FRANCHISE DISCLOSURE DOCUMENT
TRUFOODS, LLC

a New Jersey limited liability company
56 Columbine Circle
Newtown, Pennsylvania 18940
(516) 220-8942
www.trufoods.com / www.ritters.com
info@trufoods.com / comments@ritters.com

We offer franchises for the operation of Shoppes under the name "Ritter's Frozen Custard" offering a wide variety of frozen custard products and beverages, as well as hamburgers, hot dogs and fries. We also offer co-branding opportunities and satellite "scoop shoppe" opportunities.

The total investment necessary to begin operation of a Ritter's franchise located in a strip Shopping center is $387,000 to $716,000. This includes $25,000 that must be paid to the franchisor and/or its affiliate, as appropriate. The total investment necessary to begin operation of a Ritter's franchise located in a free-standing building (excluding real estate costs) is $526,500 to $1,138,00. This includes $25,000 that must be paid to the franchisor and/or its affiliate, as appropriate. The total investment necessary to begin operation of a Ritter's co-branded franchise is $76,000 to $385,500. This includes between $10,000 and $27,500 that must be paid to the franchisor and/or its affiliate, as appropriate. The total investment necessary to begin operation of a Ritter's satellite scoop shoppe franchise is $166,000 to $496,500. This includes $17,500 that must be paid to the franchisor and/or its affiliate, as appropriate. Please see Items 5 and 7 for additional details.

If you are a multi-unit developer, you will pay a development fee equal to 100% of the initial franchise fee for the first Shoppe to be developed plus 50% of the reduced initial franchise fee for each additional Shoppe to be developed under the Multi-Unit Development Agreement. The development fee is applied pro rata to the initial franchise fees due for each Shoppe to be developed after the first. Your estimated initial investment will vary based on the number of Shoppes to be developed.

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 Robert Bagnell, 56 Columbine Circle, Newtown, Pennsylvania 18940 and (516) 220-8942.

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

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

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

Issuance Date: February 12, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-state dispute resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation only in New York. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in New York than in your own state.

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

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

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

The Franchisor

TRUFOODS, LLC ("we", "us" or "Ritter's Frozen Custard") is the Franchisor and maintains its principal place of business at , 56 Columbine Circle, Newtown, Pennsylvania 18940. We are a New Jersey limited liability company formed on October 25, 2005 as Miramar JC Condominium I, LLC. Miramar JC Condominium I, LLC was a dormant entity until June 22, 2007, when it changed its name to TRUFOODS, LLC. We do business under the names "TRUFOODS" and "Ritter's Frozen Custard". In this Disclosure Document, "you" means the person or legal entity with whom we enter into an agreement. The term "you" also refers to the direct and indirect owners of a corporation, partnership, limited liability company, or limited liability partnership that signs a Franchise Agreement as the "franchisee".

We are a franchising company which promotes and sells franchises for the operation of Shoppes known as "Ritter's Frozen Custard". We do not own or operate a Shoppe of the type being franchised. We are also engaged in the business of selling franchises for our other three concepts, Arthur Treacher's Fish & Chips, Pudgie's Naked Chicken Co. and Wall Street Deli Restaurants, under separate Disclosure Documents. The franchises for Arthur Treacher's Fish & Chips, Pudgie's Famous Chicken and Wall Street Deli Restaurants were acquired in August 2007. We began offering franchises for Ritter's Frozen Custard Shoppes in Spring 2008.

In this Disclosure Document we offer franchises for single unit and multi-unit Ritter's Frozen Custard franchises. We offer Ritter's Frozen Custard area representative opportunities in a separate Disclosure Document.

The principal business address of our agents for service of process are 56 Columbine Circle, Newtown, Pennsylvania 18940, and the state agency addresses shown on Exhibit A.

Our Parents, Affiliates and Predecessors

We have no affiliates. Our parent is AUA TRUFOODS, LLC (formerly known as AUA Investors I, LLC) and is headquartered at our address ("Parent"). Our Parent has never offered franchises in this or any other line of business. Our Parent will not provide products or services to our franchisees, nor will it guaranty our performance.

Our predecessor is RFC Franchising LLC, an Indiana limited liability company originally formed on April 1, 2003 and which was located at 3755 East 82nd Street, Suite 325, Indianapolis, Indiana 46240 ("Predecessor"). Our Predecessor was the franchisor of the Ritter's Frozen Custard concept from April 2003 to April 2008. Ritter's, LLC is a New Jersey limited liability company formed on February 4, 2008 and is a wholly-owned subsidiary of ours. Ritter's, LLC holds the Ritter's Frozen Custard assets from our Predecessor that we acquired in April 2008. At the time of the acquisition, our Predecessor had approximately 39 franchises in operation and two franchises in development, which were transferred to us as part of our acquisition. Our Predecessor never offered franchises in any other lines of business and currently exists as a non-operating corporate entity without assets. Ritter's, LLC does not operate a business of the type being offered in this Disclosure Document nor has it offered franchises in this or any other line of business.

