~~.~~, however, from time to time, we may have a custom vehicle available that you may purchase from us

At any time during the term of your Franchise Agreement, and after your initial purchase of the franchise and the initial van required by RFG, you may purchase an additional Custom Van(s) and/or a Custom Trailer(s) for use within your territory You will pay the then current price for each additional vehicle If you purchase a Custom Trailer(s), you will be required to use our only approved vendor, The Tailored Trailer, LLC, which is owned by (2) two of our principles, Frank Repici and Camille Crawford During the Fiscal Year ending December 31, 2015~~2014~~, our affiliate

The Tailored Trailer received ~~$115,640~~18,500 from the sale of trailers to our franchisees, which represents approximately ~~100~~71% of their total revenue of ~~$115,640~~25,770

RFG estimates that the cost of the Repicci's Real Italian Ice & Gelato frozen confections, branded serving cups and dishers, and other branded items, such as logo shirts, caps and aprons, as well as our custom proprietary vehicles or conversions that must be purchased from us, our affiliates and/or designated or approved suppliers or in accordance with RFG's specifications will represent approximately between ~~72~~74% and ~~77~~79% of your total purchases in connection with the establishment of your business, and will represent from 30% to ~~60~~55% of your ongoing expenses

During the fiscal year ending December 31, 2015~~2014~~, we received ~~$34,000~~119,213 from the sale of products, supplies and equipment to our franchisees, which represents approximately ~~7~~30% of our total revenue of ~~$464,264~~392,116

Purchase Quota

You are required to purchase a minimum amount of product annually ("Purchase Quota") The Purchase Quota will remain in effect throughout the term of your Franchise Agreement If you do not meet your annual applicable Purchase Quota for one year after your first full fiscal year, we may restrict or remove your rights to your Protected Territory, which may allow others, including RFG or another franchise, to operate within your Protected Territory

Minimum Purchase Requirements

You will be required to purchase the following number of (4) gallon buckets of Italian Ice product and/or ~~(2) 5 liter trays~~1) 2 1 gallon Pails of gelato from us, and/or from our other franchisees, on an annual basis, while you operate a Custom Van Franchise and depending on the number of years that your Franchise has been in operation

FRANCHISEE REQUIRED QUOTA	NUMBER OF UNITS
1st Year	500
2nd Year	750
3rd Year	1,000
4th Year	1,250
5th Year	1,500

*UNIT = 1 – (4) Gallon Bucket of Italian Ice and/or ~~(2) 5 liter trays~~1) 2 1 Gallon Pale of Gelato

Frank Repici, our President, owns our affiliate and predecessor, FDR Enterprises, Inc FDR licenses to Repicci's Franchise Group, LLC the use of the proprietary recipes FDR does not receive any revenue from the sale of any products or services to Franchisees

Currently, we derive income from the sale of concentrates to our manufacturer, Repicci's Mid South, LLC To date we have not received any income and/or rebates from additional affiliates,

vendors, and/or suppliers, but RFG reserves the right to derive income and/or rebates from additional affiliates, vendors and/or suppliers in the future These rebates serve to partially reimburse us for our costs in the initial sourcing, approval and ongoing monitoring of compliance with our quality standards by our suppliers, but RFG reserves the right to receive rebates in excess of our cost to source, approve and monitor suppliers In the fiscal year ended December 31, 2015~~2014~~, we received ~~$144,325~~101,663 from the sale of concentrates to Repicci's Mid South, LLC which represents approximately ~~31~~26% of our total revenue of ~~$464,264~~392,116

You are not permitted to purchase any of these required items from any other vendor or supplier We do not disclose our specification or standards for our products

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document, however, franchisees may purchase product from another RFG franchisee that purchases product in large quantities in order to reduce shipping costs We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our Franchisees in the future and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you We may, in our sole discretion, either retain these rebates, incentives or overrides or we may use these funds to produce advertising and marketing materials for all Repicci's franchisees During the fiscal year ending December 31, 2015~~2014~~, we did not receive payments from suppliers as a result of franchisee purchases We do not provide material benefits, such as renewing or granting additional franchises, to Franchisees based on their use of designated or approved suppliers

Leases

You must obtain RFG's prior written approval of your proposed business site

Insurance

You must, at all times, maintain insurance as ~~follows~~ stated below You must provide us with a copy of your general liability insurance and product liability certificate of Insurance showing Repicci's Franchise Group, LLC listed as an additional loss payee

A If you have employees, workers' compensation insurance in amounts prescribed by law in your territory,

B Fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Franchise and all fixtures, equipment, supplies and other property used in the operation of the Franchise, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted,

C Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a Wholesale Mobile Distribution of nonfat frozen confections, Italian Ice, Gelato, Italian coffee, and other products

business located in your Territory, but not less than $~~1~~2,000,000, insuring both you and RFG against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise, and

D Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise

Computer Requirements

We do not currently require you to purchase any particular computer hardware brand to establish or operate the Business, but we do specify the standards for computer and communication equipment and Internet access You may be required to purchase software to use in the operation of your Franchise We reserve the right to require you to specify computer hardware or software, and other communications equipment, and to specify other computer-related and communications standards 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.

	Obligation	Section in Franchise Agreement	ITEM in Disclosure Document
A	Site selection and acquisition/lease if any	Sections 8 02	ITEM 11
B	Pre-opening purchases/leases	Sections 5, 10 01 & 12 06	ITEM 11
C	Site development and other pre-opening requirements	Sections 10 & 12	ITEM 11
D	Initial and ongoing training	Sections 8 04 & 8 05	ITEM 11
E	Opening	Section 8 02	ITEM 11
F	Fees	Section 5	ITEM 5, 6, & 7
G	Compliance with standards and policies/Manual	Section 7 04, 12 02, 12 03	ITEM 11
H	Trademarks and proprietary information	Section 6 & 7	ITEM 13 & 14
I	Restrictions on products and services offered	Sections 8 03, 12 06	ITEM 8 & 16
J	Warranty and customer service requirements	Not Applicable	Not Applicable
K	Territorial development and sales quotas	Section 4 and Attachment I	ITEM 11 & 12
L	Ongoing Product and service purchases	Section 12	ITEM 8 & 16
M	Maintenance, appearance and remodeling requirements	Sections 12 02, 12 03	Not Applicable
N	Insurance	Section 12 08	ITEM 8
O	Advertising	Section 9	ITEM 11
P	Indemnification	Section 12 14	Not Applicable
Q	Owner's participation/management staffing	Sections 12 04	ITEM 15
R	Records and reports	Section 7	ITEMS 6 & 11
S	Inspection and audits	Section 11	ITEMS 6 & 11

	Obligation	Section in Franchise Agreement	ITEM in Disclosure Document
T	Transfer	Section 14	ITEM 17
U	Renewal	Section 3	ITEM 17
V	Post-termination obligations	Sections 13 03, 13 04	ITEM 17
W	Non-competition covenants	Sections 7 05, 15 01 and Attachment VI	ITEM 17
X	Dispute resolution	Section 16	ITEM 17
Y	Other	Not Applicable	Not Applicable

ITEM 10

FINANCING

Neither Repicci's Franchise Group, LLC nor any agent or affiliate(s) of ours offers direct or indirect financing We do not guarantee your note, lease, or obligation

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Repicci's Franchise Group, LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Before you begin your Business, we will:

1 Within 30 days of signing the Franchise Agreement, designate your Protected Territory in writing (See Section 4 of the Franchise Agreement)

2 Loan you a copy of our confidential Training Manual and Operations Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules The Manual is confidential and remains our property We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement (See Section 7 04 of the Franchise Agreement) We have included a copy of the Table of Contents of our Manual as Exhibit F to this Franchise Disclosure Document The Operating Manual consists of ~~57~~54 pages

3 This is a mobile business and most business will be conducted from your vehicle However, you may be required by your state or local jurisdiction to have a Commissary Location In this case, we will provide advice about selecting and analyzing a site for the Commissary The

location must meet all local health department requirements as well as our standards and specifications The commissary location will have approximately 200 - 800 square feet or as small the Health Department allows, and will be used as a commissary and/or for the storage of Repicci's Real Italian frozen confections In many areas these commissaries are shared amongst several operators at a much reduced cost Commissary space must have a water source approved by the local health Department Agency You should investigate the rental rates in the area where you propose to locate your Business Franchisees do not typically invest in the land and building for a Repicci's licensed franchise business Office space is not required as it can be set up from a home office location The purchase of real estate may have additional legal expenses The franchise agreement can be terminated for failure to begin operations within 180 days of signing the franchise agreement Our assistance in no way constitutes a representation or warranty with respect to the property (See Section 10 01 of the Franchise Agreement)

4 Within 60 days of your signing the Franchise Agreement, or any other time as may be mutually agreed upon, train you and your designated Manager as follows

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Introduction and Administration	~~4~~8	0	Birmingham, Al
Local Marketing and Sales	8	0	Birmingham, Al
Operations / Event Training	~~0~~8	4	Birmingham, Al
Total	**~~12~~24**	**4**	

Our training staff consists of Frank Repici, Garrett Jackson, Trish Crawford, and Cam Crawford who have over ~~20~~27 years combined experience in the operation of Repicci's Real Italian licensed franchise business and over ~~31~~32 years combined experience in the Italian Ice and frozen confection industry Individually, Frank Repici has ~~10~~18 years' experience, Cam Crawford has ~~6~~8 years' experience and Garrett Jackson and Trish Crawford have a minimum of ~~two~~three years' experience each in the operation of a Repicci's Real Italian licensed franchise business Repicci's Training materials will consist of a training manual, the operations manual, videos, and hands-on training The training program will be conducted as often as necessary to enable each franchisee to complete training prior to opening for business

You or your designated On-premise supervisor must attend training, but we allow up to three persons to attend and we do not charge an additional fee for this training or service unless more than ~~two~~three persons are attending You will, however, be required to pay the travel and living expenses for you, your designated On-premise supervisor, and your employee(s) as well as any incidental or other expenses and any compensation for you On-premise supervisor and your

employee(s) All training, except any on-site training, will be held at our training center in Birmingham, Alabama or in Atlanta, Georgia or at another designated location You must complete this training to our satisfaction, or repeat this training, at no cost prior to commencing operation of your franchise As often as necessary, you and/or your On-premise supervisor may be required to attend a video training conference on the internet or review the recorded version within 7 days of its origination RFG will give you 30 days' notice prior to any required calls (See Sections 8 04 and 8 05 of the Franchise Agreement)

5 ____You should be able to open your Business within 120 days after you sign a Franchise Agreement The factors that affect this time are the ability to obtain general business permits, training, financing, weather conditions, shortages, and installation of equipment, fixtures and signs, and customization of your vehicle If you do not open your franchise within 180 days after signing the Franchise Agreement, we may terminate the Franchise Agreement, and retain all monies received and the right to resell the territory (See Section 8 02 of the Franchise Agreement)

During the operation of the franchised business, RFG will:

1 Research new equipment, supplies, services and methods of doing business and provide you with information concerning developments of this research (See Section 8 08 of the Franchise Agreement) We will offer new equipment and supplies to you on reasonable terms in our discretion

2 Offer you continuing advisory services, not to exceed 10 hours total in a 30 day period, by telephone, email, and/or other types of communication during normal business hours Any additional advisory services you request may incur a fee We may also provide to you visits by our field representative, or require you to attend additional training at our location, but any additional consultation you request or we deem necessary, may incur a fee (See Sections 8 05 and 8 06 of the Franchise Agreement)

3 We will include information about your Franchise on our Web site (See Section 8 11 of the Franchise Agreement)

4 We may provide to you a toll free support line While we currently do not charge a fee, we reserve the right to charge an additional fee for this service (See Section 8 06 of the Franchise Agreement)

5 We may implement a purchasing system for you and negotiate prices and terms with suppliers We may receive rebates from the suppliers for these purchases We reserve the right to use these funds in our sole discretion (See Section 8 10 of the Franchise Agreement)

6 Currently, we do not hold any mandatory periodic regional or national conferences, but reserve the right to do so in the future We may hold conferences to discuss on-going changes in the industry, operational techniques, developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures You are required to attend these conferences When we hold mandatory conferences, you will not be required to pay a conference fee, but you

must pay all of the travel and living expenses for you and any other employees who attend These conferences will be held at our corporate headquarters or at another location chosen by us We estimate the cost of the travel and living expenses to attend the conferences to be between $500 and $1,000 We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than $250 per person You must pay all of the travel and living expenses for you and any other employees who attend We will not receive any net income from these conferences (See Section 8 05 of the Franchise Agreement)

7 Provide a reasonable amount of marketing, promotional materials, and services to you Materials provided may include video and audiotapes, copy-ready print marketing materials, posters, banners, and miscellaneous items If you want additional copies you must pay our cost plus 10% We may use both outside advertising and marketing agencies and internal staff to create advertising You may develop only those marketing materials approved by RFG for your own use, at your own cost We will approve, or disapprove, the marketing materials in advance and in writing within fifteen days from receipt Any items that are disapproved will not be allowed to be used in marketing of your franchise Any use of unauthorized materials could result in the termination of your Franchise Agreement We reserve the right to utilize any marketing developed by you for the use of all Franchisees without any payment or other compensation to you (See Section 9 03 of the Franchise Agreement)

8 There are no restrictions on your marketing, except that you may not advertise independently on the Internet or outside your territory and that your advertising must be approved by us prior to it being used in any way (See Section 9 02 of the Franchise Agreement)

Marketing Programs Local

At the present time, you are required to market on a local basis as an individual Franchise or by local marketing agencies hired by you You are required to spend a minimum amount of $500 per year for local promotion (See Section 9 02 of the Franchise Agreement)

National Marketing Fund / Multi Area Marketing Programs

You will be required to participate in national advertising and/or multi-area marketing programs All Franchisees will be required to pay to us a contribution to the National Marketing Fund ("Fund") and/or a Multi-Area Marketing Program(s) (MAM Programs) equal to 3% of your product purchases and payable per month and at the same time and manner as the Royalty Fee We will hold contributions to the Fund, and/or MAM Program(s), in a separate bank account The Fund and/or MAM Programs will be administered by RFG's marketing and accounting staff All company-owned and affiliate-owned Repicci's Real Italian locations will be required to contribute to the Fund and/or MAM Programs on the same basis as Franchisees We will use the Fund and/or MAM Programs for local, regional, national, or international advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs RFG will not derive income from the funds, but we may reimburse our administrative expenses incurred in administering the Fund and/or MAM Programs We may also

use the funds to offset or partially rebate the franchisee local media and printing expenses Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to you or any other Franchisee We are not required to spend any amount on advertising in your particular territory We will spend the contributions to the Fund and/or MAM Programs in our discretion, and we have no fiduciary duty to you regarding the contributions We may accumulate these funds, and the balance may be carried over to subsequent years If the Fund or MAM Program(s) operate(s) at a deficit or require additional funds at any time, we reserve the right to loan such funds to the Fund and/or MAM Program(s) on any terms we determine An unaudited annual financial statement of the Fund and MAM Programs will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon written request (See Section 9 04 of the Franchise Agreement)

Any advertising funds not spent in the fiscal year in which they accrue will be carried over to the next year The fund will not be used to directly solicit the sale of franchises We do not expend any part of the advertising fund to directly solicit new franchise sales

In the last fiscal year ending December 31, 2015~~2014~~, the Advertising Fund was not in effect, therefore, no funds have been spent on production, media placement, administrative expenses or other uses

Regional Advertising Cooperative

There are no regional cooperatives in which you must participate

Other Advertising Information

Although we have not done so, we have the power to require a Franchisee Advisory Council to be formed, changed, dissolved, or merged If formed, we will periodically meet with a council(s) of RFG franchisees ("Franchisee Advisory Council") to provide us input Members of the Franchisee Advisory Council will be selected by us from existing Franchisee's and will serve at RFG's pleasure We will give due consideration to all input from the council(s) but we retain the ultimate decision-making authority and responsibility for any and all matters If we submit a matter for approval by the Franchisee Advisory Council, if one is formed, and that matter is approved by a majority vote of the Franchisee Advisory Council and RFG, that approval will be fully binding on you

Schedule for Opening

It is estimated that the length of time between the signing of the Franchise Agreement and the opening of your Business will usually be about 120 days Factors affecting this length of time include financing arrangements, conversion requirements, and scheduling and completion of the training program Failure to begin operations of your RFG franchise within 180 days of signing the Franchise Agreement may result in termination of the Franchise Agreement and we will retain all monies received and the right to resell the territory (See Section 8 02 of the Franchise Agreement)

Computer Systems, Proprietary Software, and Internet Access

We do not currently require you to purchase any particular brand of computer hardware or software to establish or operate the Business, nor do we do specify the standards for computer and communication equipment and Internet access You may use any brand of computer and/or tablet in the operation of your business If you do not already own this hardware, it may be obtained from any computer reseller, such as Office Depot or Best Buy, and we estimate the cost is from $500 to $750 We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future You must have access to the Internet, have an electronic mail address, and periodically check your electronic mailbox and the portion of our Web site devoted to franchise owners We reserve the right to market and sell, over the Internet (See Sections 9 02 and 12 14 of the Franchise Agreement)

Currently, you are not required to buy and/or license third-party software to use in the operation of your Franchise We will not have access to your operations information over the internet RFG will not have the right to access other types of data on your computer and does not have the ability to access it independently

You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require You will be responsible for the cost of such upgrades You will not be required to upgrade your hardware or software more often than once a year, at a maximum cost of $1,000

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems (See Section 12 15 of the Franchise Agreement)

ITEM 12

TERRITORY

We will grant to you a territory as described below Since we do reserve some rights, (see Reservation of Rights below) 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- as it relates to packaged products

You will receive a protected territory ("Protected Territory") with an approximate population of 200,000 persons, as determined by a nationally recognized census agency This is a mobile business and most business will be conducted from your vehicle, unless you are required by your state or local jurisdiction to have a Commissary Location In this case, we will provide advice

about selecting and analyzing a site for the Commissary In many areas these commissaries are shared amongst several operators at a much reduced cost Office space is not required as it can be set up from a home office location, and as such, approval of the Territory will be approval of the Location Our assistance in no way constitutes a representation or warranty with respect to the property We do not require that you obtain our approval prior to moving your Commissary location, but we do require that you notify us in writing prior to any move

The franchise agreement may be terminated if you are not operational within 180 days of signing the franchise agreement Provided you are in compliance with your Franchise Agreement, RFG will not operate, through our current trademarks or different trademarks, any RFG permanent Franchises or grant franchises for a similar or competitive business within your Protected Territory, but RFG retains the right to do so anywhere outside of your Territory Once established and unless otherwise agreed to in writing, the boundaries of your Protected Territory will not be adjusted regardless of whether the population of your Protected Territory increases or decreases over time However, we may modify or adjust your Territory if you fail to meet your annual Purchase Requirements There are no other circumstances which permit us to adjust your Territory

You will receive exclusive rights to distribute Repicci's Real Italian products through four-gallon fresh serve buckets, the ~~5-liter trays~~2 1 Gallon Pails of Repicci's Gelato, Repicci's Italian Coffee, and Repicci's Italian Hot Chocolate within your Protected Territory, however, you will not be granted exclusive rights to distribute pre-packaged Repicci's Real Italian Ice products You must refer, without charge, requests for Repicci's Real Italian Ice products from a business or distributor within the Territory of another Repicci's Real Italian Ice franchisee to that other franchisee, or to RFG, whichever is more appropriate With our prior written consent, you may provide Repicci's Real Italian Ice products and service to businesses and venues located outside your Territory, including to franchises that we designate, if we have not granted the area to another franchisee or reserved the area for us or our affiliates and if the products and services can be provided substantially in accordance with our minimum standards and specifications We may revoke our written approval of the above at any time for any reason, including but not limited to if you are not in compliance with the Franchise Agreement, if we determine, in our sole discretion, to designate another supplier for a franchise, or if we or our affiliates establish or grant rights to establish a Repicci's franchise at any previously approved location, or in the previously approved area

Additional and Optional Equipment

At any time during the term of your Franchise Agreement, and after your purchase of the initial custom van, you may purchase an additional custom van(s) or a custom trailer(s) for use within your territory You must purchase this equipment only from our designated suppliers You will pay the then current price for additional vehicles

Reserved Distribution Methods

We reserve the right to distribute pre-packaged items such as 8 ounce cups and 1 5 gallon buckets through alternative distribution methods, such as independent contractors, fundraisers, or other individuals who may sell limited quantities of our products throughout the United States There may be several such parties within your Territory We, therefore, reserve the right to distribute our products through other means anywhere in the United States which may include your Territory You will maintain exclusive distribution rights for four gallon fresh served products, the ~~5 liter trays~~2 1 Gallon Pails of Repicci's Gelato, Repicci's Italian coffee, and Repicci's Italian hot chocolate only within the boundaries of your territories You may purchase your Repicci's products through us, our designated vendors, or through another Repicci's franchisee near your area

Reserved Accounts

We and our affiliates reserve the right under the Franchise Agreement to contract with "Reserved Accounts" for the distribution of Repicci's Real Italian products and to distribute other products and services ("Other Items") to Reserved Account locations "Reserved Accounts" include (1) a single client ("National Account") that either conducts its business for its own account, or conducts business through dealers, affiliates, licensees or franchisees, in two or more states in the United States, at five or more locations, and (2) "Captive-Audience Facility Managers" which are defined as contract food service companies that manage or provide food service for at least five "Captive-Audience Facilities", namely, facilities where people are congregating for a primary purpose other than dining, creating significant foot traffic in the facility, including airports and other transportation hubs, hospitals, cafeterias, universities and other school campuses, commissaries, convention centers, shopping malls and specialty retail centers, resorts and hotels, sports arenas, corporate campuses and institutional feeding sites