The Franchise Offered

We are offering franchises for Shoppes that operate under the name "Ritter's Frozen Custard", which are established and operated using the format and system developed by our Predecessor (the

"**System**"), which operate at retail locations displaying our interior and exterior trade dress, and which feature and operate under the Proprietary Marks (as defined below) (each a "**Ritter's Frozen Custard Shoppe**" or "**Shoppe**"). Ritter's Frozen Custard Shoppes offer a wide variety of frozen custard products using our proprietary recipes, formulae and techniques and a menu that includes hamburgers, hot dogs and fries ("**Proprietary Products**"), as well as a variety of non-proprietary food, beverage, and other compatible items that we periodically designate (collectively, "**Products**"). Our interior trade dress is designed to make Ritter's Frozen Custard Shoppes welcoming, comfortable, and easily identifiable for customers. We also offer co-branding opportunities to operators of existing TRUFOODS brands (Pudgie's Naked Chicken Co. or Wall Street Deli) and to operators of existing non-TRUFOODS brands.

We also offer the opportunity to purchase and operate a satellite scoop shoppe ("**Scoop Shoppe**"), which will only be offered to franchisees that have or will purchase a Ritter's Frozen Custard Shoppe. A Scoop Shoppe will not produce its own frozen dessert products, so you must own and operate a Ritter's Frozen Custard Shoppe to provide inventory for the Scoop Shoppe. A Scoop Shoppe must be within a 20 minute drive time of your Ritter's Frozen Custard Shoppe, and may not be located within another franchisee's territory. If the Franchise Agreement for your Ritter's Frozen Custard Shoppe is terminated or not renewed, we have the right to terminate the Franchise Agreement for the Scoop Shoppe.

If your Shoppe is located in a strip center or free standing building, you must offer our full menu of Products, including hamburgers, hot dogs and fries. If your Shoppe is a Scoop Shoppe, a co-branded location or a non-traditional location (such as an airport), it is your choice whether you will offer hamburgers, hot dogs and fries in addition to your other menu items.

Ritter's Frozen Custard Shoppes are characterized by our System. Some of the features of our System include distinctive exterior and interior design, décor, color schemes, fixtures, and furnishings; recipes, standards and specifications for products, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; procedures for inventory and management control; training and assistance; and marketing and promotional programs. We may periodically change and improve the System.

You must operate your Shoppe in accordance with our standards and procedures, as set out in our Confidential Operations Manuals (the "**Manuals**"). We will lend you a copy of the Manuals for the duration of the Franchise Agreement (or, at our option, we may make these available to you electronically). In addition, we will grant you the right to use our marks, including the mark "Ritter's Frozen Custard", and any other trade names and marks that we designate in writing for use with the System (the "**Proprietary Marks**"). We may modify the Proprietary Marks or substitute new Proprietary Marks. See Items 13 and 14 for additional information regarding the Proprietary Marks and the Manuals.

<u>Franchise Agreement</u>

We offer to enter into franchise agreements ("**Franchise Agreements**") (included as Exhibit B to this Disclosure Document) with qualified legal entities and persons ("**you**") that wish to establish and operate Ritter's Frozen Custard Shoppes. Under a Franchise Agreement, we will grant you the right (and you will accept the obligation) to operate a Shoppe at an agreed-upon specified location (the "**Approved Location**").

If you are not an individual, then you must designate one of your owners, who must be an individual person and who must be reasonably acceptable to us (the "**Designated Principal**") to act as the responsible point of contact for your Shoppe. Your Designated Principal must have at least a 10% ownership interest in you.

If you are a franchisee of a concept that has not signed a co-branding arrangement with us and you want to co-brand your franchise with ours, you must first obtain your franchisor's permission to do this. If your franchisor approves, you will sign our standard Franchise Agreement (Exhibit B to this Disclosure Document), adjusted to reflect that it is a co-branded arrangement.

If you are an independent business person, unaffiliated with any franchise concept, and you want to co-brand with us, you will sign our standard Franchise Agreement, adjusted to reflect that it is a co-branded arrangement.

If you are either a franchisee under another concept or an independent business person and you choose to co-brand with us, your existing business must be complementary to (and not in competition with) a Ritter's Frozen Custard Shoppe.