If we, or our affiliates, contract with a Reserved Account and the contract covers distribution by the bucket of Repicci's Real Italian or other items to a Reserved Account location in your Territory, we will contact you and give you the opportunity to distribute Repicci's Real Italian Ice frozen confections to that location on the terms and conditions agreed to by us in the contract You must respond within 15 days of being notified of a new opportunity in this regard whether you want to distribute to the location(s) and you must comply with the terms of the contract we have negotiated If you elect not to distribute to the Reserved Account location(s) in your Territory, we or our affiliates or another franchisee will have the right to distribute to the Reserved Account locations in your Territory and you will have no further rights pertaining to these locations during the term of the contract Further, you will not be entitled to receive any compensation or proceeds from anyone's fulfillment of the contract As of the date of this Disclosure Document, we do not have any Reserved Account locations under contract and we cannot guarantee that we will have any in the future or that if we do, you will receive any referrals in your Territory

Purchase Quota

You are required to purchase a minimum amount of product annually ("Purchase Quota") The Purchase Quota will remain in effect throughout the term of your Franchise Agreement If you do not meet your annual applicable Purchase Quota for one year after your first full fiscal year of operation, RFG may restrict or remove your rights to your Protected Territory, which may allow others, including RFG or another franchise, to operate within your Protected Territory

You do not receive the right to acquire additional franchises within your area or any contiguous area by this agreement alone Each Franchise Agreement is a separate and distinct transaction between you and us We intend to develop a strong system of multi-unit owners You are encouraged to purchase franchise rights to operate additional franchises within or outside your local trade area You do not receive any rights to use any other channel of distribution for our products or services without our written consent

If we engage in electronic commerce through any internet source, or sell through any other alternative distribution channel, and we receive orders for any System products or services calling for service or performance in your Territory, then we will offer the order to you at the price we establish If you choose not to fulfill the order or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with this order

Your Protected Territory does not extend to, and you may not advertise independently on the Internet, any type of social media, or World Wide Web We will maintain Repicci's Italian Web pages which will include information regarding your Franchise

Reservation of Rights

We, and our affiliates, reserve the following rights, among others

(1) to own, franchise, and/or operate franchises at any location outside of your Territory, regardless of the proximity to your franchise,
(2) To use the Marks and the System to sell any products or services, or supplies similar to those which you will sell, through any alternative channels of distribution outside of your Territory This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce,
(3) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located,
(4) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere, We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs
(5) To own, franchise, license, or otherwise operate retail locations at any location inside or outside of your Territory, which may offer products similar to those which you will sell

The Franchise Agreement does not provide for options, rights-of-first-refusal or similar rights Under the Franchise Agreement, we grant you the right to operate one Repicci's Real Italian franchise within those Protected Areas in your territory

ITEM 13

TRADEMARKS

We grant you the right to operate a business under our Marks, including the name "Repicci's Real Italian Ice" and any other name RFG determines is acceptable, such as, but not limited to "Repicci's Real Italian Ice & Gelato" and "Repicci's Real Italian" You may also use our other current or future Marks as we may designate to operate your Business You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the Franchise and shall use the appropriate trademark and copyright marks as indicated by us

The following is a description of the principal Trademarks which we will license to you

Description of Mark	~~Registration or~~ Application Date	~~Registration or~~ Serial Number	Principal or Supplemental Register of the United States Patent and Trademark Office
~~Repicci's~~Repicci's Real Italian Ice Gelato Gelati (logo)	~~August 23, 2015~~February 21, 2016	~~86734003~~86914541	Principal

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right

to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must follow our rules when you use any of the Marks You may not use any of the Marks alone or with modifying words, designs, or symbols as part of a corporate name, or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags, any social media platforms or search techniques except as those we license to you You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time in our discretion

There is no currently effective determination of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, or any pending interference, opposition or cancellation proceeding, or any pending material litigation involving the Marks which are relevant to your use of these Marks

No currently effective litigation affects our use or ownership rights in a trademark There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks listed in this section in a manner material to the franchise All required affidavits have been filed

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks We will take the action necessary, in our sole and absolute discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action We will indemnify you for any claims of infringement or challenges from use of Marks, and will be solely responsible for the defense and the cost thereof

You must modify or discontinue the use of a Mark if we modify or discontinue use The use of a new or modified trademark may be required, and you may be required to remove existing signs If this happens, and if RFG chooses to do so, we may reimburse you for your tangible cost of compliance (for example, changing signs) You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business

We do not know of any infringing uses that could materially affect your use of our Marks You should understand that there could be other local businesses using trademarks, trade names, or other commercial symbols similar to our Marks These businesses may have a superior rights to use the marks, names or symbols in your local area Before starting your Franchise, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise in order to avoid the possibility of having to change the use of our Marks and your Franchise name

The use of any and all of the marks owned by RFG is a privilege extended only to those franchisees that have a license in good standing In the event of a revocation of your franchise license you will

immediately cease any and all use of any signs, logos, complete vehicle wraps, de-branding the truck, Marks, trademarks, and/or symbols owned by RFG

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights:

There are no pending patent applications that are material to the franchise We hold no patents We have registered no copyright with the United States Copyright Office However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials We also claim copyrights and other proprietary rights in the RFG's Confidential Operating Manual

There are no agreements currently in effect which significantly limit your right to use any of our copyrights Also, there are no currently effective determinations of the USPTO, the U S Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above As of the date of this disclosure document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state

Your rights to use our copyrights as a licensed franchisee and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 of this disclosure document

Proprietary Information

You may never - during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated - reveal any of our confidential information to another person or use it for any other person or business You may not copy any of our confidential information or give it to a third party except as we authorize All persons affiliated with you must sign our Confidentiality/Non-Competition Agreement (Exhibit G)

Our confidential information will include services, technologies, and procedures relating to the operation of a Repicci's Real Italian, systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements, and specifications which are part of the RFG System, the Manual(s) methods of advertising and promotion instructional materials, and other matters

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are allowed to operate your Repicci's Real Italian Franchise through on-premise supervisors who meet all of RFG's then-current training and any other requirements as identified in the Manual Absentee ownership exposes you to a greater risk of failure than if you are personally involved, on a full time basis, in the daily management of your Repicci's Real Italian Franchise

You must keep us advised of the identities of each of your on-premises supervisors of your Repicci's Real Italian Franchise, and we will have the right to deal with such supervisors on matters pertaining to day-to-day operations of, and reporting requirements for your Repicci's Real Italian Franchise We reserve the right to require each employee to sign confidentiality, non-competition, and/or other agreements acceptable to RFG You, or anyone you designate, must hire all employees of your Repicci's Real Italian franchise and are solely responsible for their supervision, possible termination, terms of employment, compensation, and proper training If you are a business entity, we may require that each of your owners personally guarantee the performance of your obligations under the Franchise Agreement

If you are a business entity, each of your officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 10% or greater interest in the ownership entity of your franchise, you and they must sign the Guaranty and Assumption of Franchisee's Obligations assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only products and services which are part of the Repicci's Real Italian system You must offer and sell all services and products and services that we designate as required for all Franchisees within your market area as well as all products and services we incorporate into the Repicci's Real Italian system in the future RFG reserves the right, in our sole discretion, to change the types of authorized services upon reasonable notice to you There are no contractual limits on RFG's right to make changes, but RFG will not make changes lightly We also reserve the right to set maximum prices for use with multi-area marketing and special price promotions

Currently, you must purchase Repicci's Real Italian Ice, Gelato frozen confections, Italian coffee, Italian hot chocolate, branded serving cups and dishers, and other branded items, such as logo shirts, caps and aprons, as well as our custom mobile van and/or custom trailer from us, our affiliate(s), and/or our designated suppliers We reserve the right in the future to designate alternate vendors from whom you will purchase Repicci's Real Italian Ice, Gelato frozen confections, Italian coffee, Italian hot chocolate, branded serving cups and dishers, and other branded items, such as logo shirts, caps and aprons, as well as our custom mobile van or optional custom trailer You are not restricted as to individuals to whom you may offer services to

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements. You should read the full provisions in the Franchise Agreement attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
A	Length of the franchise term	Section 3	5 years
B	Renewal or extension of term	Section 3	If you are in good standing you can renew for one additional term of 5 years
C	Requirements for Franchisee to renew or extend	Section 3	Sign new agreement, be current in payments, pay the Renewal Fee You may be required to sign a new Franchise Agreement with terms and conditions that are materially different from your original Agreement, however, the boundaries of your territory will remain the same, and the continuing Royalty on renewal will be no greater than Royalties that we impose on similarly-situated renewing franchisees
D	Termination by Franchisee	Section 13 01	Default by us
E	Termination by Franchisor without cause	Not Applicable	Not Applicable
F	Termination by Franchisor with cause	Section 13 02	We can terminate if you commit any one of several violations with a written 90 days' notice
G	"Cause" defined - curable defaults	Section 13 01(a)	You have 30 days to cure, including failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations
H	"Cause" defined - non-curable defaults	Section 13 01(b)	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, abandonment, trademark misuses and unapproved transfers (Termination upon bankruptcy may not be enforceable under U S Bankruptcy Law)
I	Franchisee's obligations on termination/nonrenewal	Sections 13 03, 13 04	Obligations include complete de-identification, non-competition, and any payments of amounts due
J	Assignment of contract by *Franchisor*	Section 14	No restriction on our right to reassign
K	'Transfer" by franchisee - definition	Section 14 03	Includes transfer of contract or assets or ownership change

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
L	Franchisor approval of transfer by Franchisee	Section 14 04-14 06	We have the right to approve all transfers but will not unreasonably withhold approval
M	Conditions of approval of transfer	Section 14 04	New Franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new Franchisee
N	Franchisor's right of first'refusal to acquire Franchisee's Business	Section 14 07	We can match any reasonable written offer tendered for your Business
O	Franchisor's option to purchase franchisee's Business	Section 14 07	We may purchase Franchisee's Business if Franchise is terminated for any reason by Right of First Refusal
P	Death or disability of Franchisee	Section 14 06	Franchise must be assigned by estate to approved transferee within 120 days
Q	Non-competition covenants during the term of franchise	Section 15 01	No involvement in any competing business anywhere in U S
R	Non-competition covenants after the franchise is terminated or expires	Section 15 01	No competing business for 2 years within 50 miles from the boundary of your Protected Territory or from another Repicci's Real Italian franchise, company-owned Franchise, or on the Internet (including after assignment)
S	Modification of agreement	Sections 7 04, 8 09 and 18 02	No modifications generally, but our Manuals are subject to change
T	Integration/merger clause	Section 18 01	Only the terms of the Franchise Agreement are binding (subject to state law) All representations and promises made outside the disclosure document and franchise agreement may not be enforceable Nothing in this agreement or in any related agreement is intended to disclaim any of the representations made in the disclosure document
U	Dispute resolution by arbitration or mediation	Section 16	Except for certain claims, all disputes must be arbitrated
V	Choice of forum	Section 16 06	Arbitration and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of Alabama

	Provision	Section in Franchise Agreement	Summary For Franchise Agreement
W	Choice of law	Section 16 06	Alabama law applies

See the state addenda attached as Exhibit E to the Franchise Agreement and franchise disclosure document for special state disclosures

ITEM 18

PUBLIC FIGURES

We reserve the right to, but do not use any public figure to promote our franchise, at this time

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 franchisee and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Frank Repici, President, at P O Box 380423-, Birmingham, Alabama 35238, and (888) 732-5423 and 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 ~~2012~~2013 to 2015~~2014~~ (As of December 31 of each year)

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	20132012	3136	3637	+51
	20142013	3637	3744	+17
	20152014	3744	44	+70
Company-Owned	20132012	1	1	0
	20142013	1	1	0
	20152014	1	1	0
Total Outlets	20132012	3237	3738	+51
	20142013	3738	3845	+17
	20152014	3845	45	+745

Table No 2
Transfers of outlets from Franchisees to New Owners (other than the Franchisor)
For years 20122013 to 20152014, (As of December 31 of each year)

STATE	YEAR	NUMBER OF TRANSFERS
Alabama	2012	1
	2013	0
	2014	0
Colorado	2012	1
	2013	0
	2014	0
Total Outlets	20132012	20
	2013	0
	2014	0
	2015	0

Table No 3

Status of Franchised Outlets

For years ~~2012~~2013 to ~~2014~~2015, (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
Alabama	~~2012~~2013	~~3~~2	0	0	0	~~1~~0	0	2
	~~2013~~2014	2	~~0~~2	0	0	0	0	~~2~~4
	~~2014~~ 2015	~~2~~4	~~2~~0	0	0	0	0	4
Arizona	~~2012~~2013	1	0	0	0	0	0	1
	~~2013~~2014	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1
Arkansas	~~2012~~2013	~~0~~1	~~1~~0	0	0	0	0	1
	~~2013~~2014	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1
California	~~2012~~2013	~~3~~4	~~1~~0	0	0	0	0	4
	~~2013~~2014	4	0	0	0	0	0	4
	~~2014~~ 2015	4	0	0	0	0	0	4
Colorado	~~2012~~2013	1	0	0	0	0	0	1
	~~2013~~2014	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1
Florida	~~2012~~2013	2	0	0	0	0	0	2
	~~2013~~2014	2	~~0~~1	0	0	0	0	~~2~~3
	~~2014~~ 2015	~~2~~3	~~1~~0	0	0	0	0	3
Georgia	~~2012~~2013	4	0	0	0	0	0	4
	~~2013~~2014	4	~~0~~1	0	0	0	0	~~4~~5
	~~2014~~ 2015	~~4~~5	~~1~~0	0	0	0	0	5

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
Indiana	~~2013~~2012	1	0	0	0	0	0	1
	~~2014~~2013	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1
Kentucky	~~2013~~2012	2	0	0	0	0	0	2
	~~2014~~2013	2	0	0	0	0	0	2
	~~2014~~ 2015	2	0	0	0	0	0	2
Louisiana	~~2013~~2012	2	0	0	0	0	0	2
	~~2014~~2013	2	~~0~~1	0	0	0	0	~~2~~3
	~~2014~~ 2015	~~2~~3	~~1~~0	0	0	0	0	3
Michigan	~~2013~~2012	1	0	0	0	0	0	1
	~~2014~~2013	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1
Mississippi	~~2013~~2012	~~1~~2	~~1~~0	0	0	0	0	2
	~~2014~~2013	2	0	0	0	0	0	2
	~~2014~~ 2015	2	0	0	0	0	0	2
Missouri	~~2013~~2012	~~2~~3	1	0	0	0	0	~~3~~4
	~~2014~~2013	~~3~~4	~~1~~0	0	0	0	0	4
	~~2014~~ 2015	4	0	0	0	0	0	4
Nevada	~~2013~~2012	~~0~~1	~~1~~0	0	0	0	0	1
	~~2014~~2013	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
North Carolina	~~2013~~2012	1	0	0	0	0	0	1
	~~2014~~2013	1	~~0~~1	0	0	0	0	~~1~~2
	~~2014~~ 2015	~~1~~2	~~1~~0	0	0	0	0	2
Pennsylvania	~~2013~~2012	1	0	0	0	0	0	1
	~~2014~~2013	1	0	0	0	0	0	1
	~~2014~~ 2015	1	0	0	0	0	0	1
Tennessee	~~2013~~2012	~~6~~7	~~1~~0	0	0	0	0	7
	~~2014~~2013	7	0	0	0	0	0	7
	~~2014~~ 2015	7	0	0	0	0	0	7
Texas	~~2013~~2012	0	0	0	0	0	0	0
	~~2014~~2013	0	~~0~~1	0	0	0	0	~~0~~1
	~~2014~~ 2015	~~0~~1	~~1~~0	0	0	0	0	1
Total Outlets	~~2013~~2012	~~31~~36	~~6~~1	0	0	~~1~~0	0	~~36~~37
	~~2014~~2013	~~36~~37	~~1~~7	0	0	0	0	~~37~~44
	~~2014~~ 2015	~~37~~44	~~7~~0	0	0	0	0	44

Table No 4

Status of Company-Owned Outlets

For years ~~2012~~2013 to ~~2014~~2015 (As of December 31 of each year)

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
~~Total Outlets~~ Alabama	~~2012~~2013	1	0	~~1~~0	~~1~~0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
Total Outlets							

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
	2013	1	0	0	0	0	1
	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1

~~*Reacquired Outlet Territory was merged into Franchisor's existing outlet~~

TABLE NO 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2014~~2015

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the current Fiscal Year
Alabama	0	2	0
Florida	0	2	0
Kentucky	0	1	0
South Carolina	0	1	0
TOTALS	**0**	**6**	**0**

Lists of Current and Former Franchises

Below lists the names of all current franchises and the addresses and telephone numbers of their outlets as of December 31, ~~2014~~2015

FRANCHISE NAME	CONTACT	ADDRESS	CITY	STATE	ZIP	EMAIL
Repicci's Italian Ice of Auburn (Lee County)	Billy Coston	856 Shady Oak Lane	Alabaster	AL	35007	PasorBillyCoston@gmail com
Repicci's Italian Ice of Alabama (Lauderdale County)	Mark Berryman	450 Wright Drive	Florence	AL	35633	mberryman_3@hotmail com
Repicci's Italian Ice of Mobile (Mobile County)	Chasity Barnes	7017 Inverness Court	Mobile	AL	36618	ChatandTwed@RepiccisItalianIce com
Repicci's Trio of Tuscaloosa(Tuscaloosa County)	Don Shipman Jr	1021 9th Street	Pleasant Grove	AL	35127	DonJr@RepiccisItalianIce com
Repicci's Italian Ice of Little Rock (Pulaski County)	Sterling Dalby	4400 Oaks Bluff Drive	Little Rock	AR	72223	SDalby@comcast net
Repicci's Real Italian Ice of Arizona (Maricopa County)	Jeff & Janice Moore	7755 East Gelding Drive Suite 106	Scottsdale	AZ	85260	arizonaitalianice@gmail com
Repicci's Italian Ice of the East Bay (Contra Costa County)	Bert Toralti	508 Caulfield Court	Clayton	CA	94517	BertT@RepiccisItalianIce com
Repicci's Italian Ice of San Bernardino County(San Bernardino County)	Scarlet Beard, Shonda Beard	5737 Little Shay Drive	Fontana	CA	92336	Beard@RepiccisItalianIce com

FRANCHISE NAME	CONTACT	ADDRESS	CITY	STATE	ZIP	EMAIL
Repicci's Italian Ice of Southern San Diego (San Diego County)	Matthew Bolding	3943 West Menlo Avenue	Hemet	CA	92545	mrgogetit3000@yahoo com
Repicci's Italian Ice of Orange County (Orange County)	Gerald Williams, Alfred Morris	23022 La Candena Drive Suite 103	La Guna Hills	CA	92653	italianicemv@aol com
Repicci s Italian Ice of Colorado (Denver County)	Brandon Naughton	2103 Quartz Street	Castle Rock	CO	80109	Brandon@RepiccisItalianIce com
Repicci's Italian Ice of Northwest Florida (Escambia County)	Todd & Melea Flanary	203 North Waukesha Street	Bonifay	FL	32425	ToddandMelea@RepiccisItalianIce com
Repicci's Italian Ice of Jacksonville (Duval County)	Henry Childs	11844 Poydras Lane	Jacksonville	FL	32218	childsfaye@yahoo com
Repicci's of Florida's First Coast (Nassau)	Dan Clifton	76369 Tom Burney Road	Yulee	FL	32041	DanClifton@ItalianIce com
Repicci's Italian Ice of Metro Atlanta (Fulton County) Refreshment Concepts, LLC	Cam Crawford, Trish Crawford	3510 Trotter Drive	Alpharetta	GA	30004	Cam@repiccisitalianice com, Trish@refreshmentconceptsllc com
Repicci's Concessions LLC (Upson County)	Becky Montgomery	1440 Alabama Road	Meansville	GA	30253	Kim@refreshmentsconceptsllc com
Repicci's Italian Ice of Savannah (Chatham County)	Contacts Jim & Patsy Hood	P O Box 60074	Savannah	GA	31302	JandP@RepiccisItalianIce com
Repicci's Italian Ice of Valdosta (Lowndes County)	Chris Cornelius		Valdosta	GA		Cornelius2448@ICloud com
Repicci s Italian Ice of Northwest Georgia (Bartow County)	Sharon Benton	10 Harbor Lane	White	GA	30184	GregB@RepiccisItalianIce com
Repicci's Italian Ice of Central Indiana (Bartholomew County)	Phil Allen	2732 Lafayette Avenue	Columbus	IN	47201	Phil@RepiccisItalianIce com
Repicci's Italian Ice of Kentuckiana (Warren County)	Dave & Joy Springob	281 Mooreborough Drive	Bowling Green	KY	42103	repiccis@insightbb com
Repicci's Italian Ice of the Bluegrass (Fayette County)	Mary Ann Miller	P O Box 24478	Lexington	KY	40524	RepiccisBluegrass@gmail com
Repicci's Italian Ice & Gelato of Tangipahoa (Tangipahoa Parish)	Jodi Warren	112 East Chestnut	Amite	LA	70422	JodiW@ItalianIce com
Repicci's Italian Ice of New Orleans (Orleans Parish)	Ray Humphrey II	1219 Numa Street	New Orleans	LA	70114	repiccisitalianiceofno@gmail com

FRANCHISE NAME	CONTACT	ADDRESS	CITY	STATE	ZIP	EMAIL
Repicci's Italian Ice of Baton Rouge (East Baton Rouge Parish)	Todd Leger	11916 Solitude Lane	Zachary	LA	70791	repbr@cox net
Repicci's Italian Ice of Southeastern Michigan (Oakland County)	Michael Curell	305 Glenn Court	Lake Orion	MI	48362	Mike@RepiccisItalianIce com
Repicci's Italian Ice of Metro Kansas City (Jackson County)	Tony Dawkins	1225 Northeast Magnolia Street	Lee's Summit	MO	64086	Dawkins@RepiccisItalianIce com
Repicci's Italian Ice of Northern Missouri (Ripley County)	Mike Tharp	Route 1, Box 1055	Naylor	MO	63953	1231@windstream net
Repicci's Italian Ice of Central Missouri (Lafayette County)	Jason Scarborough	5860 Oakwood Drive	Odessa	MO	64086	JScarboroughGroup@gmail com
Repicci's Italian Ice of St Louis (St Louis City)	Jarret McBride	11039 Landseer Drive	St Louis	MO	63136	jarretm@repiccisitalianice com
T Phillips Enterprises (DeSoto County)	Taylor Phillips	179 East Center Street Suite D	Hernando	MS	38632	tphil11186@yahoo com
Magnolia Repicci's Italian Ice of Tupelo (Lee County)	Nancy Bridges	629 Road # 183	Tupelo	MS	38804	NancyB@RepiccisItalianIce com
Repicci's Italian Ice & Gelato of the Piedmont (Guilford)	Nathan Collins	6106 Appomattox Road	Climax	NC	27233	Nathan@ItalianIce com
Repicci's Italian Ice of Western North Carolina (Avery County)	Rick Shadoin	65 Hanes Road	Newland	NC	28657	RandT@RepiccisItalianIce com
Repicci's Italian Ice of Las Vegas (Clark County)	Bernie & Lucina Ibarra	5424 Kettering Place	Las Vegas	NV	89107	LucinaIbarra@yahoo com
Repicci's Italian Ice of Southeastern Pennsylvania (Deleware County)	Jason & April Tyler	424 Cedarcrest Lane	Aston	PA	19014	AJ@RepiccisitalianIce com
Southeastern Administration Services (Hamilton County)	Jim Frazier	6217 Vance Road	Chattanooga	TN	37421	JFrazier01@epbfi com
Repicci's of Clarksville (Montgomery County)	Alan Morrison	360 Rob Road	Clarksville	TN		morr6805@bellsouth net
Brian Brown (Dyer County)	Brian Brown	1361 Pennell Lane	Dyersburg	TN	38024	coachbrown77@yahoo com
Repicci's Italian Ice of Knoxville (Knox County)	Mike West	6303 Thomas Weaver Road	Knoxville	TN	37938	RealItalianIce@tds net
Repicci's Italian Ice of Middle Tennessee (Coffee County)	Steve & Tammie Huggins	83 Joe Hickerson Road	Manchester	TN	37355	Hugtoot@gmail com

FRANCHISE NAME	CONTACT	ADDRESS	CITY	STATE	ZIP	EMAIL
Repicci's Italian Ice of South Nashville (Rutherford County)	Richard Davila	5226 West Calgary Drive	Murfreesboro	TN	37129	Richard Davila81@gmail com
Repicci's Italian Ice Mid South Region (McNairy County)	Contacts Billy Brown, Jim Stackhouse	456 Industrial Drive	Selmer	TN	38375	JBStackhouse@yahoo com, BillNBrown@yahoo com
Repicci's Italian Ice of Downtown Houston (Harris County)	Danita and Nathan Carey	3511 Naples Point Lane	Missouri City	TX	77459	ndcarey3@aol com

Below lists the names of all company and affiliate owned franchises and the addresses and telephone numbers of their outlets as of December 31, ~~2014~~2015

FRANCHISE NAME	ADDRESS	CITY	STATE	ZIP	CONTACT	PHONE	EMAIL
Repicci's Franchise Group LLC	P O Box 380423	Birmingham	AL	35238	Frank Repici		FrankR@RepiccisItalian Ice com

No franchises have had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system

Confidentiality Agreements

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system

Associations and/or Organizations

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored, or endorsed

There are no independent franchisee organizations that have asked to be included in this disclosure document

ITEM 21

FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit A are our audited financial statements as of December 31, ~~2012~~2015, December 31, 2014~~2013~~ and December 31, ~~2014~~

2015 Also attached to the Disclosure Document as Exhibit A-~~1~~I are our unaudited financial statements as of ~~September 30, 2015~~ May 31, 2016 These financial statements in Exhibit A-1 are prepared without an audit Prospective Franchisees or Sellers of Franchises should be advised that no certified public accountant had audited these figures or expressed his/her opinion with regard to the content or form ———

ITEM 22

CONTRACTS

Attached to this Disclosure Document are the following contracts

Exhibit B Franchise Agreement

Attachment I	Territory Addendum to Franchise Agreement
Attachment II	Electronic Payment Authorization
Attachment III	Collateral Assignment of Telephone Numbers, Addresses, and Listings
Attachment IV	Statement of Ownership
Attachment V	Guaranty and Assumption of Franchisee's Obligations
Attachment VI	Full and Final Mutual Release

ITEM 23

RECEIPT

Included as the last document of this Disclosure Document is a detachable Receipt to be signed by you

EXHIBIT A

Repicci's Franchise Group, LLC

FINANCIAL STATEMENTS

EXHIBIT A

Repicci's Franchise Group, LLC

AUDITED FINANCIAL REPORT
December 31, 2015, 2014, & 2013 ~~& 2012~~

Repicci's Franchise Group, LLC

Financial Statements

For the Year Ended December 31, 2015

REPICCI'S FRANCHISE GROUP, LLC

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Fred L Williams, Jr, M Acc

Certified Public Accountant

1001 Ashland Terrace, Chattanooga, TN 37415

Independent Auditor's Report

To the Members
Repicci's Franchise Group, LLC
Chattanooga, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Repicci's Franchise Group, LLC which comprise the balance sheet as of December 31, 2015, and the related statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

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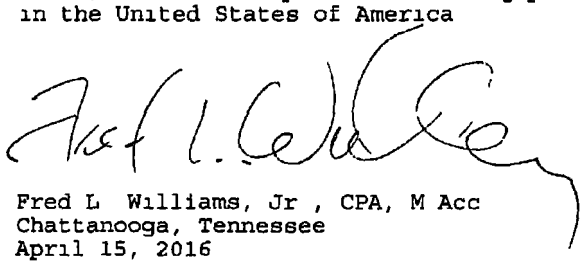
opinion on the effectiveness of the entity's internal control Accordingly, I express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repicci's Franchise Group, LLC as of December 31, 2015 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America



Fred L Williams, Jr , CPA, M Acc
Chattanooga, Tennessee
April 15, 2016

REPICCI'S FRANCHISE GROUP, LLC
BALANCE SHEET
December 31, 2015

ASSETS:	
CURRENT ASSETS	
Cash and Equivalents	$ 1,653
Accounts Receivable-Net	47,280
Due from Affiliate	25,311
	74,244
PROPERTY AND EQUIPMENT-Net	50,819
INTANGIBLE ASSETS-Net	27,842
Total Assets	$ 152,905
LIABILITIES AND MEMBERS' EQUITY.	
CURRENT LIABILITIES	
Accounts Payable	$ 9,733
Note Payable-Parker	2,005
	11,738
MEMBERS' EQUITY	141,167
Total Liabilities and Members' Equity	$ 152,905

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2015

REVENUES	
Sales of Product	$ 223,730
Sales of Supplies	25,629
Sales of Equipment	82,994
Franchise Fees	46,900
Delivery and Service Charges	6,393
Unclassified	16,603
	402,249
COSTS OF GOODS SOLD	
Product	144,867
Supplies	25,034
Freight	9,070
Equipment	22,959
	201,930
GROSS PROFIT	200,319
OPERATING EXPENSES	
Contract Labor	27,157
Advertising	22,442
Amortization	6,907
Bad Debt	17,536
Equipment Rent	4,125
Depreciation	10,694
Consultant Fee	17,500
Fuel	742
Insurance	1,390
Interest	2,288
Marketing	4,038
Professional Fees	8,480
Office Expense	1,036
Registration and Dues	1,664
Repairs and Maintenance	304
Supplies	21
Trailer Lease	6,817
Telephone	3,478
Taxes and Licenses	1,640
Travel, Meals and Entertainment	3,872
Utilities	1,882
Unclassified	2,027
	146,040
NET INCOME (LOSS)	54,279
MEMBERS EQUITY-January 1, 2015	36,888
Net Capital Activity	50,000
MEMBERS' EQUITY-December 31, 2015	$ 141,167

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	$ 54,279
Adjustments to reconcile net income net cash provided (used in) operating activities.	
Amortization and Depreciation	17,601
Bad Debt Write-off/Allowance Adjustment	(10,596)
Decrease (Increase) in:	
Accounts Receivable	(26,805)
Due From Affiliate	(20,000)
Increase (Decrease) in	
Accounts Payable	(4,920)
	9,559
CASH FLOWS FROM INVESTING ACTIVITIES:	
Website	(7,000)
Acquisition of Equipment	(5,567)
	(12,567)
CASH FLOW FROM FINANCING ACTIVITIES:	
Debt Reduction	(49,615)
New Member's Capital Contribution	50,000
	385
NET INCREASE (DECREASE) IN CASH	(2,623)
CASH-January 1, 2015	4,276
CASH-December 31, 2015	$ 1,653
SUPPLEMENTAL INFORMATION:	
Cash Paid for Interest	$ 2,288
Cash Paid for Taxes	-

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Repicci's Franchise Group, LLC (the "Company") is a Tennessee limited liability company that was formed on January 1, 2005, and provides limited liability to its members The Company offers franchises for the operation of "Repicci's Italian Ice" stores These franchised stores specialize in the manufacturing and distribution of nonfat frozen confections, and starting with the 2015, offers a new Mobile Franchise opportunity (See Note 7) The Company does not currently offer franchises in any other line of business and does not currently engage in any other business

A summary of significant accounting policies follows:

Use of Estimates
Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Some of the estimates and assumptions made relate to the evaluation of impairment of intangible assets and the collectibility of receivables

Cash and Cash Equivalents
The company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents

Accounts Receivable
Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of services or materials from the Company's offices These accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables when deemed necessary based on management's review of outstanding amounts Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions Accounts receivable are written off when deemed uncollectible Recoveries of Accounts receivable previously written off are recorded as income when received

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounts Receivable (cont'd)
Bad debt expense was $17,536 for year ended December 31, 2015 As of December 31, 2015, $41,807 of receivables were 90 days or older and considered past due under contractual terms All accounts receivable are still on an accruing status

Property, Plant and Equipment
Property and equipment are stated at historical cost Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally five to seven years)

Presentation of Sales Taxes
The Company collects and remits sales taxes as required The Company's accounting policy is to exclude the tax collected and remitted to the various states from revenues and expenses

Intangible Assets
Intangible assets consists of organizational costs, amortized using straight-line over 15 years and website development costs amortized using straight-line over 3 years

Revenue Recognition
When a Repicci's Italian Ice franchise is sold, the Company agrees to perform certain services to the franchisee All significant services are considered substantially performed at the time the franchisee has completed training and the franchisee has opened an office and started operations

Franchise license fees are recorded as revenue as of the date of agreement and receipt of the license fee from the franchisee For Repicci's Italian Ice stores not yet open at the end of a reporting period, the portion of the franchise license fee, net of direct costs recognized related to commissions and fees paid, is deferred until the office has opened Continuing monthly royalty fees are recognized as revenue monthly upon receipt of the franchisee's monthly sales report These monthly royalty fees are based on the franchise agreement Revenue from services and materials is recognized upon provisioning/shipment and invoicing Sales of services and materials are restricted to the Company's franchisees

Delivery and Handling Costs
The Company classifies delivery charges billed to customers as sales revenue and the related costs as cost of sales

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes
The members of the Company have elected to be taxed under the provisions of Subchapter K of the Internal Revenue Code Under those provisions, the Company does not pay income taxes on its income Instead, the members are liable for individual income taxes on their respective shares of the Company's taxable income Therefore, no provision or liability for federal income taxes has been included in the financial statements The company has adopted a December 31 year end All open tax years remain subject to audit by the appropriate tax authorities Management is not aware of any material uncertain tax positions

Advertising Costs
The Company expenses advertising costs as incurred Advertising expense for the year ended December 31, 2015 was $22,442

Interest Expense
Interest was incurred in the amount of $2,288 on certain credit cards used in the business and for acquisition debt for the new company vehicle, which was paid-off in 2015, all of which was expensed

Concentrations
The Company maintains cash balances in one financial institution participating in the Federal Deposit Insurance Corporation (FDIC) program whereby cash deposits are insured for up to $250,000

The Company's customers are diversified geographically, thereby minimizing any concentration risks

Fair Value of Financial Instruments
The Company has a number of financial instruments, none of which are held for trading purposes, including cash and equivalents, accounts and loans receivable, and accounts payable Management estimates that the fair value of all financial instruments at the balance sheet dates, does not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying balance sheets The estimated fair value amounts have been determined by using appropriate valuation methodologies Considerable judgement is necessarily required in developing the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current exchange

NOTE 2 - ACCOUNTS RECEIVABLE
Accounts receivable as of the balance sheet date consisted of

Accounts Receivable	$ 60,064
Less Allowance for Doubtful Accounts	(12,784)
	$ 47,280

NOTE 3 - PROPERTY AND EQUIPMENT
For the year ended December 31, 2015, property and equipment consisted of the following

2013 Nissan CVR and Improvements	$ 69,564
Machinery and Equipment	12,051
Less Accumulated Depreciation	(30,796)
	$ 50,819

Depreciation expense for 2015 was $10,694

NOTE 4 - INTANGIBLE ASSETS

For the year ended December 31, 2015, intangible assets consisted of the following

Organizational Costs	$ 80,108
Website Design	8,200
	88,308
Less Accumulated Amortization	(60,466)
	$ 27,842

Amortization expense for 2015 was $6,907

NOTE 5 - MEMBERS' EQUITY

One of the Company's larger franchisees has taken an ownership position in the Company During 2015, the franchisee contributed $50,000

NOTE 6 - RELATED PARTY TRANSACTIONS

The Company shares common ownership with an affiliate from whom they purchase product and supplies At December 31, 2015 there was $25,311 in outstanding receivables due from this affiliate

NOTE 7 - FRANCHISING AGREEMENTS

The number of franchise agreements in force as of December 31, 2015 was 48

The Company obligates itself to each franchisee to perform the following services

1 Designate an exclusive territory
2 Provide guidance and approval for selection and location of site
3 Provide initial training of franchisee and employees
4 Provide a company manual and other training aids

The Company has developed a new "Mobile Franchise Opportunity" The total investment for the new opportunity ranges from $155,600 to $165,000, as follows $125,000 for a new Mercedes Sprinter van, customized for the franchisee, $25,000 for the franchise fee, the balance for product The Company obligation is as above, except for item #3, training is specific to the new opportunity

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Operating Lease
The Company completed the lease of a trailer under a noncancellable lease at the rate of $503 49 per month, plus applicable sales tax Expense for 2014 under this lease was $6,817

The Trailer was then re-rented to a franchisee Rental income received was $6,804 The company rents various equipment as needed Expense for short-term rentals totaled $4,125

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The Company may from time to time, be subject to various claims, legal actions and complaints arising in the ordinary course of business In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company

NOTE 9 - SUBSEQUENT EVENTS

Date of Management Evaluation
Management has evaluated subsequent events through April 15, 2015 the date on which the financial statement was available to be issued

Subsequent Events
The Company expects to close a new franchise unit under the new "Mobile Franchise Opportunity" in May, 2016

REPICCI'S FRANCHISE GROUP, LLC

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Fred L Williams, Jr , M Acc

Certified Public Accountant

1001 Ashland Terrace Chattanooga, TN 37415

Independent Auditor's Report

To the Members
Repicci's Franchise Group, LLC
Chattanooga, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Repicci's Franchise Group, LLC which comprise the balance sheet as of December 31, 2014, and the related statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

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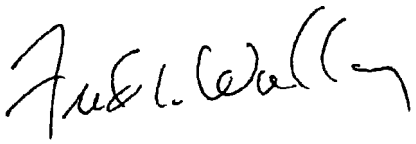
expressing an opinion on the effectiveness of the entity's internal control Accordingly, I express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repicci's Franchise Group, LLC as of December 31, 2014 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America



Fred L Williams, Jr , CPA, M Acc
Chattanooga, Tennessee
April 15, 2015

REPICCI'S FRANCHISE GROUP, LLC
BALANCE SHEET
December 31, 2014

ASSETS:

CURRENT ASSETS

Cash and Equivalents	$ 4,275
Accounts Receivable-Net	9,881
Due from Affiliate	5,311
	19,467
PROPERTY AND EQUIPMENT-Net	55,946
INTANGIBLE ASSETS-Net	27,748
Total Assets	$ 103,161

LIABILITIES AND MEMBERS' EQUITY:

CURRENT LIABILITIES

Accounts Payable	$ 14,653
Note Payable-Parker	22,930
Current Maturities of Long-term Debt	5,667
	43,250
LONG-TERM DEBT	23,023
MEMBERS' EQUITY	36,888
Total Liabilities and Members' Equity	$ 103,161

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2014

REVENUES	
Sales of Product	$ 266,953
Sales of Supplies	8,782
Sales of Equipment	105,118
Franchise Fees	63,500
Delivery and Service Charges	8,157
Unclassified	11,754
	464,264
COSTS OF GOODS SOLD	
Product	169,731
Supplies	15,458
Freight	9,068
Equipment	95,295
	289,552
GROSS PROFIT	174,712
OPERATING EXPENSES	
Contract Labor	76,260
Amortization	5,740
Bad Debt	15,288
Depreciation	10,662
Fuel	3,165
Insurance	1,385
Interest	5,722
Marketing	15,777
Professional Fees	8,800
Office Expense	1,488
Registration and Dues	9,555
Repairs and Maintenance	1,586
Supplies	1,080
Trailer Lease	6,100
Telephone	3,539
Taxes and Licenses	2,365
Travel, Meals and Entertainment	8,580
Utilities	1,368
Unclassified	11,865
	190,325
NET INCOME (LOSS)	(15,613)
MEMBERS EQUITY-January 1, 2014	58,168
Net Capital Activity	(5,667)
MEMBERS' EQUITY-December 31, 2014	$ 36,888

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	$ (15,535)
Adjustments to reconcile net income net cash provided (used in) operating activities	
Amortization and Depreciation	16,402
Allowance for Doubtful Accounts	15,288
Decrease (Increase) in:	
Accounts Receivable	(24,488)
Notes Receivable	9,586
Increase (Decrease) in:	
Accounts Payable	(12,036)
	(10,783)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition of Equipment	(490)
	(490)
CASH FLOW FROM FINANCING ACTIVITIES:	
New Debt	22,930
Debt Reduction	(5,655)
New Member's Capital Contribution	50,000
Old Member's Capital Withdrawal	(55,766)
	11,509
NET INCREASE (DECREASE) IN CASH	236
CASH-January 1, 2014	4,040
CASH-December 31, 2014	$ 4,276
SUPPLEMENTAL INFORMATION:	
Cash Paid for Interest	$ 5,722
Cash Paid for Taxes	-

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Repicci's Franchise Group, LLC (the "Company") is a Tennessee limited liability company that was formed on January 1, 2005, and provides limited liability to its members The Company offers franchises for the operation of "Repicci's Italian Ice" stores These franchised stores specialize in the manufacturing and distribution of nonfat frozen confections The Company does not currently offer franchises in any other line of business and does not currently engage in any other business

A summary of significant accounting policies follows:

Use of Estimates
Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Some of the estimates and assumptions made relate to the evaluation of impairment of intangible assets and the collectibility of receivables

Cash and Cash Equivalents
The company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents

Accounts Receivable
Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of services or materials from the Company's offices These accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables when deemed necessary based on management's review of outstanding amounts Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions Accounts receivable are written off when deemed uncollectible Recoveries of Accounts receivable previously written off are recorded as income when received

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounts Receivable (cont'd)
Bad debt expense was $15,288 for year ended December 31, 2014 As of December 31, 2014, $23,378 of receivables were 90 days or older and considered past due under contractual terms All accounts receivable are still on an accruing status

Property, Plant and Equipment
Property and equipment are stated at historical cost Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally five to seven years)

Presentation of Sales Taxes
The Company collects and remits sales taxes as required The Company's accounting policy is to exclude the tax collected and remitted to the various states from revenues and expenses

Intangible Assets
Intangible assets consists of organizational costs, amortized using straight-line over 15 years and website development costs amortized using straight-line over 3 years

Revenue Recognition
When a Repicci's Italian Ice franchise is sold, the Company agrees to perform certain services to the franchisee All significant services are considered substantially performed at the time the franchisee has completed training and the franchisee has opened an office and started operations

Franchise license fees are recorded as revenue as of the date of agreement and receipt of the license fee from the franchisee For Repicci's Italian Ice stores not yet open at the end of a reporting period, the portion of the franchise license fee, net of direct costs recognized related to commissions and fees paid, is deferred until the office has opened Continuing monthly royalty fees are recognized as revenue monthly upon receipt of the franchisee's monthly sales report These monthly royalty fees are based on the franchise agreement Revenue from services and materials is recognized upon provisioning/shipment and invoicing Sales of services and materials are restricted to the Company's franchisees

Delivery and Handling Costs
The Company classifies delivery charges billed to customers as sales revenue and the related costs as cost of sales

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes
The members of the Company have elected to be taxed under the provisions of Subchapter K of the Internal Revenue Code Under those provisions, the Company does not pay income taxes on its income Instead, the members are liable for individual income taxes on their respective shares of the Company's taxable income Therefore, no provision or liability for federal income taxes has been included in the financial statements The company has adopted a December 31 year end All open tax years remain subject to audit by the appropriate tax authorities Management is not aware of any material uncertain tax positions

Advertising Costs
The Company expenses advertising costs as incurred Advertising expense for the year ended December 31, 2014 was $3,161

Interest Expense
Interest was incurred in the amount of $5,722 on certain credit cards used in the business and for acquisition debt for the new company vehicle, all of which was expensed

Concentrations
The Company maintains cash balances in one financial institution participating in the Federal Deposit Insurance Corporation (FDIC) program whereby cash deposits are insured for up to $250,000

The Company's customers are diversified geographically, thereby minimizing any concentration risks

Fair Value of Financial Instruments
The Company has a number of financial instruments, none of which are held for trading purposes, including cash and equivalents, accounts and loans receivable, and accounts payable Management estimates that the fair value of all financial instruments at the balance sheet dates, does not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying balance sheets The estimated fair value amounts have been determined by using appropriate valuation methodologies Considerable judgement is necessarily required in developing the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current exchange

NOTE 2 - ACCOUNTS RECEIVABLE
Accounts receivable as of the balance sheet date consisted of

Accounts Receivable	$ 33,259
Less Allowance for Doubtful Accounts	(23,378)
	$ 9,881

NOTE 3 - PROPERTY AND EQUIPMENT
For the year ended December 31, 2014, property and equipment consisted of the following

2012 Nissan CVR and Improvements	$ 69,564
Machinery and Equipment	6,484
Less Accumulated Depreciation	(20,102)
	$ 55,946

Depreciation expense for 2014 was $10,662

NOTE 4 - INTANGIBLE ASSETS

For the year ended December 31, 2014, intangible assets consisted of the following

Organizational Costs	$ 80,107
Website Design	1,200
Less Accumulated Amortization	(53,559)
	$ 27,748

Amortization expense for 2014 was $5,740

NOTE 5 - LONG-TERM DEBT

Long-term as of December 31, 2014 consisted of the following

	Security	Monthly Payment	Interest Rate	Amount
GMAC	2012 Nissan CVR	$693	8 32%	$ 28,690
Less Current Maturities				(5,667)
Long-term Debt				$ 23,023

NOTE 5 - LONG-TERM DEBT (cont'd)

Aggregate maturities of long-term debt are as follows

Year Ending -	December 31, 2015	$ 6,157
	December 31, 2016	6,690
	December 31, 2017	7,268
	December 31, 2018	7,897
	December 31, 2019	687
		$ 28,699

NOTE 6 - MEMBERS' EQUITY

One of the Company's larger franchisees has taken an ownership position in the Company During 2014, the franchisee contributed $50,000 and in April, 2015, contributed another $20,000 for the equity position, representing 50% ownership of the Company

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company shares common ownership with an affiliate from whom they purchase product and supplies At December 31, 2014 there was $9821 in outstanding receivables due from this affiliate

NOTE 8 - FRANCHISING AGREEMENTS

The number of franchise agreements in force as of December 31, 2014 was 55 The Company sold 4 franchise unit for $57,000 in the year then ended

The Company obligates itself to each franchisee to perform the following services

1 Designate an exclusive territory
2 Provide guidance and approval for selection and location of site
3 Provide initial training of franchisee and employees
4 Provide a company manual and other training aids

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Lease
The Company leases a trailer under a noncancellable lease at the rate of $503 49 per month, plus applicable sales tax Expense for 2014 under this lease was $6,100 The following is a schedule by years of future minimum rentals under the lease at December 31, 2014

Year ending - December 31, 2015	$ 4,392

Litigation
The Company may from time to time, be subject to various claims, legal actions and complaints arising in the ordinary course of business In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company

NOTE 10 - SUBSEQUENT EVENTS

Date of Management Evaluation
Management has evaluated subsequent events through April 15, 2015 the date on which the financial statement was available to be issued

Subsequent Events
In April, 2015, the Company received an additional $20,000 for a new equity position (see also note 6)

REPICCI'S FRANCHISE GROUP, LLC

FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

JOHN M. VANDEVANDER & COMPANY

Certified Public Accountants

REPICCI'S FRANCHISE GROUP, LLC

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JOHN M. VANDEVANDER & COMPANY

Certified Public Accountants

John M VanDevander, CPA, Managing Partner
Fred L. Williams, Jr., CPA

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Independent Auditors' Report

To the Members
Repicci's Franchise Group, LLC
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Repicci's Franchise Group, LLC which comprise the balance sheet as of December 31, 2013, and the related statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

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expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repicci's Franchise Group, LLC as of December 31, 2013 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America

John M VanDevander & Co , CPAs
Chattanooga, Tennessee
July 2, 2014

REPICCI'S FRANCHISE GROUP, LLC
BALANCE SHEET
December 31, 2013

ASSETS:	
CURRENT ASSETS	
Cash and Equivalents	$ 4,040
Accounts Receivable-Net	681
Note Receivable-Member	9,586
Due from Affiliate	5,311
	19,618
PROPERTY AND EQUIPMENT-Net	66,117
INTANGIBLE ASSETS-Net	33,488
Total Assets	$ 119,223
LIABILITIES AND MEMBERS' EQUITY	
CURRENT LIABILITIES	
Accounts Payable	$ 26,689
Current Maturities of Long-term Debt	5,667
	32,356
LONG-TERM DEBT	28,699
MEMBERS' EQUITY	58,168
Total Liabilities and Members' Equity	$ 119,223

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2013

REVENUES	
Sales of Product	$ 271,196
Sales of Supplies	4,335
Sales of Equipment	7,542
Franchise Fees	7,000
Delivery and Service Charges	8,403
Consulting	384
Unclassified	7,935
	306,795
COSTS OF GOODS SOLD	
Product	138,905
Supplies	5,481
Freight	8,254
Equipment	1,958
	154,598
GROSS PROFIT	152,197
OPERATING EXPENSES	
Contract Labor	86,912
Amortization	5,540
Depreciation	6,034
Commissions	8,194
Delivery and Postage	461
Fuel	7,032
Insurance	1,915
Interest	8,603
Professional Fees	5,500
Office Expense	766
Registration and Dues	2,667
Repairs and Maintenance	2,821
Supplies	5,274
Trailer Lease	7,140
Telephone	3,314
Taxes and Licenses	8,695
Travel, Meals and Entertainment	881
Utilities	2,057
Unclassified	4,414
	168,220
NET INCOME (LOSS)	(16,023)
MEMBERS EQUITY-January 1, 2013	34,191
Capital Contributions	40,000
MEMBERS' EQUITY-December 31, 2013	$ 58,168

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	$ (16,023)
Adjustments to reconcile net income net cash provided (used in) operating activities	
Amortization and Depreciation	11,574
Allowance for Doubtful Accounts	(7,935)
Decrease (Increase) in	
Accounts Receivable	10,776
Notes Receivable	1,369
Increase (Decrease) in	
Accounts Payable	(2,285)
	(2,524)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Acquisition of New Vehicle	(69,564)
Acquisition of Equipment	(418)
Website Development	(1,200)
	(71,182)
CASH FLOW FROM FINANCING ACTIVITIES:	
New Debt	39,164
Debt Reduction	(4,798)
New Member's Capital Contribution	40,000
	74,366
NET INCREASE (DECREASE) IN CASH	660
CASH-January 1, 2013	3,380
CASH-December 31, 2013	$ 4,040
SUPPLEMENTAL INFORMATION:	
Cash Paid for Interest	$ 8,603
Cash Paid for Taxes	-

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Repicci's Franchise Group, LLC (the "Company") is a Tennessee limited liability company that was formed on January 1, 2005, and provides limited liability to its members The Company offers franchises for the operation of "Repicci's Italian Ice" stores These franchised stores specialize in the manufacturing and distribution of nonfat frozen confections The Company does not currently offer franchises in any other line of business and does not currently engage in any other business

A summary of significant accounting policies follows:

Use of Estimates
Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates Some of the estimates and assumptions made relate to the evaluation of impairment of intangible assets and the collectibility of receivables

Cash and Cash Equivalents
The company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents

Accounts Receivable
Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of services or materials from the Company's offices These accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables when deemed necessary based on management's review of outstanding amounts Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions Accounts receivable are written off when deemed uncollectible Recoveries of Accounts receivable previously written off are recorded as income when received

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Accounts Receivable (cont'd)
Bad debt expense was $0 for year ended December 31, 2013 As of December 31, 2013, $8,090 of receivables were 90 days or older and considered past due under contractual terms All accounts receivable are still on an accruing status

Property, Plant and Equipment
Property and equipment are stated at historical cost Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally five to seven years)

Presentation of Sales Taxes
The Company collects and remits sales taxes as required The Company's accounting policy is to exclude the tax collected and remitted to the various states from revenues and expenses

Intangible Assets
Intangible assets consists of organizational costs, amortized using straight-line over 15 years and website development costs amortized using straight-line over 3 years

Revenue Recognition
When a Repicci's Italian Ice franchise is sold, the Company agrees to perform certain services to the franchisee All significant services are considered substantially performed at the time the franchisee has completed training and the franchisee has opened an office and started operations

Franchise license fees are recorded as revenue as of the date of agreement and receipt of the license fee from the franchisee For Repicci's Italian Ice stores not yet open at the end of a reporting period, the portion of the franchise license fee, net of direct costs recognized related to commissions and fees paid, is deferred until the office has opened Continuing monthly royalty fees are recognized as revenue monthly upon receipt of the franchisee's monthly sales report These monthly royalty fees are based on the franchise agreement Revenue from services and materials is recognized upon provisioning/shipment and invoicing Sales of services and materials are restricted to the Company's franchisees

Delivery and Handling Costs
The Company classifies delivery charges billed to customers as sales revenue and the related costs as cost of sales

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes
The members of the Company have elected to be taxed under the provisions of Subchapter K of the Internal Revenue Code Under those provisions, the Company does not pay income taxes on its income Instead, the members are liable for individual income taxes on their respective shares of the Company's taxable income Therefore, no provision or liability for federal income taxes has been included in the financial statements The company has adopted a December 31 year end All open tax years remain subject to audit by the appropriate tax authorities Management is not aware of any material uncertain tax positions

Advertising Costs
The Company expenses advertising costs as incurred Advertising expense for the year ended December 31, 2013 was $0

Interest Expense
Interest was incurred in the amount of $8,603 on certain credit cards used in the business and for acquisition debt for the new company vehicle, all of which was expensed

Concentrations
The Company maintains cash balances in one financial institution participating in the Federal Deposit Insurance Corporation (FDIC) program whereby cash deposits are insured for up to $250,000

The Company's customers are diversified geographically, thereby minimizing any concentration risks

Fair Value of Financial Instruments
The Company has a number of financial instruments, none of which are held for trading purposes, including cash and equivalents, accounts and loans receivable, and accounts payable Management estimates that the fair value of all financial instruments at the balance sheet dates, does not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying balance sheets The estimated fair value amounts have been determined by using appropriate valuation methodologies Considerable judgement is necessarily required in developing the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current exchange

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable as of the balance sheet date consisted of

Accounts Receivable	$ 8,771
Less Allowance for Doubtful Accounts	(8,090)
	$ 681

NOTE 3 - PROPERTY AND EQUIPMENT

For the year ended December 31, 2013, property and equipment consisted of the following

2012 Nissan CVR and Improvements	$ 69,564
Machinery and Equipment	5,993
Less Accumulated Depreciation	(9,440)
	$ 66,117

Depreciation expense for 2013 was $6,034

NOTE 4 - INTANGIBLE ASSETS

For the year ended December 31, 2013, intangible assets consisted of the following

Organizational Costs	$ 80,107
Website Design	1,200
Less Accumulated Amortization	(47,819)
	$ 33,488

Amortization expense for 2013 was $5,540

NOTE 5 - LONG-TERM DEBT

Long-term as of December 31, 2013 consisted of the following

	Security	Monthly Payment	Interest Rate	Amount
GMAC	2012 Nissan CVR	$ 693	8 32%	$ 34,366
Less Current Maturities				(5,667)
Long-term Debt				$ 28,699

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Lease
The Company leases a trailer under a noncancellable lease at the rate of $503 49 per month, plus applicable sales tax Expense for 2013 under this lease was $7,140 The following is a schedule by years of future minimum rentals under the lease at December 31, 2013

Year ending -	December 31, 2014	6,588
-	December 31, 2015	4,392
		$ 10,980

Litigation
The Company may from time to time, be subject to various claims, legal actions and complaints arising in the ordinary course of business In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any would not have a material effect on the financial position of the Company

NOTE 10 - SUBSEQUENT EVENTS

Date of Management Evaluation
Management has evaluated subsequent events through July 2, 2014, the date on which the financial statement was available to be issued

Subsequent Events
In January, 2014, the Company received an additional $50,000 for a new equity position (see also note 6)

NOTE 11 - NONCASH INVESTING AND FINANCING TRANSACTIONS

Noncash investing and financing transactions consisted of the cost of acquiring a Company vehicle for business use and the related obligation (notes 3 and 5) have been included in assets and liabilities, respectively, in the accompanying financial statements

REPICCI'S FRANCHISE GROUP, LLC

FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

JOHN M. VANDEVANDER & COMPANY

Certified Public Accountants

REPICCI'S FRANCHISE GROUP, LLC

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JOHN M. VANDEVANDER & COMPANY

Certified Public Accountants

John M. VanDevander, CPA, Managing Partner
Fred L. Williams, Jr., CPA

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Phone (423) 899 1521
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Independent Auditors' Report

To the Members
Repicci's Franchise Group, LLC
Chattanooga, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Repicci's Franchise Group, LLC which comprise the balance sheet as of December 31, 2012, and the related statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

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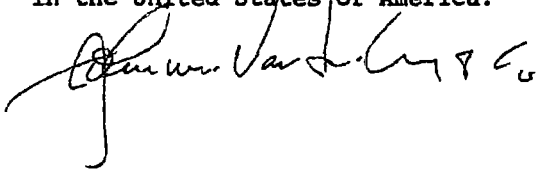
expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repicci's Franchise Group, LLC as of December 31, 2012 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



John M. VanDevander & Co , CPAs
Chattanooga, Tennessee
June 10, 2013

REPICCI'S FRANCHISE GROUP, LLC
BALANCE SHEET
December 31, 2012

ASSETS:	
CURRENT ASSETS	
Cash and Equivalents	$ 3,380
Accounts Receivable-Net	3,521
Note Receivable-Member	10,955
Due from Affiliate	5,311
Total Current Assets	23,167
PROPERTY AND EQUIPMENT-Net	2,169
INTANGIBLE ASSETS-Net	37,829
Total Assets	$ 63,165
LIABILITIES AND MEMBERS' EQUITY:	
CURRENT LIABILITIES	
Accounts Payable	$ 28,974
MEMBERS' EQUITY	34,191
Total Liabilities and Members' Equity	$ 63,165

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

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ended December 31, 2012

REVENUES	
Sales of Product	$ 196,233
Sales of Supplies	8,321
Sales of Equipment	5,353
Franchise Fees	9,099
Delivery and Service Charges	7,261
Consulting	575
	226,842
COSTS OF GOODS SOLD	
Product	84,836
Supplies	8,894
Freight	8,210
Equipment	2,377
	104,317
GROSS PROFIT	122,525
OPERATING EXPENSES	
Contract Labor	52,961
Advertising	511
Amortization	5,340
Depreciation	1,035
Bad Debt	6,101
Delivery and Postage	677
Fuel	4,970
Insurance	849
Interest	6,350
Professional Fees	14,954
Office Expense	587
Registration and Dues	134
Repairs and Maintenance	2,377
Supplies	913
Trailer Lease	7,205
Telephone	4,064
Taxes and Licenses	1,828
Travel, Meals and Entertainment	1,425
Utilities	920
Unclassified	1,137
	114,338
NET INCOME	8,187
MEMBERS EQUITY-January 1, 2012	26,004
MEMBERS' EQUITY-December 31, 2012	$ 34,191

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

REPICCI'S FRANCHISE GROUP, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income	$ 8,187
Adjustments to reconcile net income net cash provided (used in) operating activities:	
Amortization and Depreciation	6,375
Allowance for Doubtful Accounts	6,525
Decrease (Increase) in· Receivables	(1,823)
Increase (Decrease) in. Accounts Payable	(15,222)
	4,042
CASH FLOWS FROM INVESTING ACTIVITIES:	
Notes Receivable	(4,107)
NET INCREASE (DECREASE) IN CASH	(65)
CASH-January 1, 2012	3,445
CASH-December 31, 2012	$ 3,380
SUPPLEMENTAL INFORMATION:	
Cash Paid for Interest	$ 6,350
Cash Paid for Taxes	-

The accompanying notes are an integral part of these financial statements

REPICCI'S FRANCHISE GROUP, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Repicci's Franchise Group, LLC (the "Company") is a Tennessee limited liability company that was formed on January 1, 2005, and provides limited liability to its members. The Company offers franchises for the operation of "Repicci's Italian Ice" stores. These franchised stores specialize in the manufacturing and distribution of nonfat frozen confections. The Company does not currently offer franchises in any other line of business and does not currently engage in any other business.

A summary of significant accounting policies follows:

Use of Estimates
Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Some of the estimates and assumptions made relate to the evaluation of impairment of intangible assets and the collectibility of receivables.

Cash and Cash Equivalents
The company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents

Accounts Receivable
Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of services or materials from the Company's offices These accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables when deemed necessary based on management's review of outstanding amounts Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of Accounts receivable previously written off are recorded as income when received. Bad debt expense was $6,101 for year ended December 31, 2012. As of December 31, 2012, $19,467 of receivables were 90 days or older and considered past due under contractual terms. All accounts receivable are still on an accruing status.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment
Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally five to seven years).

Intangible Assets
Intangible assets consists of organizational costs, amortized using straight-line over 15 years.

Revenue Recognition
When a Repicci's Italian Ice franchise is sold, the Company agrees to perform certain services to the franchisee. All significant services are considered substantially performed at the time the franchisee has completed training and the franchisee has opened an office and started operations.

Franchise license fees are recorded as revenue as of the date of agreement and receipt of the license fee from the franchisee. For Repicci's Italian Ice stores not yet open at the end of a reporting period, the portion of the franchise license fee, net of direct costs recognized related to commissions and fees paid, is deferred until the office has opened. Continuing monthly royalty fees are recognized as revenue monthly upon receipt of the franchisee's monthly sales report. These monthly royalty fees are based on the franchise agreement. Revenue from services and materials is recognized upon provisioning/shipment and invoicing Sales of services and materials are restricted to the Company's franchisees.

Delivery and Handling Costs
The Company classifies delivery charges billed to customers as sales revenue and the related costs as cost of sales.

Income Taxes
The members of the Company have elected to be taxed under the provisions of Subchapter K of the Internal Revenue Code. Under those provisions, the Company does not pay income taxes on its income. Instead, the members are liable for individual income taxes on their respective shares of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements The company has adopted a December 31 year end. All open tax years remain subject to audit by the appropriate tax authorities. Management is not aware of any material uncertain tax positions.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Costs
The Company expenses advertising costs as incurred. Advertising expense for the year ended December 31, 2012 was $511.

Interest Expense
Interest was incurred in the amount of $6,350 on certain credit cards used in the business, all of which was expensed.

Concentrations
The Company maintains cash balances in one financial institution participating in the Federal Deposit Insurance Corporation (FDIC) program whereby cash deposits are insured for up to $250,000.

Fair Value of Financial Instruments
The Company has a number of financial instruments, none of which are held for trading purposes, including cash and equivalents, accounts and loans receivable, and accounts payable. Management estimates that the fair value of all financial instruments at the balance sheet dates, does not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying balance sheets. The estimated fair value amounts have been determined by using appropriate valuation methodologies. Considerable judgement is necessarily required in developing the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current exchange.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable as of the balance sheet date consisted of:

Accounts Receivable	$ 19,546
Less. Allowance for Doubtful Accounts	(16,025)
	$ 3,521

NOTE 3 - PROPERTY AND EQUIPMENT

For the year ended December 31, 2012, property and equipment consisted of the following:

Machinery and Equipment	$ 5,575
Less Accumulated Depreciation	(3,406)
	$ 2,169

Depreciation expense was $1,035.

NOTE 4 - INTANGIBLE ASSETS

For the year ended December 31, 2012, intangible assets consisted of the following:

Organizational Costs	$ 80,107
Less: Accumulated Amortization	(42,278)
	$ 37,829

Amortization expense was $5,340.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company shares common ownership with an affiliate from whom they purchase product and supplies. At December 31, 2012 There was $5,311 in outstanding receivables due from this affiliate.

One of the members shares in certain expenses. At December 31, 2012 this account had been settled in full.

NOTE 6 - FRANCHISING AGREEMENTS

The number of franchise agreements in force as of December 31, 2012 was 50. The Company sold 6 franchises in the year then ended.

The Company obligates itself to each franchisee to perform the following services.

1. Designate an exclusive territory.
2. Provide guidance and approval for selection and location of site.
3. Provide initial training of franchisee and employees.
4. Provide a company manual and other training aids.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Operating Lease

The Company leases a trailer under a noncancellable lease at the rate of $503.49 per month, plus applicable sales tax. Expense for 2012 under this lease was $7,205. The following is a schedule by years of future minimum rentals under the lease at December 31, 2012.

Year ending - December 31, 2013	6,588
- December 31, 2014	6,588
- December 31, 2015	4,392
	$ 17,568

Litigation

The Company may from time to time, be subject to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 8 - SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through June 10, 2013, the date on which the financial statement was available to be issued.

EXHIBIT A-~~1~~

1

Repicci's Franchise Group, LLC

UNAUDITED FINANCIAL REPORT

AS OF ~~SEPTEMBER 30,~~ MAY 31, 2016~~2015~~

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

Repicci's Franchise Group, LLC

BALANCE SHEET

As of September 30, 2015

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 FSG Bank-Checking	0 00
1010 Regions Bank Checking	18 943 00
Total Bank Accounts	**$18,943 00**
Accounts Receivable	
1200 Accounts Receivable	67 648 13
Total Accounts Receivable	**$67,648 13**
Other current assets	
1150 Loan to Repicci's Italian Ice LLC	5 311 07
1210 Allowance for Bad Debts	-23 377 86
1220 Product For Resale	0 00
1250 Supplies for Resale	0 00
1280 Equipment for Resale	0 00
Due From FDR	20 000 00
Total Other current assets	**$1 933 21**
Total Current Assets	**$88,524 34**
Fixed Assets	
1500 Equipment	12 051 33
1550 Accumulated Depreciation	-20 101 78
Vehicles	69,564 00
Total Fixed Assets	**$61,513 55**
Other Assets	
1600 Intangible Assets	80 107 00
1614 Website Design	1 200 00
1650 A/A-Intangible Assets	53 558 60
Total Other Assets	**$27,748 40**
TOTAL ASSETS	**$177,786.29**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	4 101 73
Total Accounts Payable	**$4,101 73**
Other Current Liabilities	
1180 Loan from Frank Repici	0 00
2010 N/P GMAC (Short-Term)	5 667 39
2150 Franchise & Excise Taxes Payabl	0 00

2200 Sales Tax Payable	0 00
2300 Loan-Repicci's Italian Ice (deleted)	0 00
2300 State Tax Payable	0 00
2310 Loan Payable Repicci s Italian Ice,llc	0 00
2320 Truck TVA Credit	0 00
2400 Note Payable-Ronald E. Parker	0 00
2410 Note Payable FDR	0 00
2420 Note Payable Ronald E Parker	8 980 16
Total Other Current Liabilities	**$14,647 55**
Total Current Liabilities	**$18 749 28**
Long Term Liabilities	
2415 N/P GMAC (Long Term)	23 023 00
Total Long-Term Liabilities	**$23 023 00**
Total Liabilities	**$41 772 28**
Equity	
1110 Retained Earnings	73 073 10
1135 Frank's Equity	-29 325 40
1155 Frank s Investments	3 585 02
Total 1135 Frank s Equity	**25,740 38**
1170 Cam's Equity	26 440 33
1190 Cam's Investments	150 000 00
Total 1170 Cam's Equity	**176,440 33**
2635 Partner Equity - Camille Crawford	0 00
2999 Opening Bal Equity	0 00
Net Income	58 387 16
Total Equity	**$136 014 01**
TOTAL LIABILITIES AND EQUITY	**$177,786 29**

Monday, Oct 26 2015 01 34 37 PM PDT GMT-5 - Accrual Basis

Repicci's Franchise Group, LLC
PROFIT AND LOSS
January - September 2015

	TOTAL
Income	
3020 Sales-Product	104 631 44
Concentrate Sales	101 663 15
Customer Product Sales	855 00
Total 3020 Sales Product	207 149 59
3025 Sales-Equipment	34 044 47
Franchise Trailer Sales	18 950 00
Franchise Truck Sales	30 000 00
Total 3025 Sales Equipment	82,994 47
3030 Sales-Supplies	22 951 85
3100 Franchise Fees	28 900 00
3120 Royalty Fees	13 500 00
3150 Delivery Charge	6,133 80
6332 Training Fees	-900 00
Equipment Lease/Savannah	5 103 00
Total Income	$365,832 71
Cost of Goods Sold	
4010 Purchases-Product	118 489 93
4020 Trailer Purchase-Equipment	22 958 86
4050 Purchase-Supplies	24 656 62
4190 Freight	8 561 70
Total Cost of Goods Sold	$174,667 11
Gross Profit	$191 165 60
Expenses	
4120 Accounting	5 680 00
4130 Advertising	19 494 84
4270 Travel	918 58
4280 Lodging	287 32
4290 Office Supplies	405 39
4300 Taxes and Licenses	1 456 46
6110 Automobile Expense	
4200 Fuel	705 98
6190 Nissan 2013	29 432 79
6235 Maintenance	150 00
Insurance	420 52
Total 6110 Automobile Expense	30 709.29
6120 Bank Service Charges	110 00
6160 Dues and Registration fees	1 664 00
6165 Trailer - Lease	5 159 15
6170 Equipment Rental	4 125 00

6180 Insurance	1 147 05
6200 Interest Expense	1 292 62
6230 Licenses and Permits	150 00
6245 Miscellaneous	9 50
6250 Postage and Delivery	466 63
6260 Printing and Reproduction	36 99
6280 Legal Fees	1 600 00
6300 Repairs Equipment	154 48
6325 Marketing	10 088 03
6330 Consultant Fee	17,500 00
6335 Supplies	20 77
6340 Telephone	2 533 77
6370 Meals	893 08
6390 Utilities	1 518 49
6395 Contract Labor	25 357 00
Total Expenses	**$132,778 44**
Net Operating Income	**$58,387 16**
Net Income	**$58,387 16**

Monday Oct 26 2015 01 33 41 PM PDT GMT 5 - Accrual Basis

Repicci's Franchise Group, LLC
BALANCE SHEET
As of May 31, 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 FSG Bank-Checking	0 00
1010 Regions Bank-Checking	27 996 50
Total Bank Accounts	$27 996 50
Accounts Receivable	
1200 Accounts Receivable	74 651 34
Total Accounts Receivable	$74 651 34
Other current assets	
1150 Loan to Repicci s Italian Ice LLC	5 311 07
1210 Allowance for Bad Debts	-12 783 71
1220 Product For Resale	0 00
1250 Supplies for Resale	0 00
1280 Equipment for Resale	0 00
Due From FDR	20 000 00
Total Other current assets	$12,527 36
Total Current Assets	$115 175 20
Fixed Assets	
1500 Equipment	12 051 33
1550 Accumulated Depreciation	30 795 97
Vehicles	69 564 00
Total Fixed Assets	$50 819 36
Other Assets	
1600 Intangible Assets	80 107 00
1614 Website Design	8 200 00
1650 A/A-Intangible Assets	-80 465 73
Total Other Assets	$27,841 27
TOTAL ASSETS	$193 835 83
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	45 207 78
Total Accounts Payable	$45 207 78
Other Current Liabilities	
1180 Loan from Frank Repici	0 00
2010 N/P GMAC (Short-Term)	0 00
2150 Franchise & Excise Taxes Payabl	0 00
2200 Sales Tax Payable	0 00
2300 State Tax Payable	0 00

	TOTAL
2310 Loan Payable Repicci s Italian Ice llc	0 00
2320 Truck TVA Credit	0 00
2400 Note Payable-Ronald E Parker	0 00
2410 Note Payable-FDR	0 00
2420 Note Payable Ronald E Parker	9,585 59
Total Other Current Liabilities	$ -9,585 59
Total Current Liabilities	$35 622 19
Long Term Liabilities	
2415 N/P GMAC (Long Term)	0 00
Total Long-Term Liabilities	$0 00
Total Liabilities	$35 622 19
Equity	
1110 Retained Earnings	9 532 85
2535 Frank s Equity	25 740 38
2635 Partner Equity - Camille Crawford	176 440 33
2999 Opening Bal Equity	0 00
Net Income	17 046 54
Total Equity	$158,213 64
TOTAL LIABILITIES AND EQUITY	$193,835.83

Thursday Jun 16 2016 10 44 31 AM PDT GMT-5 - Accrual Basis

Repicci's Franchise Group, LLC
PROFIT AND LOSS
January May, 2016

	TOTAL
Income	
3020 Sales-Product	41 158 70
Concentrate Sales	8 670 00
Customer Product Sales	3 331 00
Total 3020 Sales Product	53,159 70
3030 Sales-Supplies	6 924 44
3100 Franchise Fees	30 016 60
3120 Royalty Fees	7 500 00
3150 Delivery Charge	2,331 80
4999 Uncategorized Income	163 00
Equipment Lease/Savannah	2 268 00
Total Income	$102 363 54
Cost of Goods Sold	
4010 Purchases Product	49 193 88
4050 Purchase-Supplies	7 730 20
4190 Freight	2 489 21
Total Cost of Goods Sold	$59 413 29
Gross Profit	$42,950 25
Expenses	
4120 Accounting	5 603 66
4130 Advertising	3 096 00
4140 Leads for Franchises	760 00
4270 Travel	376 77
4280 Lodging	357 74
4290 Office Supplies	226 27
4300 Taxes and Licenses	501 98
6110 Automobile Expense	
4200 Fuel	236 99
6235 Maintenance	19 99
Total 6110 Automobile Expense	256 98
6120 Bank Service Charges	75 77
6160 Dues and Registration fees	533 99
6165 Trailer - Lease	2 210 96
6180 Insurance	484 50
6200 Interest Expense	480 38
6230 Licenses and Permits	150 00
6245 Miscellaneous	163 00
6250 Postage and Delivery	152 87
6260 Printing and Reproduction	42 97
6280 Legal Fees	2 000 00
6325 Marketing	5 402 50
6335 Supplies	26 40
6340 Telephone	1 514 96

	TOTAL
6370 Meals	554 26
6390 Utilities	631 75
6395 Contract Labor	300 00
Total Expenses	**$25,903 71**
Net Operating Income	**$17 048 54**
Net Income	**$17,048 54**

Thursday Jun 16 2016 10 45 33 AM PDT GMT 5 Accrual Basis

6180 Insurance	1 147 05
6200 Interest Expense	1 292 62
6230 Licenses and Permits	150 00
6245 Miscellaneous	9 50
6250 Postage and Delivery	466 63
6260 Printing and Reproduction	36 99
6280 Legal Fees	1 600 00
6300 Repairs Equipment	154 48
6325 Marketing	10 088 03
6330 Consultant Fee	17 500 00
6335 Supplies	20 77
6340 Telephone	2 533 77
6370 Meals	893 08
6390 Utilities	1 518 49
6395 Contract Labor	25,357 00
Total Expenses	**$132,778 44**
Net Operating Income	**$58,387 16**
Net Income	**$58,387 16**

Monday Oct 26 2015 01 33 41 PM PDT GMT 5 - Accrual Basis

Repicci's Franchise Group, LLC
BALANCE SHEET
As of May 31 2016

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 FSG Bank-Checking	0 00
1010 Regions Bank-Checking	27 996 50
Total Bank Accounts	$27 996 50
Accounts Receivable	
1200 Accounts Receivable	74 651 34
Total Accounts Receivable	$74,651 34
Other current assets	
1150 Loan to Repicci s Italian Ice LLC	5 311 07
1210 Allowance for Bad Debts	-12 783 71
1220 Product For Resale	0 00
1250 Supplies for Resale	0 00
1280 Equipment for Resale	0 00
Due From FDR	20,000 00
Total Other current assets	$12 527.36
Total Current Assets	$115,176.20
Fixed Assets	
1500 Equipment	12 051 33
1650 Accumulated Depreciation	30 795 97
Vehicles	69 564 00
Total Fixed Assets	$50 819 36
Other Assets	
1600 Intangible Assets	80 107 00
1614 Website Design	8 200 00
1650 A/A-Intangible Assets	-60,465 73
Total Other Assets	$27,841 27
TOTAL ASSETS	$193,835 83
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	45 207 78
Total Accounts Payable	$45 207 78
Other Current Liabilities	
1180 Loan from Frank Repici	0 00
2010 N/P GMAC (Short Term)	0 00
2150 Franchise & Excise Taxes Payabl	0 00
2200 Sales Tax Payable	0 00
2300 State Tax Payable	0 00

	TOTAL
2310 Loan Payable Repicci s Italian Ice,llc.	0 00
2320 Truck TVA Credit	0 00
2400 Note Payable-Ronald E Parker	0 00
2410 Note Payable-FDR	0 00
2420 Note Payable Ronald E Parker	-9 585 59
Total Other Current Liabilities	$ -9,585 59
Total Current Liabilities	$35 622 19
Long Term Liabilities	
2415 N/P GMAC (Long Term)	0 00
Total Long Term Liabilities	$0 00
Total Liabilities	$35 622 19
Equity	
1110 Retained Earnings	9 532 85
2535 Frank s Equity	25 740 38
2635 Partner Equity Camille Crawford	176 440 33
2999 Opening Bal Equity	0 00
Net Income	17 046 54
Total Equity	$158 213 64
TOTAL LIABILITIES AND EQUITY	$193,835.83

Thursday Jun 16 2016 10 44 31 AM PDT GMT 5 Accrual Basis

Repicci's Franchise Group, LLC
PROFIT AND LOSS
January May 2016

	TOTAL
Income	
3020 Sales Product	41 158 70
Concentrate Sales	8 670 00
Customer Product Sales	3 331 00
Total 3020 Sales Product	**53 159 70**
3030 Sales-Supplies	6 924 44
3100 Franchise Fees	30 016 60
3120 Royalty Fees	7 500 00
3150 Delivery Charge	2 331 80
4999 Uncategorized Income	163 00
Equipment Lease/Savannah	2 268 00
Total Income	**$102 363 54**
Cost of Goods Sold	
4010 Purchases Product	49 193 88
4050 Purchase-Supplies	7 730 20
4190 Freight	2 489 21
Total Cost of Goods Sold	**$59,413 29**
Gross Profit	**$42,950 25**
Expenses	
4120 Accounting	5 603 66
4130 Advertising	3 096 00
4140 Leads for Franchises	760 00
4270 Travel	376 77
4280 Lodging	357 74
4290 Office Supplies	226 27
4300 Taxes and Licenses	501 98
6110 Automobile Expense	
4200 Fuel	236 99
6235 Maintenance	19 99
Total 6110 Automobile Expense	**256 98**
6120 Bank Service Charges	75 77
6160 Dues and Registration fees	533 99
6165 Trailer Lease	2 210 96
6180 Insurance	484 50
6200 Interest Expense	480 38
6230 Licenses and Permits	150 00
6245 Miscellaneous	163 00
6250 Postage and Delivery	152 87
6260 Printing and Reproduction	42 97
6280 Legal Fees	2,000 00
6325 Marketing	5 402 50
6335 Supplies	26 40
6340 Telephone	1 514 96

	TOTAL
6370 Meals	554 26
6390 Utilities	631 75
6395 Contract Labor	300 00
Total Expenses	**$25 903 71**
Net Operating Income	**$17,046 54**
Net Income	**$17,046.54**

Thursday Jun 16 2016 10 45 3C AM PDT GMT 5 Accrual Basis

EXHIBIT B

FRANCHISE AGREEMENT

Repicci's Franchise Group, LLC

FRANCHISE AGREEMENT

Franchisee: _____
Date: _____
Territory: _____

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ATTACHMENTS

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FRANCHISE AGREEMENT

This Franchise Agreement (the "Agreement") is entered into and effective this ____ day of _____, 20__, between Repicci's Franchise Group, LLC, a Tennessee Limited Liability Company, located at P O Box 380423, Birmingham, Alabama 35238 ("Franchisor"), and _____, ("Franchisee"), residing at _____

In consideration of the mutual promises in this Agreement, the parties agree as follows

1 DEFINITIONS

1 01 "Assets" means the Repicci's Franchise Group licensed franchise business, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items

1 02 "Business" means the right which is granted to Franchisee to operate a Franchise as set forth in this Agreement

1 03 "Business Records" means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Business, and all evidence and records with respect to customers, clients, employees, and other service professionals relating the Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer/client records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the Business

1 04 "Confidential Information" means all methods for establishing, operating and promoting the Business pursuant to the Franchisor's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks, any and all information developed by Franchiser, and such other information as may be further developed periodically by the Franchisor

1 05 "Designated Marketing Area" means that area included a Regional Marketing Co-Operative

1 06 "Gross Revenue" means the total of all receipts derived from gross revenue receipts, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange "Gross Revenue" shall exclude only sales tax receipts that Franchisee must by law collect from customers and that Franchisee pays to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee

1 07 "Franchise" means the Repicci's Real Italian licensed franchise business which Franchisee is granted the right to operate in conformity with the requirements of this Agreement

1 08 "Manual" means Franchisor's operations manual and other written materials, including information posted on Franchisor's Web site, information sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda, and their supplements loaned to Franchisee by Franchisor

1 09 "National Marketing Fund" means the separate bank account used by Franchisor for the purposes specified in this Franchise Agreement The Marketing Fund is not a trust or escrow account, and is managed by Franchisor in its sole discretion

1 10 "Marks" means Franchisor's trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the franchised Business, whether or not they are registered, including, but not limited to, "Repicci's Real Italian", "Repicci's Real Italian Ice', 'Repicci's', and 'Repicci's Italian Ice and Gelato "

1 11 "Multi-Area Marketing Program" (MAM Programs) means a regional, national, or international program designed to increase business, such as marketing to multi-area customers, Internet, shows, events, yellow pages, directories, affinity marketing, vendor programs, and co-branding programs Such programs may require Franchisee's cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees Franchisee must also adhere to maximum pricing to the extent permitted by law All such programs are Trade Secrets of Franchisor

1 12 "Premises" means the approved physical location established to operate your licensed Franchise business, within the Protected Territory and as described in Attachment I at which Franchisee may operate the franchised Business using the System

1 13 "Protected Territory" means the territory described in Attachment I to this Agreement, subject to any reservations or exceptions contained in this Agreement

1 14 "Regional Advertising Cooperative" means an advertising cooperative made up of franchisees who are located in or near Designated Marketing Areas, as determined by Franchisor, and managed by franchisees elected by the group The cooperative, if established, may adopt its own written governing regulations, which you must follow but these regulations are subject to consent by us These regulations will be made available to the Franchisee upon written request

1 15 "System" means, collectively, Franchisor's valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic

and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the franchised Business, as modified by Franchisor at any time

1 16 "Trade Secret" is the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and improvements regarding the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor

1 17 "Transfer" means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the franchised Business, substantial assets of the franchised Business, or of this Agreement

2 GRANT OF FRANCHISE

2 01 Grant of License Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee an exclusive license to operate a Franchise as designated in Attachment I to this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement

2 02 Modification of System Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply Franchisor will not alter these basic rights and obligations of the parties arising under this Agreement through changes in the Manual

2 03 Ownership and Principal Contact of Franchisee If Franchisee is an entity, Franchisee shall complete and update throughout the term of this Agreement, as necessary, the Statement of Ownership attached hereto as Attachment IV In addition, if Franchisee is an entity, all persons who own more than ten percent (10%) of the beneficial ownership interests in the entity shall guaranty Franchisee's performance under this Agreement by signing the Guaranty and Assumption of Franchisee's Obligations attached hereto as Attachment V If Franchisee is a limited liability company, partnership, corporation or other entity, Franchisee shall provide to Franchisor a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the Business This principal contact must be a managing member, general partner or controlling shareholder Such representative shall have the authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the Business Further, if Franchisee is an entity, such entity shall engage in no business other than the operation of the Business governed by this Agreement

3 TERM AND RENEWALS

3 01 Term of Agreement This Agreement begins on the date executed by both parties, and will continue for a period of five (5) years, unless earlier terminated as provided under this Agreement

3 02 Rights Upon Expiration At the end of the term of this Agreement, Franchisee may renew its license for one successive period of five (5) years, provided Franchisor does not exercise its rights of refusal as set forth below

3 03 Right of Refusal to Renew Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's license if Franchisee

(a) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice,

(b) has committed two (2) or more material breaches of this Agreement in the preceding twenty four (24) months prior to expiration,

(c) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement Failure to give timely notice will be considered an election not to renew this Agreement, or

(d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire

If Franchisor intends not to renew Franchisee's license, Franchisor shall give Franchisee at least one-hundred fifty (150) day notice of non-renewal prior to expiration of the term

3 04 Renewal Agreement Franchisee must execute a renewal franchise agreement and all other legal agreements in Franchisor's then-current form for new franchisees These agreements may vary in material aspects from this Agreement, including, but not limited to, higher royalty and advertising fees Franchisee must also make capital expenditures that are reasonably required for the renovation and modernization of the Franchise, signs, or any other required equipment to reflect the then-current image of Franchisor

3 05 Renewal Fee Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee, but will be required to pay the then-current renewal fee of $2,000

4 TERRITORY

4 01 Franchise Franchisee may operate the franchised Business only at the Premises (if chosen) and within the Protected Territory as designated in Attachment I to this Agreement

4 02 Protected Territory During the term of this Agreement and any extensions, and subject to other provisions contained in this Agreement, Franchisor will not own, operate or license another franchisee to operate any permanent franchises for a similar or competitive business within your Protected Territory as designated in Attachment I to this Agreement, but it has the right to do so anywhere outside the Territory Franchisee will also have the exclusive right to distribute Repicci's Real Italian products through four gallon fresh serve buckets in conformity with this Agreement to any persons residing in the Protected Territory, regardless of the method of sales, subject to Franchisor's express reservation of rights set forth in Sections 4 04, & 4 05 You will not be granted exclusive rights to distribute prepackaged Repicci's Real Italian products Once established, and unless otherwise agreed in writing, the boundaries of Franchisee's Protected Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Protected Territory increases or decreases over time Franchisor may, however terminate your exclusive Territory rights or your Franchise Agreement for failure to meet your purchase quota for two consecutive years

4 03 Soliciting Outside the Protected Territory Subject to the requirements of Sections 9 01 and 9 02, Franchisee may not solicit or advertise to people who reside outside the Protected Territory without the express written permission of Franchisor Franchisee must refer, without charge, requests for Repicci's Real Italian products from a business or distributor within the Territory of another Repicci's Real Italian franchisee to that other franchisee or to us or our affiliates, if applicable

4 04 We and our affiliates reserve the right under the Franchise Agreement to contract with "Reserved Accounts" for the distribution of Repicci's Real Italian products by the bucket and to distribute other products and services ("Other Items") to Reserved Account locations "Reserved Accounts" include (1) a single client ("National Account") that either conducts its business for its own account, or conducts business through dealers, affiliates, licensees or franchisees, in two or more states in the United States, at five or more locations, and (2) "Captive-Audience Facility Managers" which are defined as contract food service companies that manage or provide food service for at least five "Captive-Audience Facilities", namely, facilities where people are congregating for a primary purpose other than dining, creating significant foot traffic in the facility, including airports and other transportation hubs, hospitals, cafeterias, universities and other school campuses, commissaries, convention centers, shopping malls and specialty retail centers, resorts and hotels, sports arenas, corporate campuses and institutional feeding sites

If we or our affiliates contract with a Reserved Account and the contract covers distribution by the bucket of Repicci's Real Italian products or other items to a Reserved Account location in your Territory, we will contact you and give you the opportunity to distribute Repicci's Real Italian confections to that location on the terms and conditions agreed to by us in the contract You must respond within 15 days of being notified of a new opportunity in this regard whether you want to distribute to the location(s) and you must comply with the terms of the contract we have negotiated If you elect not to distribute to the Reserved Account location(s) in your Territory, we or our affiliates or another franchisee will have the right to distribute to the Reserved Account locations in your Territory and you will have no further rights pertaining to these locations during the term of the contract Further, you will not be entitled to receive any compensation or proceeds from anyone's fulfillment of the contract As of the date of this Disclosure Document, we do not have any Reserved Account locations under contract and we cannot guarantee that we will have any in the future or that if we do, you will receive any referrals in your Territory

4 05 Reservation of Rights Franchisor reserves the rights, among others

(a) Reserved Distribution Methods Franchisor reserves the rights to distribute pre-packaged items, such as 8 ounce cups and 1 5 gallon buckets, through alternative distribution methods, such as independent contractors, fundraisers, or other individuals who may sell limited quantities of our products throughout the United States There may be several such parties within your Territory Franchisor, therefore, reserves the right to distribute some of our products through other means anywhere in the United States, which may include your Territory You will maintain exclusive distribution rights for four gallon fresh served products only within the boundaries of your territory You may purchase your Repicci's products through Us, our designated suppliers or through a Regional Wholesale Distribution Franchisee within your area

(b) to own, franchise, or operate Franchises at any franchise outside of the Protected Territory, regardless of the proximity to the Premises,

(c) to use the Marks and System to sell any equipment and supplies, similar to those which Franchisee will sell through alternative channels of distribution within or outside of the Protected Territory, other than through your Franchise This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce,

(d) to purchase or be purchased by, or merge or combine with, any business wherever located, including a business that competes directly with Franchisee's Franchise, and

(e) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere, as set forth in Section 9 Franchisee will still have the option of servicing any customer within its Protected Territory Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs

5 FEES AND ROYALTIES

5 01 Payment of Fees and Royalties All payments required under this Section are imposed by and payable to Franchisor, and are non-refundable except as expressly provided below All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance Franchisee must sign an Authorization for Electronic Withdrawal, set forth as Attachment II, and Franchisor may require Franchisee to submit any payments electronically All payments to Franchisor and dollar amounts stated in this Agreement are in U S dollars unless otherwise expressed Franchisor will not require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent, except to secure a loan or financing arrangement by Franchisor

5 02 Initial Franchise Fee Franchisee must pay an initial franchise fee ("Initial Franchise Fee") upon the signing of this Agreement as set forth in Attachment I The Initial Franchise Fee is $25,000 The Initial Franchise Fee is fully earned upon payment, and is non-refundable under any circumstances

5 03 Initial Product Purchase Franchisee is required to purchase from RFG, a minimum of ~~180 Five Liter Trays~~(32) 2 1 Gallon Pails of Gelato, (48) 4 Gallon buckets of Repicci's Real Italian Ice, (6) Stainless Steel Gelato Tray Inserts and (6) Plastic Gelato Tray Lids Franchisee is also required to purchase (1) 1,000 count business cards, (4) Logo Shirts and (1) Apron, (2) Logo Hats, (12) Italian Ice Vollrath Dishers, (8) Gelato Dishers, (1) Free Sample Sandwich Board, (2) Cases 9 ounce Logo squat cups (1,000 ct), (2) Case 5 ounce Logo cups (1,000 ct) and (3) Cases of plastic Spoons The cost of this Initial Product Purchase is $~~6~~3,900 00 plus freight costs and will be shipped directly to Franchisee's location In addition, you must meet annual purchase requirements of (4) gallon buckets of Italian ice product and/or ~~(2) 5 liter trays~~ 1 Gallon Pails of gelato If you do not meet your annual applicable Purchase Quota for one year after your first full fiscal year, we may restrict or remove your rights to your Protected Territory, which may allow others, including RFG or another franchise, to operate within your Protected Territory

5 04 Royalties Franchise must pay to Franchisor a monthly royalty in the amount of $3,600 per year payable in installments of $300 per month ("Royalty Fee") The Royalty Fee is due to Franchisor, without notice from Franchisor, on the 10th day of each month Royalties must be reported in a form specified by Franchisor

5 05 Late Charges and Other Fees Unless otherwise stated, Franchisee must pay interest at the rate of one and one half percent (1 5%) per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is less Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees Franchisor incurs in connection with Franchisee's failure to make any required payments

5 06 Encroachment Fees Payable if you provide service to customers located within another franchisee's Protected Area without prior written approval You must also reimburse the franchisee an amount equal to the charge for the goods and service sold

5 07 Bank Charges and Administrative Costs We may charge fees to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid

5 08 Taxes and Debts Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the franchised Business, including payroll taxes Franchisee will not permit a tax sale, seizure, levy, execution, bankruptcy, assignment of assets for or by creditors, or similar action to occur

6 MARKS

6 01 Marks Franchisee must only use the Marks in the conduct of the Business as specified in this Agreement Any unauthorized use of the Marks by Franchisee will constitute a breach of this Agreement and an infringement on Franchisor's rights in and to the Marks As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement

6 02 Authorized Marks Franchisee shall use no trademarks other than "Repicci's Real Italian Ice" or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Business If Franchisee cannot lawfully use the Marks in the Protected Territory, Franchisee must obtain Franchisor's written approval to use other marks Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual and which approval may not be unreasonably withheld, conditioned or delayed Franchisor will indemnify Franchisee for any claims against misuse or infringement of Marks

6 03 Change of Marks Franchisor may add, modify, or discontinue any Marks to be used under the System Within a reasonable time of receiving written notification of

any change, Franchisee must comply with the change, at Franchisee's sole expense unless Franchisor does not control the Marks in which case Franchisor shall bear cost of the Franchisee changing of the Marks

6 04 Limitations on Franchisee's Use of the Marks Franchisee must use the Marks as the sole identification of the Business, but must also identify itself as the independent owner of the Business in the manner prescribed by Franchisor All Marks must be displayed in the manner prescribed by the Franchisor Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols

(a) as part of any entity or business name,

(b) in conjunction with any documents, contracts, licenses, permits and other official documents Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement,

(c) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques,

(d) in connection with the performance or sale of any unauthorized services or products, or

(e) in any other manner not expressly authorized by Franchisor

6 05 Marks on the Internet Franchisor retains the sole right to use the Marks and market on the Internet, including all use of Web sites, domain names, URL's, linking, advertising, and co-branding arrangements Franchisee may not establish a presence on the Internet except as we may specify, and only with our prior written consent Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor Franchisor retains the right to approve any linking to or other use of RFG's Web site

6 06 Marks in Advertising Subject to Section 9 03, Franchisee must obtain Franchisor's prior written approval for any use of any item of printed, audio, visual, Internet,, electronic media, or multimedia material of any kind bearing any of the Marks, unless supplied by Franchisor Franchisee must indicate that it is "independently owned and operated "

6 07 Goodwill All usage of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee's operation of the Business or other activities will inure to the exclusive benefit of Franchisor

6 08 Infringement Franchisee must notify Franchisor in writing within three (3) days of obtaining knowledge of any possible infringement or illegal use by others of a trademark which is the same as or confusingly similar to the Marks Franchisor may, in its sole discretion, commence or join any claim against the infringing party, and bear the reasonable costs associated with the action

6 09 Signage As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a franchise and indicating that the Business is independently owned and operated as a franchised business All signage must remain current with the System's standards that Franchisor may periodically modify If Franchisor, in its sole discretion, determines that your vehicle wrap needs to be replaced, you must promptly comply with such request

7 MANUAL AND CONFIDENTIAL INFORMATION

7 01 Confidential Information The System, the Operations Manual, the Training Manual and other Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to

(a) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential,

(b) disclose such information to its employees only to the extent necessary to market and for the operation of the Business in accordance with this Agreement,

(c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, and

(d) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access

7 02 Standards and Authorized Use Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised

7 03 Unauthorized Use Franchisee must not copy or otherwise reproduce any Confidential Information, and must establish procedures to prevent unauthorized use by any other person Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and

copyrights You must promptly report any unauthorized use of the Manual or other Confidential Information

7 04 Manual Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's confidential operating Manual and one (1) copy of the Training Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement Franchisor may periodically update and revise the Manual Franchisee acknowledges that its entire knowledge of the operation of the System is and shall be derived from information disclosed to Franchisee by Franchisor and that certain of such information is Confidential Information of Franchisor Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information as provided in this Agreement

7 05 Nondisclosure and Noncompetition Agreements Franchisee and its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, principal employees, and immediate family members shall execute Franchisor's standard Nondisclosure and Noncompetition Agreement (Exhibit G) before performing any work at the Business or otherwise having access to Franchisor's Confidential Information A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution

7 06 Ownership of Business Records Franchisee acknowledges and agrees that the Franchisor has access to all Business Records with respect to customers, clients, employees, and other service professionals of, and related to, the franchised Franchise including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, customer records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee for evaluation and research purposes only Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion This will in no way cause harm to Franchisee's business

8 FRANCHISOR'S DUTIES

8 01 Services Provided by Franchisor Franchisor will provide initial and continuing services as it deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and

goodwill of Franchisor Provision of services by Franchisor, either initial or continuing, is independent from the payment the Initial Franchise Fee or the continuing Royalty Fees Notwithstanding the foregoing, Franchisor will provide the services listed below on a continuing basis

8 02 Site Selection Franchisee is solely responsible for locating a site for the Business and negotiating a lease for the property, if required Upon request, Franchisor will provide assistance to Franchisee in analyzing a site and in negotiating a lease Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease The franchise agreement can be terminated for failure to begin operations within 180 days of signing the franchise agreement

8 03 Equipment, Inventory, Advertising and Services Franchisor will specify or approve certain equipment and supplies used in the Business, as provided elsewhere in this Agreement Franchisor may negotiate marketing programs with suppliers and obtain advertising allowances or rebates for doing so, and may utilize such allowances or rebates in any manner in which Franchisor elects, in its sole discretion

8 04 Initial Training Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate, within sixty (60) days of signing this Agreement Franchisor will provide the initial training program at its corporate headquarters, or at another franchise designated by Franchisor, to Franchisee and one On-premise supervisor and/or one other employee- for up to three persons at no charge Franchisee and ~~a~~an On-premise supervisor must attend and satisfactorily complete the initial training program The training program lasts for approximately ~~116~~28 hours, ~~12~~24 hours will require classroom attendance at the Franchisor's location and consists of a discussion of the System, techniques, procedures, and methods of operation, ordering, accounting, support procedures and instructions on quality standards and practical experience in the operation of the Franchise as well as 4 hours of actual on-site event training Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training Franchisee will be charged Franchisor's current training fee for any additional persons attending training

8 05 Ongoing Training Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs If the conference is mandatory, Franchisee will not be required to pay a conference fee, but must pay all personal travel and living expenses for all of its employees attending the conference Conferences will be held at Franchisor's corporate headquarters or at an alternate franchise chosen by Franchisor As often as necessary, you and/or your On-premise supervisor may be required to attend ~~a~~an audio or video training conference on the internet or review the recorded version within 7 days of its origination RFG will give you 30 days' notice prior to any required calls

8 06 Opening and Continuing Assistance Franchisor may provide on-site assistance in connection with initial training during the opening of the Franchise Franchisor will provide reasonable ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative

8 07 Advertising and Promotional Programs Franchisor will provide advertising and promotional programs as set forth in Section 9

8 08 Development of Programs Franchisor may develop new designs and service methods, as Franchisor deems beneficial to the System Franchisor will offer such new design and service methods to Franchisee on terms reasonably determined by Franchisor

8 09 Modification of System Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2 02 and 7 04

8 10 Central Purchasing Franchisor reserves the right to implement a purchasing system for franchisees and negotiate prices and terms with suppliers and to receive rebates from such purchases by Franchisees Franchisor may utilize such rebated funds in any manner it chooses in Franchisor's sole discretion

8 11 Web Site Franchisor will provide information regarding Franchisee's Business on its Web site, as set forth in Section 9 02

9 SOLICITATION AND ADVERTISING

9 01 Except as stated in this paragraph, Franchisee may not directly market to or solicit customers who reside outside the Protected Territory However, Franchisee will have the exclusive right to service customers within the Protected Territory except through the Internet generated by Multi-Area Marketing Programs

9 02 Franchisee Advertising Franchisee is required to market on a local basis as an individual Franchise or by local marketing agencies hired by you Franchisee is required to spend a minimum amount of $500 per year for local promotion

Franchisee may also be required to participate, at Franchisee's expense, in any National Advertising Fund (Fund), Multi-Area Marketing Programs (MAM Programs) or Regional Advertising Cooperative (Co-Op), as determined by Franchisor Franchisee's requirement to contribute to such Fund or Programs (combined) will not exceed 3% per month of Franchisee's Gross Revenues Contributions to a Co-Op will be determined by the Franchisees within the Designated Marketing Area All expenditures will be reported to

Franchisor at such times and in such manner as Franchisor specifies, including by electronic means Subject to this Section, Franchisee may not advertise in any media with a primary circulation outside Franchisee's Protected Territory, except with Franchisor's written consent and with the reasonable consent of any franchisee whose territory is reached by the media However, Franchisee may advertise in media whose circulation is primarily inside Franchisee's Protected Territory, even if it also reaches outside Franchisee's Protected Territory All Internet marketing is a part of Multi-Area Marketing Programs, and must be coordinated through and approved by Franchisor You may not market independently on the Internet or acquire an independent Internet domain name or Web site, but Franchisor will include Franchisee's Franchise on its Web site

9 03 Advertising and Marketing Materials Franchisor will provide Franchisee with reasonable amounts of advertising and marketing materials and services which may include, but are not limited to, video and audiotapes, multimedia, print-ready advertising materials, posters, banners, and other items Franchisee must purchase any additional copies of advertising and marketing materials at Franchisor's cost plus 10% Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials Franchisor will approve or disapprove of materials submitted by Franchisee within fifteen (15) days of receipt Any items that are disapproved will not be allowed to be used in marketing of the franchise Any use of unauthorized materials could result in the termination of your Franchise Agreement Franchisor also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees

9 04 National Marketing Fund / Multi-Area Marketing Programs / Regional Advertising Co-Op Franchisee will be required to pay a fee into the National Marketing Fund (Fund) or to a Multi-Area Marketing Program (MAM Program) or Regional Advertising Co-Op to advertise the System on a regional, national, or international level You will contribute an amount equal to 3% of your product purchases Contributions shall be made at the same time and in the same manner as the Royalty Fee Franchisor will hold contributions to the Fund or Program in a separate bank account Franchisor will use the contributions to the Fund or Program for local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs or to attend franchise trade shows and other events Franchisor may also use contributions to the Fund or MAM Program to offset or partially rebate the franchisee's local media and printing expenses Franchisee acknowledges and agrees that expenditures from the Fund or MAM Program may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee The National Marketing Fund will be spent for the purposes set forth above at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Fund or MAM Program(s) Franchisor may accumulate these contributions, and the balance may be carried over to subsequent years and used for the purposes stated in this Agreement If the National Marketing Fund operates at a deficit or requires

additional funds at any time, Franchisor reserves the right to loan such funds to the National Marketing Fund on any terms Franchisor determines Franchisor may also utilize the National Marketing Fund to reimburse itself for administrative expenses incurred in administering the National Marketing Fund An unaudited annual financial statement of the National Marketing Fund will be prepared within one hundred twenty (120) days of the close of Franchisor's fiscal year and will be available to Franchisee upon request

10 CONSTRUCTION AND MAINTENANCE OF FRANCHISE

10 01 Maintenance and Upgrades Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise's facilities, including the layout and artwork Franchisee must remodel or upgrade the Franchise Unit at its own cost in accordance with Franchisor's reasonable standards and requests

11 RECORDS AND REPORTS

11 01 Records Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Business in the form, time, and manner that Franchisor prescribes Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the Franchise including uniform reports as may be required by Franchisor Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may reasonably request to evaluate or compile research data on any operational aspect of the Franchise Franchisor reserves the right to require that Franchisee make available its sales records and files by way of an Internet connection Business Records will specifically also include

(a) tax returns,

(b) daily reports,

(c) statements of Gross Revenues and expenses, to be prepared each month for the preceding month,

(d) profit and loss statements, to be prepared at least quarterly and by an independent Certified Public Accountant annually, and

(e) balance sheets, to be prepared at least annually by an independent Certified Public Accountant

Franchisee must keep accurate records relating to the franchised Business for a period of six (6) years after the termination or expiration of this Agreement

11 02 Records Standards Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by

Franchisor Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures Such statements must be compiled by an independent Certified Public Accountant, and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end

11 03 Audits Franchisee must provide Franchisor or its agent's access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time without notice Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one and one half percent (1 5%) per month Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law

12 FRANCHISEE'S DUTIES

12 01 Compliance with Applicable Laws Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its business, (ii) promptly pay all taxes and business expenses, and (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act (if applicable), health, workers' compensation insurance and unemployment insurance Franchisee agrees, at its expense, to modify its Franchise, if necessary, to comply with any such applicable laws or regulations Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof

12 02 System Compliance Franchisee must comply with the System, the Manual, and all systems, procedures and forms, as in effect from time to time All mandatory specifications, standards, and operating procedures prescribed by Franchisor in the Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth herein Accordingly, all references in this Agreement to Franchisee's obligations under this Agreement, including to the Franchise, equipment, procedures shall include such mandatory specifications, standards, and operating procedures Franchisor may require Franchisee to add additional concepts to the Business in the future, however, these concepts will be complementary

12 03 Uniformity and Image In order to maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor's standards and specifications set forth in the Manual and the System While Franchisee will manage its own operations and employees, Franchisee must agree and conform to all the requirements of this Section

12 04 Operations Franchisee must operate the business in accordance with the System and Manual, as amended by us in our discretion Franchisee or a fully trained and qualified

manager ("Manager") approved by Franchisor must participate personally and full-time in the Business

12 05 Right of Entry and Inspection Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to reasonably inspect the operations of the franchised Business Without any liability to Franchisee, Franchisor may confiscate any materials which Franchisor, in its reasonable judgment, determines to be either illegal or in violation of this Agreement Franchisor shall have the right to observe Franchisee and its customers/clients rendering services, to confer with Franchisee's employees and customers/clients and to generally review the Business operations for compliance with the standards and procedures set forth in the Manual

12 06 Restrictions on Services and Products Franchisee is prohibited from offering for sale any products and services not authorized by Franchisor as being a part of the System Franchisee shall purchase Repicci's Real Italian Ice & Gelato frozen confections, branded serving cups and dishers, and other branded items, such as uniforms, as well as our custom proprietary converted ~~Nissan~~ van or the conversion of an approved vehicle required for the operation of the Business from suppliers designated or approved by Franchisor, including Franchisor, Affiliate, or Regional Wholesale Distribution Franchisee However, if Franchisee proposes to offer, conduct or utilize any services, products, materials, forms, items, supplies or services for use in connection with the Business which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first request approval in writing from Franchisor Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval, however, in order to make such determination, Franchisor may require submission of outlet design specifications, information of such equipment and supplies Franchisor will advise Franchisee within a reasonable time whether such equipment and supplies meet its specifications Approved equipment descriptions and supplier contact information are prescribed in the Manual If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Business

12 07 Limitations on Supply Obligations Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies to Franchisee In addition, Franchisor may impose interest on any late payments on the terms described in Section 5 04

12 08 Insurance Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the

term of this Agreement and any renewals Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, and agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Business The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement pursuant to the provisions of this Agreement Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance

12 09 Appearance and Customer Service Franchisee and its employees shall (i) maintain a clean and attractive appearance in uniform, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Business in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of the System Franchisee may not alter, change, or modify the System, including the Franchise, in any way without the prior written consent and approval of Franchisor

12 10 Signs All signs to be used on or in connection with the Business must be approved in writing by Franchisor prior to their use by Franchisee

12 11 Training Franchisee or its designated Manager must complete Franchisor's initial training program described in Section 8 04 above Franchisee shall train its employees according to standards and procedures established by Franchisor

12 12 Correction of Defects Should Franchisor notify Franchisee at any time of defects, deficiencies or unsatisfactory conditions in the appearance or conduct of the Business, Franchisee shall correct within a reasonable time, any such items Franchisee shall establish and maintain an image and reputation for the Business consistent with the standards set forth in this Agreement, the Manual, or as otherwise specified by Franchisor Franchisee shall keep its Franchise clean and in good order and repair at all times

12 13 Indemnification Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement For purposes of this

indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses Franchisor shall have the right to defend any such claim against it This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement Franchisee shall not however, be liable for claims arising as a result of Franchisor's intentional or fraudulent acts, omissions or negligence

12 14 Computer Systems Franchisee must acquire, maintain, and upgrade computer, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, and Web site vendors, as prescribed in the Manual Franchisee must comply with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services

12 15 Computer Problems, Viruses, and Attacks Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders Franchisor has taken reasonable steps so that these problems will not materially affect the System Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems

12 16 Hazardous Materials Franchisee must not cause or permit any toxic or hazardous waste, substances, or materials, as defined under applicable government laws and regulations to be used, generated, stored or disposed of near, on, under, about or transported to or from the Premises or any of Franchisee's vehicles except as necessary for Franchisee's operation of the franchised Business and in accordance with the Manual Franchisee shall conduct such permissible hazardous materials activities in strict compliance, and at Franchisee's expense, with all applicable federal, state, and local laws, rules and regulations now or hereafter in effect and using all necessary and appropriate precautions Franchisor will not be liable for any of these activities Franchisee must provide Franchisor with a copy of all hazardous materials inventory statements and updates filed by any governmental agency or regulation and must immediately notify Franchisor both by telephone and in writing of any spill or unauthorized discharge of hazardous materials or of any conditions constituting an imminent hazard

13 DEFAULT AND TERMINATION

13 01 Termination by Franchisee Franchisee may terminate this Agreement if Franchisor violates a material provision of this Agreement and fails to remedy or to make substantial progress

toward curing the violation within ninety (90) days after receiving written notice from Franchisee detailing the alleged default Termination by Franchisee is effective ten (10) days after Franchisor receives written notice of termination If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13 03

13 02 Termination by Franchisor Subject to applicable law to the contrary, Franchisor may, at its option, terminate this Agreement before its expiration as set forth below

(a) With Notice of 30 Days This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that

(i) Franchisee fails or refuses to maintain and operate the Business in compliance with this Agreement, the System, or the Manual,

(ii) Franchisee fails to pay Franchisor or suppliers for obligations under this Agreement,

(iii) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Business, or

(iv) Franchisee is in breach of any other term, condition, or provision of this Agreement

(b) Without Notice This Agreement and license will immediately terminate without notice in the event that

(i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement,

(ii) Franchisee fails to complete the required initial training or has failed to designate an acceptable site pursuant to Section 10,

(iii) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing,

(iv) Franchisee loses possession or the right of possession of all or a significant part of the Franchise through condemnation, casualty, lease termination or mortgage default/foreclosure and the Franchise is not relocated or reopened,

(v) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding,

(vi) Franchisee makes an unauthorized Transfer,

(vii) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent

(viii) Franchisee voluntarily abandons or ceases operation of the Business for more than five (5) consecutive days, or

(ix) The Franchisee or any owner of greater than ten percent (10%) of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the RFG System, Marks, goodwill or reputation

13 03 Effect of Termination Upon any termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately

(a) promptly pay all amounts owed to Franchisor based on the operation of the Franchise through the effective date of termination,

(b) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items,

(c) cancel or assign within five (5) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion Franchisee must notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer to the Franchisor or any new franchisee as may be directed by the Franchisor The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to

execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing Such appointment is evidenced by Attachment III,

(d) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a RFG franchisee,

(e) allow Franchisor or representatives access to the Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement,

(f) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts, and

(g) abide by the terms of the required noncompetition covenant

In the event that Franchisee terminates this Agreement for cause as set forth in Section 13 01, Franchisee is not required to abide by the noncompetition covenants

13 04 Failure to Cease or Remove Identification If, within thirty (30) days after termination of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Franchise which are identified or associated with the System, Franchisor may enter the Franchise to effect removal In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials If, within thirty (30) days after termination Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System

13 05 Other Claims Termination of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination

14 TRANSFER

14 01 Prohibited Acts Any unauthorized Transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor

14 02 Transfer by Franchisor Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time Franchisor does not need permission of Franchisee for the transfer, and may transfer free of any responsibility or liability

whatsoever to the Franchisee, provided the transferee assumes the Franchisor's material obligations Franchisor may also

(a) sell or issue its stock, other ownership interests, or assets, whether privately or publicly,

(b) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee, or

(c) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring

14 03 Transfer by Franchisee Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 14 03 of the Franchise Agreement

14 04 Conditions for Transfer or Assignment No Transfer of this Agreement will be approved by Franchisor or be effective unless and until

(a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment,

(b) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal,

(c) the proposed transferee pays Franchisor a fee to transfer the Business (the "Transfer Fee") in the amount of $10,000 00 unless the transferee is

(i) a corporation of which Franchisee is the majority stockholder, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or

(ii) another franchisee of RFG, in which case the Transfer Fee will be $2,500 00,

(d) the proposed transferee executes a separate franchise agreement with Franchisor, using the then-current form of franchise agreement,

(e) the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless

(i) the transferee is a current franchisee in good standing in the System, or

(ii) the transferee is and has been a Manager for a period of one year or more of a Franchise in good standing,

(f) the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations,

(g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees Franchisor must be provided all information about the proposed transferee as it may reasonably require Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted,

14 05 Transfer to an Entity Notwithstanding the preceding section, Franchisee may Transfer its rights and obligations under this Agreement without Franchisor's consent, to an entity in which Franchisee owns one hundred percent (100%) of the outstanding stock, provided

(a) Franchisee remains on the Agreement as a party and the entity is added as a co-party,

(b) Franchisee, or Franchisee's operational partner or Manager approved by Franchisor, continues to devote full time and best efforts to manage the daily operations of the Business,

(c) the entity's activities are confined exclusively to operating the franchised Business, and

(d) the entity assumes joint and several liability with Franchisee

14 06 Death of Franchisee Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee's legal representatives will within one hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement Franchisor will not unreasonably withhold

permission so long as the proposed transferees meet each of the then-current requirements of franchisees

14 07 Right of First Refusal Franchisee grants Franchisor the right to purchase the Business on the same terms and conditions specified in a bona fide written offer from a qualified third party Within seven (7) days after receipt of the bona fide offer acceptable to Franchisee to transfer all or part of the Business, Franchisee must forward a signed copy of the written offer to Franchisor Franchisor will then have access to all Franchisee's Business Records in order to evaluate the offer, and may purchase the Business upon notification to Franchisee within thirty (30) days and 60 additional days to close the transaction

14 08 Election of Right / Set Offs If Franchisor elects to exercise its option to purchase under this Agreement, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any

14 09 Rights After Refusal If Franchisor does not exercise its right to purchase within the required timeframe, Franchisee may transfer the Business to the third party, but not at a lower price or on more favorable terms than disclosed to Franchisor in writing Such transfer remains subject to Franchisor's prior written approval and other conditions specified in this Agreement If Franchisor does not transfer the franchised Business to the transferee on the same terms offered to Franchisor, then Franchisee must again extend the right of first refusal to Franchisor in the manner described above, before another desired transfer

15 GENERAL PROVISIONS

15 01 Covenants Not to Compete During the term of this Agreement and for two (2) years after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor persons associated with Franchisee, including owners, managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the mobile wholesale distribution of Italian Ice, Gelato and Ice Creams the same as, similar to, or competitive with the System This covenant not to compete applies (i)- during the term of the Agreement, within any state in which Franchisor, or franchisees do business, and after termination within a fifty (50) mile radius from the boundary of Franchisee's Protected Territory, and from any franchised, Franchisor-owned or affiliated company-owned premises, (ii) on the Internet, and (iii) on any other Multi-Area Marketing channels used by Franchisor

This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement

15 02 Stock Ownership Nothing in this Section will prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not

more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934

16 DISPUTE RESOLUTION

16 01 Negotiation The parties will first attempt to resolve any dispute relating to or arising out of this Agreement by negotiation Franchisor will provide a procedure for internal dispute resolution as set forth in the Manual, and this procedure may be revised periodically in Franchisor's discretion

16 02 Right to Relief To protect from violations that would cause immediate loss and damages, Franchisor and Franchisee each have the right to seek from a court of competent jurisdiction

(a) injunctive relief and any related incidental damages,

(b) an action for disputes or claims related to or based on the Marks, and

(c) enforcement of a covenant not to compete

16 03 Arbitration Except as specifically provided under this Agreement, any dispute or claim relating to or arising out of this Agreement must be resolved exclusively by mandatory arbitration by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") or another arbitration service agreed to by the parties Arbitration will be conducted solely on an individual, not a class-wide, basis, unless all parties so agree No award in arbitration involving Franchisor will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration A single arbitrator shall be selected in accordance with standard AAA procedure, and the proceedings will be conducted at its Birmingham, Alabama, office Each party shall bear all of its own costs and attorneys' fees and one-half of the arbitrator's expenses The decision of the arbitrator shall be final and binding

16 04 Applicability This dispute resolution section applies to claims by and against all parties and their successors, owners, managers, officers, directors, employees, agents, and representatives, as to claims arising out of or relating to this Agreement, except as stated above This dispute resolution clause shall survive the termination or expiration of this Agreement

16 05 Governing Arbitration Law Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U S Federal Arbitration Act (9 U S C § 1 et seq) and the U S federal common law of arbitration This federal act preempts any state rules on arbitration, including those relating to the site of arbitration Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding

16 06 Governing Law/Consent to Venue and Jurisdiction Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 *et seq*) or other federal law, this Agreement shall be interpreted under the laws of the state of Alabama and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Alabama, which laws shall prevail in the event of any conflict of law Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, "Franchisee Affiliates") and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, "Franchisor Affiliates") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Alabama or the Birmingham, Alabama office of the AAA and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Alabama or the Birmingham, Alabama office of the AAA Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury

16 07 Limitations on Actions Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding

17 RELATIONSHIP OF THE PARTIES

17 01 Independent Contractor Franchisee is an independent contractor and is not an agent, partner, joint venturer, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee Neither party will be bound or obligated by the other, except as set forth in this Agreement Franchisee may not act as an agent in the Franchisor's name or on behalf of the Franchisor for any purpose whatsoever

17 02 Operations and Identification Franchisee must conspicuously identify itself in all dealings with the public as "independently owned and operated" separate from Franchisor Franchisee's employees are employees of the Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports

18 MISCELLANEOUS

18 01 Entire Agreement This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations Nothing in the Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document

18 02 Modification No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee

18 03 Waiver Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind, nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor's rights as to any future exercise of those rights

18 04 Severability If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable

18 05 Conflict with Local Law If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect

18 06 Section Headings Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions

18 07 Legal Costs If either party institutes a legal proceeding, including court proceeding and arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law

18 08 Obligations Franchisor has no liability for Franchisee's obligations to any third party whatsoever

18 09 Continuation of Agreement The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties

18 10 Delivery All notices and other communications required by this Agreement must be in writing and must be delivered in person, sent by Federal Express or U S Mail overnight delivery, or by registered or certified mail, return receipt requested, or in any other manner Franchisor may designate Communications sent to Franchisor must be sent to the attention of the

Chief Executive Officer at Franchisor's address or at any other address Franchisor designates in writing Communications to Franchisee will be sent to Franchisee at Franchisee's last known business address, or at any other address Franchisee designates in writing Any notice is considered given and received, when delivered in person, or on the third business day following the mailing, if mailed

18 11 Joint and Several Liability If two or more persons or entities or any combination sign this Agreement, each will have joint and several liability All owners and controllers of an entity or association which comprise the Franchisee are jointly and severally liable for the obligations of the Franchisee under this Agreement

18 12 Cumulative Remedies Rights and remedies under this Agreement are cumulative No enforcement of a right or remedy precludes the enforcement of any other right or remedy

18 13 Set Off Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement Franchisee waives any right to set off

18 14 Completion of Agreement The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement-

19 ACKNOWLEDGEMENT

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT

19 01 FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE RFG SYSTEM AND RECOGNIZES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL LARGELY DEPEND UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON, AND

19 02 FRANCHISOR HAS NOT GIVEN AND FRANCHISEE HAS NOT RECEIVED ANY EXPRESS OR IMPLIED WARRANTY OR GUARANTY REGARDING POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT, AND

19 03 FRANCHISEE IS NOT A PARTY TO OR SUBJECT TO AGREEMENTS THAT MIGHT CONFLICT WITH THE TERMS OF THIS AGREEMENT AND AGREES NOT TO ENTER INTO ANY CONFLICTING AGREEMENTS DURING THE TERM OR ANY RENEWAL TERMS,

19 04 FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, AND HAS RECEIVED A COPY OF THE COMPLETE RFG FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED

~~SIGNATURES ON FOLLOWING PAGE~~

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in two (2) or more counterparts on the day and year first above written

FRANCHISOR
Repicci's Franchise Group, LLC

By _____

_____
Printed Name

Title _____

FRANCHISEE.

If Entity

_____
Printed Entity Name

By _____

_____
Printed Name

Title _____

If an Individual

_____
Signature

_____
Print Name

NOTE THIS AGREEMENT MUST BE SIGNED INDIVIDUALLY BY THE PRIMARY REPRESENTATIVE OF FRANCHISEE AND ALL OWNERS AND SPOUSES OF OWNERS OF FRANCHISEE ALL OWNERS OF TEN PERCENT (10%) OR MORE OF THE OWNERSHIP INTEREST OF AN ENTITY FRANCHISEE AGREE TO SIGN ATTACHMENT V, THE INDIVIDUAL GUARANTY

ATTACHMENT I

TO FRANCHISE AGREEMENT

TERRITORY ADDENDUM

THIS ADDENDUM to the Repicci's Franchise Group, LLC Franchise Agreement ("Agreement") dated _____, 20___ between Repicci's Franchise Group, LLC ("Franchisor") and _____ ("Franchisee"), is made effective as of the date of the Franchise Agreement

1. **Principal Business Address.** Franchisee's Principal Business Address is
   _____
   _____

2. **Initial Franchise Fee.** The Franchisee shall pay $_____ as an Initial Franchise Fee pursuant to Section 5 02 of the Agreement

3. **Premises.** Franchisee's Franchise will be located at
   _____

4. **Protected Territory.** Franchisee's Protected Territory shall be the area described as
   _____
   _____

Fully executed this _____ day of _____, 20___

Repicci's Franchise Group, LLC

By _____

_____
[printed name]

Title _____

FRANCHISEE:

_____
Individually

_____
[Printed name]

OR IF ENTITY

Company Name

By _____

Title _____

ATTACHMENT II
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENT SERVICE

I (or We if there are joint owners of the account referenced later in this agreement) authorize and request Repicci's Franchise Group, LLC (the "Company") to obtain payment for all royalty amounts I (we) owe to the Company pursuant to the Franchise Agreement between the Company and me (us), as these amounts become due by initiating a payment entry to my (our) account The account number, name of financial institution, payment amount, and date on or immediately after which payment should be deducted from the account are identified below In addition, I (we) authorize and request the financial institution, now referred to as the Bank, to accept the payment entries presented to the Bank and to deduct them from my (our) account without responsibility for the correctness of these payments

Franchisee Information

Franchisee Name _____ Franchise No _____

Payment Date _____ Payment Frequency _____

Your Bank Account Information

Please attach a voided check and we will complete this information for you

Transit Routing Number _____ Checking Account Number _____

Bank Name _____ Bank Address _____

Your Name(s) _____
(please print)

Signature(s) _____

Date Signed _____

ATTACHMENT III
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS

_____Franchisee/Assignor, in consideration of Franchisor/Assignee granting a Repicci s Real Italian franchise contemporaneously herewith, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby assigns to Repicci's Real Italian Ice all telephone numbers and listings utilized or to be utilized by Franchisee/Assignor in the operation of his Repicci's Real Italian Ice licensed business The Assignee hereby assumes the performance of all of the Terms, Covenants, and Conditions of the agreement(s) with the telephone company with respect to such telephones, telephone numbers and telephone listings with the same force and effect as if Assignee had been originally issued such telephone, telephone numbers, telephone listings and the usage thereof This Assignment is valid on the effective date and is irrevocable It applies equally to any numbers first used after the effective date The telephone company is authorized to rely upon this Assignment at any time that it is delivered to the telephone company by Franchisor/Assignee Assignee and Assignor each agree to hold harmless and indemnify the telephone company from any claims based upon the telephone company's reliance upon this Assignment Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone company to give effect to this Assignment

Dated _____[effective date]

Date signed _____

(Franchisor/Assignee)
Repicci's Franchise Group, LLC

By _____
Frank Repici, President,
P O Box 380423
Birmingham, Alabama, 35238
(888) 732-5423

(Franchisee / Assignor)

_____
Franchisee Name
Address _____
_____
_____

Phone _____

ATTACHMENT IV
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Name of Franchisee _____

Proposed Trade Name ~~(if different from above)~~ _____

Form of Ownership (check one)~~:~~

_____ ~~*Individual*~~ ~~Provide~~ Form and follow the ~~full legal name, business and residence address of the individual owner~~ instructions below)

_____ ~~*Partnership*~~

_____ Limited Liability Company

_____ Individual _____ Partnership _____ Corporation

If the Franchisee is an individual, your contact information will also be in the Franchise Agreement

If the Franchisee is a partnership, provide the name and address of each Partner showing the percentage owned~~;~~ and whether active in management~~, and~~ Attach a copy of the Partnership Agreement ~~certified by the Secretary of State for~~filed with the State in which the Partnership was formed

~~_ *Limited Liability Company*~~

If the Franchisee is an entity that is a limited liability company (LLC), provide the name and address of each Member and ~~each manager showing percentage owned and~~Manager Attach a copy of the Operating Agreement ~~certified by the Secretary of State for~~filed with the State in which the LLC was formed

~~_ *Corporation*~~ ~~Provide the names~~

If the Franchisee is an entity that is a corporation, provide the name and address of each Officer, Director and ~~addresses of each officer and director, and list the names and addresses of every~~ Shareholder showing ~~what~~the percentage of stock ~~is~~ owned by each~~ and~~ Attach a copy of the Articles of Incorporation ~~certified by the Secretary of State for~~filed with the State in which the corporation was formed

~~If the Franchisee is a partnership, a limited liability company or a corporation, please indicate the name of the *one* individual that has final and ultimate authority to represent and/or make future decisions regarding the entity to the Franchisor~~ _____

Name Address

_____

_____

_____

_____

Use an additional ~~sheets~~*page, if necessary*

~~Any and all changes to the above~~this information must be ~~reported immediately upon occurrence~~reported to ~~the~~ Franchisor ~~in writing~~

~~Date~~ ~~Name~~

~~[Print Name]~~

IF THE FRANCHISEE IS A PARTNERSHIP, A LIMITED LIABILITY COMPANY OR A CORPORATION, PLEASE PROVIDE THE NAME OF THE *ONE INDIVIDUAL* THAT HAS FINAL AND ULTIMATE AUTHORITY TO REPRESENT AND MAKE BINDING DECISIONS ON BEHALF OF THE FRANCHISEE

Date Signature of Individual, Partner Member, Manager, Officer or Director

I hereby certify that I am authorized to execute this Statement of Ownership on behalf of the Franchisee

ATTACHMENT V
TO FRANCHISE AGREEMENT

GUARANTY OF OBLIGATIONS

IN CONSIDERATION of and to induce the consent by Repicci's Franchise Group LLC a Alabama Limited Liability Company ("Franchisor") to the assignment of all right, title, and interest in and to the Repicci's Real Italian Ice Franchise Agreement dated _____ to _____, a _____ [Type of Entity and State of organization] ("Franchisee"), [or alternatively, in consideration of and to induce Franchisor's consent for the undersigned to enter into the Franchise Agreement in the Entity form], and for other good and valuable consideration, I/we, and each of us jointly, severally, absolutely and unconditionally guarantee to Franchisor

1 01- Payment of Obligations
The punctual payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, including expenses, damages and fees, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries, divisions or related companies, together with any interest as it may accrue, and all costs, expenses and attorney fees paid or incurred by Franchisor or its subsidiary, division, or related company in collecting or attempting to collect the obligations of the Franchisee or in enforcing or attempting to enforce this Guaranty, and

1 02- Continuing Performance
The timely performance of each term, covenant, and obligation of the license set forth in the Repicci's Real Italian Ice Franchise Agreement described above This is a continuing Guaranty which shall apply to the Franchise Agreement and any subsequent renewals, extensions, amendments or modifications thereof, and such renewals, extensions, amendments or modifications shall be conclusively presumed to be covered by this Guaranty without further notice to or acceptance by the undersigned

2 01- Execution and Delivery
The undersigned acknowledge(s) and agree(s) that possession of this Guaranty by Franchisor constitutes true and correct execution and actual and proper delivery of same to Franchisor, and the undersigned waive notice of acceptance of this Guaranty and of the incurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against the Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against the Franchisee until the Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full Payment by the undersigned shall be made at the office of Franchisor in Birmingham, Alabama, or such other location as Franchisor may designate in writing

3 01- Rights of Company
Franchisor may at its option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part

a change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any obligation, liability or right of the Franchisee under the Franchise Agreement hereby guaranteed, or any liabilities incurred directly or indirectly hereunder, and the guaranty herein made shall apply to the obligations and liabilities of the Franchisee, so changed, extended, renewed or altered,

b exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting

b settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others, and

c apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee remain unpaid Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any moneys property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor

4 01 Irrevocable

This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof, and this Guaranty shall survive the termination, expiration, or cancellation of the Franchise Agreement Franchisor may at its option, elect to take no action pursuant to this Guaranty or the Franchise Agreement without waiving any rights under either The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this agreement against them, to first institute suit or exhaust its remedies against the Franchisee or any others This Guaranty shall operate as a continuing Guaranty and shall be non revocable, except with the express written consent of Franchisor

4 02 Joint and Several Liability

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them Anyone signing this Guaranty shall be bound thereto at any time Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty

4 03 Successors and Assigns

This Guaranty shall bind and inure to the benefit of the heirs, executors, administrators successors, and assigns of Franchisor and of the undersigned

4 04 Noncompetition

The undersigned hereby agree that they shall be individually bound by the provisions of the Franchise Agreement relating to trade secrets, confidentiality, and non-competition

4 05 Bankruptcy or Insolvency of Franchisee

In the event that a petition in bankruptcy or for an arrangement or reorganization of the Franchisee under any state or federal bankruptcy law or for the appointment of a receiver for the Franchisee or any of its property is filed by or against the Franchisee, or if the Franchisee shall make an assignment for the benefit of creditors or shall become insolvent, all indebtedness and other obligations of the Franchisee shall, for purposes of this Guaranty be immediately due and payable

WITNESS our hands at _____, on this the _____ day of _____, 20__

_____	_____
[SIGNATURE]	[SIGNATURE]
_____% owner of Franchisee	_____% owner of Franchisee
_____	_____
[SIGNATURE]	[SIGNATURE]
_____% owner of Franchisee	_____% owner of Franchisee

ATTACHMENT VI TO FRANCHISE AGREEMENT

(To be used at time of Transfer of Franchise and for other Designated Purposes) (Should not be signed at time of award of Initial Franchise)

FULL AND FINAL MUTUAL RELEASE

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant as follows

1 The undersigned Repicci's Franchise Group, LLC ("the Franchisor"), does hereby release and forever discharge _____ ("the Franchisee"), its officers, directors, successors, shareholders, agents, assigns, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, arising out of, related to or in any way connected with the Franchise Agreement dated _____and specifically including but not limited to, any and all claims or demands which may have been alleged or any other future claims related to the above Franchise Agreement

2 The undersigned _____ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge Repicci's Franchise Group, LLC ("the Franchisor"), its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever This Full, Final and Absolute Mutual Release (the "Release") shall apply to all agreements or contracts existing or entered into by and between _____ ("the Franchisee") and Repicci's Franchise Group, LLC

3 It is understood and agreed that the settlement evidenced by this Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party Rather, liability is expressly denied

4 The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released No representations as to damages or liability have been made The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned ~~thesrites~~ never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth

4 This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral The terms contained herein may not be modified or amended except in writing signed by the parties The terms of this Release are contractual and not a mere recital Since the purpose of this Release is to end this matter forever, should it develop that there are any errors, mistakes or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said party

5 The undersigned further state that they have carefully read the foregoing instrument, that they know the contents thereof, that they understand and agree to each and every term and condition contained herein, that they signed the same as their own free act and deed, and that they have not assigned any rights released hereunder to any person or organization, private or governmental

6 The terms of this Release arose from negotiations and discussions between the parties Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question

7 This Release shall be governed by and construed pursuant to the laws of the State of Alabama

8 This Release may be executed in two copies, each of which shall be deemed an original

WITNESS OUR SIGNATURES, this the ____ day of _____, 20____

By

_____

PRESIDENT
Repicci's Franchise Group, LLC

_____

By

_____

PRESIDENT, _____
(By our Signature above, we attest to this Agreement for stockholders, corporate and individually)

EXHIBIT C

Repicci's Franchise Group, LLC

COMPLIANCE QUESTIONNAIRE

EXHIBIT C

Repicci's Franchise Group, LLC

COMPLIANCE QUESTIONNAIRE

As you know, Repicci's Franchise Group, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Repicci's Real Italian licensed franchised business In this Franchisee Disclosure Questionnaire, Repicci's Franchise Group, LLC will be referred to as "we" or "us " The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading It is also used to ensure compliance with the various state laws and regulations Please review each of the following questions carefully and provide honest and complete responses to each question

1 Have you received and personally reviewed the Repicci's Real Italian Franchise Agreement and each exhibit attached to it?
Yes ____ No ____

2 Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it?
Yes ____ No ____

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

_____

3 Have you received and personally reviewed our Disclosure Document we provided to you?
Yes ____ No ____

4 Do you understand all of the information contained in the Disclosure Document?
Yes ____ No ____

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____

5 Have you discussed the benefits and risks of operating a Repicci's Real Italian licensed franchise business with an attorney, accountant or other professional advisor and do you understand those risks?
Yes ____ No ____

6 Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, equipment and supplies cost, rent terms and other economic and business factors?
Yes ____ No ____

7 Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business that we or our franchisees operate?
Yes ____ No ____

If you have answered "Yes" to question seven (7), please provide a full explanation of your answer in the following blank lines (Attach additional pages, if necessary and refer to them below) If you have answered "No" to each of such questions, please leave the following lines blank

_____

_____

8 Do you understand that in all dealings with you, our officers, directors and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?

Yes____ No ____

You understand that your answers are important to us and that we will rely on them

By signing this Franchisee Disclosure and Compliance Questionnaire, you are representing that you have responded truthfully to the above questions

_____

Name of Franchisee/Applicant

Date _____, 20____

_____

Signature

_____

Name and Title of Person Signing

EXHIBIT D

Repicci's Franchise Group, LLC

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT D
Repicci's Franchise Group, LLC

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559 www dbo ca gov	Commissioner of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814 1-866-275-2677 www dbo ca gov
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06106 (203) 240-8299	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services P O Box 6700 Tallahassee, FL 32399-6700 (800) 435-7352	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S E Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P O Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant St , Room 205 Honolulu, HI 96810
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-5705	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5300	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen info) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Securities Commissioner 200 St Paul Place Baltimore, Maryland 21202-2020
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit PO Box 30213 Lansing, MI 48909 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 P O Box 95006 Lincoln, NE 68509-5006 (402) 471-3445	Director of the Department of Banking and Finance Same Address
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8222	Secretary of State of New York ~~41 State~~99 Washington Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, 5th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Columbus, OH 43215 (614) 466-8831 or (800) 282-0515	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd Oklahoma City, OK 73105 (405) 521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Department of Business Regulation Securities Division John O Pastore Complex 1511 Pontiac Ave , Building 69-1 Cranston, RI 02910 (401) 462-9588	Department of Business Regulation Securities Division John O Pastore Complex 1511 Pontiac Ave , Building 69-1 Cranston, RI 02910 (401) 462-9588
SOUTH CAROLINA	Secretary of State P O Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre SD 57501 (605) 773-4823	Director of South Dakota Division of Securities Same Address
TEXAS	Attorney General's Office Consumer Protection Division P O Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P O Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E Main Street, Ninth Floor Richmond, VA 23219 (804)-371-9051	Clerk of the State Corporation Commission 1300 E Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
WASHINGTON	Department of Financial Institutions Securities Division P O Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Same
WISCONSIN	Commission of Securities P O Box 1768 Madison, WI 53701-1768 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

EXHIBIT E

Repicci's Franchise Group, LLC

MULTI-STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

EXHIBIT E Repicci's Franchise Group, LLC MULTI-STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Repicci's Franchise Group, LLC Franchise Disclosure Document and Franchise Agreement and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20___

CALIFORNIA

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

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

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

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

5 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

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

7 The franchise agreement requires binding arbitration The arbitration will occur in Alabama with the costs being borne by both parties

8 Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

9 The franchise agreement requires application of the laws of Alabama This provision may not be enforceable under California law

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

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

12 The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act

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

14 IN THE STATE OF CALIFORNIA, YOU MUST PAY TO US THE ~~ENIRE~~ENTIRE FRANCHISE FEE FOR ALL FRANCHISES BEING PURCHASED IN A LUMP SUM WHEN WE HAVE FULFILLED ALL OF OUR INITIAL OBLIGATIONS TO YOU

15 Under Current California Law, the highest interest rate allowed is 10% per annum Item 6 of the Franchise Disclosure Document and Section 5 05 of the Franchise Agreement are amended accordingly

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

ILLINOIS

Item 17(v) of the Franchise Disclosure Document and Section 16 06 of the Franchise Agreement are amended to state that any provision that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law

The governing law or choice of law clause that allows for jurisdiction or venue other than Illinois will not be enforceable under Illinois law This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable Therefore, Item 17(v)(w) of the Franchise Disclosure Document and Section 16 06 of the Franchise Agreement are amended to accordingly

Section 705(41) of the Illinois Franchise Disclosure Act states any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code

No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire Item 17(b) of the Franchise Disclosure Document, and Section 3 of the Franchise Agreement are amended accordingly

The conditions under which a franchise can be terminated and your rights upon nonrenewal, as well as the application by which you must bring any claims, may be affected by Sections 705/19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20

Section 5(2) of the Illinois Franchise Disclosure Act requires 14 calendar days' disclosure prior to the signing of a binding agreement or the payment of any fees to us Item 23 of the Disclosure Document is amended accordingly, to the extent required by Illinois law

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement (Ind Code § 23-2-2 7-1(9)) Accordingly, both the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of the Repicci's Real Italian Ice

The Franchise Agreement requires binding arbitration The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement

The Franchise Agreement requires application of the laws of another state This provision is deleted from the Indiana Franchise Agreement

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law

The franchise agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana Franchisee sign a general release of claims as a condition of renewal or resale This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC

By _____

Title _____

Franchisee _____

By _____

Title _____

MARYLAND

The following amends the Franchise Disclosure Document, Franchise Agreement and Exhibit C to the Franchise Disclosure Document, the Compliance Questionnaire

The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 et seq) Item 17H of the Franchise Disclosure Document and Section 5 05 of the Franchise Agreement are amended to add this provision

Item 17M of the Franchise Disclosure Document and Section 14 04(b) of the Franchise Agreement are amended to state that the general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

Item 17 W of the Franchise Disclosure Document and Section 16 03 of the Franchise Agreement are amended to state, A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

Item 17 V of the Franchise Disclosure Document and Section16 06 of the Franchise Agreement are amended to state, Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

Section 19 of the Franchise Agreement and Exhibit C of the Franchise Disclosure Document, the Compliance Questionnaire are amended to state All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

MICHIGAN

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

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

(a) A prohibition on your right to join an association of franchisees

(b) A requirement that you assent to a release, assignment, notation, waiver, or estoppel which deprives you of rights and protections provided in this act This shall not preclude you, after entering into a franchise agreement, from settling any and all claims

(c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure

(d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation This subsection applied only if (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise

(e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances This section does not require a renewal provision

(f) A provision requiring that arbitration or litigation be conducted outside this state This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a franchise outside this state

(g) A provision which permits ~~a~~ us to refuse to permit a transfer of ownership of a franchise, except for good cause This subdivision does not prevent

us from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards

(ii) The fact that the proposed transferee is a competitor of us or our subfranchisor

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the franchise agreement existing at the time of the proposed transfer

(h) A provision that requires you to resell to us items that are not uniquely identified with us This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c)

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services

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

ESCROW REQUIREMENTS (IF ANY) _____

Any questions regarding this notice should be directed to

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number (517) 373-7117

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

MINNESOTA

We will comply with Minnesota Statute 80C 14 subdivisions 3, 4, and 5, which require except in certain specific cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement

Minn Stat Sec 80C 21 and Minn Rule Part 2860 4400J, may prohibit us from requiring litigation to be conducted outside Minnesota In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction

In accordance with Minnesota Rule 2860 4400J, to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes, provided that this part shall not bar an exclusive arbitration clause

Minnesota Rule 2860 4400D prohibits us from requiring you to assent to a general release The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law

Pursuant to Minn Stat Sec 80C 12, Subd 1(g), to the extent required by law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that we will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of our primary trade name

Pursuant to Minn Stat Sec 80C 17, Subd 5, to the extend required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to this section more than three years after the cause of action accrues

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC

By _____

Title _____

Franchisee _____

By _____

Title _____

NEW YORK

The cover page of the Disclosure Document will be supplemented with the following, inserted at the bottom of the cover page

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS

Add to Item 3 of the Franchise Disclosure Document as follows, as the last paragraph

(A) Except as described above, neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark 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, or any 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

(B) Except as described above, neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-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

(C) Except as described above, neither we, our predecessor, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark 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

Add the following language to Item 4 of the Franchise Disclosure Document, the last paragraph

A Except as described above, neither we, our affiliates, predecessors nor officers during the ten-year period immediately before the date of the Disclosure Document (a)

filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the bankruptcy code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner held this position in the company or partnership

Add at the end of the first paragraph of Item 5 of the Disclosure Document

The purpose of the initial fee is to pay for our training, sales, legal compliance, salary, and general administrative expenses, and profit

The first paragraph of Item 17 of the Disclosure Document is modified to read as follows

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION TRANSFER AND DISPUTE RESOLUTION YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT

Add in Item 17d of the Disclosure Document

You may terminate the agreement on any grounds available by law

Add at the end of the choice of law clause in the Franchise Agreement and in Item 17w of the Disclosure Document

The foregoing choice of law should not be considered a waiver of any right conferred upon either you or us by the General Business Law of the State of New York, Article 33

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

NORTH DAKOTA

Item 17(c) Disclosure Document and Section 1 2 of the Franchise Agreement requiring you to sign a general release upon renewal of the franchise may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Item 17(i) of the Disclosure Document and Section 16 2 of the Franchise Agreement requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Item 17(r) of the Disclosure Document and Section 16 2 of the Franchise Agreement restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Item 17(u) of the Franchise Disclosure Document and Section 18 06 of the Franchise Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law The site of arbitration or mediation must be agreeable to all parties

Item 17(w) of the Franchise Disclosure Document and Section 18 06 of the Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Item 17 of the Franchise Disclosure Document and Section 18 16 of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law

Item 17of the Franchise Disclosure Document and Sections 17 and 18 16 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Item 17 of the Franchise Disclosure Document and Section 18 16 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law

Section 18 16 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees

§19-28 1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act"

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC

By _____

Title _____

Franchisee _____

By _____

Title _____

VIRGINIA

In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Repicci's Franchise Group, LLC for use in the Commonwealth of Virginia shall be amended as follows

Item 5 of the Franchise Disclosure Document and Section 5 02 of the Franchise Agreement are amended to state that The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by the franchisees to the franchisor until the franchisor has completed its preopening obligations under the franchise agreement

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

WASHINGTON

The state of Washington has a statute, RCW 19 100 180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington, in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator, to the extent required by Washington law

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

Transfer fees are collectible to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer, to the extent required by Washington law

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms

Repicci's Franchise Group, LLC	Franchisee _____
By _____	By _____
Title _____	Title _____

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated _____, 20__, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect

DATED this _____ day of _____, 20__

FRANCHISOR:

Repicci's Franchise Group, LLC

By _____

Title _____

FRANCHISEE

_____

By _____
Title _____

By _____
Title _____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT F

Repicci's Franchise Group, LLC

OPERATIONS MANUAL TABLE OF CONTENTS

EXHIBIT F
Repicci's Franchise Group, LLC
OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT G

Repicci's Franchise Group, LLC

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

EXHIBIT G Repicci's Franchise Group, LLC

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

(To be signed by key personnel associated with Franchisee)

This Nondisclosure and Noncompetition Agreement ("Agreement") is made and entered into effective the _____ day of _____, 20____ by and between Repicci's Franchise Group, LLC, a Tennessee Limited Liability Company ("Company"), located at P O Box 380423, Birmingham, Alabama, 35238, and _____ _____ ("Associate", "You", or "Franchisee"), who resides at _____, _____ _____, and is associated with Franchisee of the business as _____

RECITALS

A The Company is engaged in the business of selling franchises for the operation of a Mobile Wholesale Distribution Franchise ("Business"), known as "Repicci's Real Italian Ice" ("Outlets") The Business is operated under the Company's service mark "Repicci's Real Italian Ice" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively "Marks"),

B The Company has developed methods for establishing, operating and promoting Franchise pursuant to the Company's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Company ("Confidential Information") and such Confidential Information as may be further developed from time to time by the Company,

C The Company has established substantial goodwill and an excellent reputation with respect to the quality of nonfat frozen confections, Italian Ice, Gelato, Italian coffee, and other products known as "Repicci's Real Italian Ice" , which goodwill and reputation have been and will continue to be of major benefit to the Company,

D Associate is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Company ("Franchisee"), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information, and

E Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with the Company

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows

1 Confidential Information Associate and the Company acknowledge that the distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks, non-public information, marketing materials, business strategies and financial information, reports, plans, data, and other confidential information, along with work papers, studies, and other documents prepared by or on behalf of Company which contain or reflect such information and information and know-how of the Company which are developed and utilized in connection with the operation of the Business are the Company's Confidential Information Such Confidential Information is unique, exclusive property and a trade secret of the Company Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Company Associate further acknowledges that the Company has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information Confidential Information will not include information that is already in the public domain, information that comes into the public domain through no fault or breach by you, and information that is already known to you before this agreement

2 Lists and Operations Manuals as Trade Secrets It is understood that Confidential Information, constituting "trade secrets", as used in this Agreement, is deemed to include, without limitation, product components, supplier information and any and all information contained in the Company's Manual (as defined in the Franchise Agreement), which may be provided as one or more separate print or electronic manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature which gives the Company an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, or information

3 Nondisclosure of Confidential Information Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Business, any of the Confidential Information of the Company

4 Noncompetition Covenant Associate acknowledges that, in addition to the license of the Marks hereunder, which shall be defined as any trademarks, trade names, service marks, and logos, which the Franchisor has also licensed commercially, as well as valuable information which comprises and is a part of the System, including without limitation, proprietary processes, operations, marketing and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all franchisees of Franchisor using the Marks and System Associate therefore agrees that other than the Business licensed herein, neither Associate, any manager of the Business

nor any of Franchisee's officers, directors, shareholders, partners, members or managers, nor any member of his, her or their immediate families, will during the term of this Agreement

a have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business (as defined below),

b perform services as a director, partner, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, or

c divert or attempt to divert any business related to, or any customer or account of the Repicci's Real Italian Ice, the Franchisee's Business, the Company's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Company or another franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise

The term "Competitive Business" as used in this Agreement will mean any business offering, similar to, or businesses granting franchises or licenses to others to provide nonfat frozen confections, Italian Ice, Gelato, Italian coffee, and other products , provided, however, Associate, Franchisee, its owners, members, partners, principals, and if an individual, members of its immediate family will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent in the aggregate five percent (5%) or less of that class of securities issued and outstanding

5 Post-Termination Covenant Not to Compete Upon termination or expiration of this Agreement for any reason, Franchisee, and its officers, directors, shareholders, and partners agree that, for a period of two (2) years commencing on the effective date of termination or expiration, or the date on which Associate ceases to conduct business, whichever is later, neither you, any manager of the Business, nor any of Franchisee's officers, directors, shareholders, managers, members, or partners will have any direct or indirect interest (through any immediate family member of Franchisee, or its owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, as defined above, (i) located or operating within a fifty (50) mile radius from the boundary of your Protected Territory, which is defined as a Territory consisting of a 2 mile radius of your franchise, and from any other franchised or company-owned Repicci's Real Italian business, (ii) on the Internet, and (iii) on any other multi-area marketing channels used by us The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living

6 Injunction You hereby acknowledge and agree that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from

any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled

7 Effect of Waiver The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof

8 Binding Effect This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns

9 Entire Agreement This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought

10 Governing Law This instrument shall be governed by and construed under the laws of the state of Alabama

11 Jurisdiction and Venue In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Alabama, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Alabama Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Alabama Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control

12 Severability If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect

13 Attorneys' Fees In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment

[Signatures on following page]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written

FRANCHISOR

Repicci's Franchise Group, LLC

By _____

_____ _____
[printed name]

Title _____

_____

FRANCHISEE.

_____
Individually

[Printed name]

OR IF ENTITY

Company Name

By _____

Title _____

ASSOCIATE:

_____
[Print Name]

_____
[Signature]

CAPACITY WITH FRANCHISED BUSINESS

_____

RECEIPT

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

If Repicci's Franchise Group, LLC offers you a franchise, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale

New York and Rhode Island requires that Repicci's Franchise Group, LLC, 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 to us or an affiliate in connection with the proposed franchise sale

Michigan requires that Repicci's Franchise Group, LLC, give you this Disclosure Document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first

If Repicci's Franchise Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington D C 20580 and the state agency listed on Exhibit D for your state

Date of Issuance ~~September 30,~~ April 18, 2016, as amended June 14, 2016~~2015~~

The franchise seller for this offering is Frank Repici, President, at Repicci's Franchise Group, LLC, P O Box 380423, Birmingham, Alabama 35238, and Phone (888) 732-5423

See Exhibit D for our registered agents authorized to receive service of process

I have received a disclosure document, dated ~~September 30,~~ April 18, 2016, as amended June 14, 2016,~~2015~~ that included the following Exhibits

A	Financial Statements	
B	Franchise Agreement	
	Attachment I	Territory Addendum to Franchise Agreement
	Attachment II	Electronic Payment Authorization
	Attachment III	Collateral Assignment of Telephone Numbers, Addresses, and Listings
	Attachment IV	Statement of Ownership
	Attachment V	Guaranty and Assumption of Franchisee's Obligations
	Attachment VI	Full and Final Mutual Release
C	Compliance Questionnaire	
D	State Administrators and Agents for Service of Process	
E	Multi State Addendum to the Franchise Disclosure Document and Franchise Agreement	
F	Operations Manual Table of Contents	
G	Nondisclosure and Noncompetition Agreement for Associate Receipt – Last Page	

Dated _____ PROSPECTIVE FRANCHISEE

_____
(Print Name)

By _____

Please sign this copy of the receipt, date your signature, and retain it for your records

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

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Michigan requires that Repicci's Franchise Group, LLC, give you this Disclosure Document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first

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Dated _____

PROSPECTIVE FRANCHISEE

_____
(Print Name)

By _____

Please sign this copy of the receipt, date your signature, and return it to Repicci's Franchise Group, LLC