If you enter into our co-branding arrangement under any of these methods, your total initial investment will be much lower than if you purchase a stand-alone franchise. However, if you are a franchisee or independent business person, you may need to upgrade your point of sale system, or purchase a separate point of sale system, to meet our requirements to report Gross Sales amounts to us and to calculate your Royalties and other payments due.

Multi-Unit Development Agreement

We also may offer a multi-unit development agreement (the "**Multi-Unit Development Agreement**") (included as Exhibit C to this Disclosure Document) with qualified corporations and persons (a "**Multi-Unit Developer**"), which grants the Multi-Unit Developer the right to establish and operate a specified number of Shoppes in a specified area (the "**Exclusive Area**") at specific locations that must be approved by us, each under a separate Franchise Agreement. We will enter into Multi-Unit Development Agreements under which at least three Shoppes will be developed by a Multi-Unit Developer.

Multi-Unit Developers must open each Shoppe following the Development Schedule in Exhibit A to the Multi-Unit Development Agreement. The Multi-Unit Developer must exercise each development right by itself signing a Franchise Agreement that might be different from the form of Franchise Agreement in this offering for the establishment and operation of a Shoppe.

Market and Competition

You will offer your products to the general public. The market for frozen dessert products is highly competitive, as is the market for obtaining locations in high traffic venues. However, we believe our competitive position is enhanced by our brand, image, décor and operational format and by the proprietary frozen dessert products offered by Ritter's Frozen Custard Shoppes. As frozen custard is a relatively new concept in many parts of the country, Ritter's Frozen Custard Shoppes have limited competition in the frozen custard market segment but will also face competition from stores, restaurants, and supermarkets that offer frozen dairy products such as ice cream and frozen yogurt.

Industry Specific Regulations

The food service industry is heavily regulated. A wide variety of Federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Shoppe, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Shoppe's premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for food service businesses and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and (e) regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Shoppe and you should consider both their effect and costs of compliance.

You must comply with all local, state, and federal laws that apply to your Shoppe's operations, including health, food handling, sanitation, EEOC, OSHA, discrimination, employment, and sexual harassment laws. If applicable to your Shoppe, the Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, bathrooms, drinking facilities, etc. You must obtain any applicable real estate permits (such as zoning), real estate licenses, and operational licenses. You must comply with any federal, state, county, municipal, or other local laws and regulations that may apply to your Shoppe. Regulations respecting food labeling, nutrition and health claims (for example, what products may be labeled as "low fat") have been issued by the federal Food and Drug Administration.

Among the other licenses and permits you may need are: Zoning or Land Use Approvals, Sunday Sale Permits, Sales and Use Tax Permits, Special Tax Stamps, Fire Department Permits, Food Establishment Permits, Frozen Dessert Retailer License, Food Service License, Health Permits, Alarm Permits, County Occupational Permits, Retail Sales Licenses, and Wastewater Discharge Permits. There may be other laws, rules or regulations which affect your Shoppe, including minimum wage and labor laws along with ADA, OSHA and EPA considerations. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality. We recommend that you consult with your attorney for an understanding of these laws.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Shoppe.

ITEM 2: BUSINESS EXPERIENCE

Chairman and Chief Executive Officer: Andy Unanue

Mr. Unanue has been our Chairman since August 6, 2007 and our Chief Executive Officer since July 2008.

Chief Financial Officer: Robert Bagnell

Mr. Bagnell has been our Chief Financial Officer since June 2, 2008.

Executive Director of Operations: Stewart Stolz

Mr. Stolz has been our Executive Director of Operations since May 2013. From June 2011 to April 2013 Mr. Stolz was our Regional Director of Operations.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

Franchise Agreement

You must pay us an initial franchise fee (the "**Franchise Fee**") to purchase a Ritter's Frozen Custard franchise. The Franchise Fee is $25,000, unless you are purchasing your second (or later) franchise, in which case the Franchise Fee is equal to $15,000 or 60% of the then-current Franchise Fee being charged. When purchasing your second (or later) franchise you must sign our Deposit Agreement (attached to this Disclosure Document as Exhibit I) and pay us a deposit equal to 50% of the Franchise Fee. One-half of the deposit you pay is refundable if we terminate the Deposit Agreement, otherwise the deposit is not refundable.

If you are a qualified United States veteran and have an ownership interest of at least 50% in the franchised business, we will discount the initial franchise fee for your franchised business by 50%. If you open a second or more units the veteran discount will not apply to those units.

The Franchise Fee will be fully earned when paid and non-refundable except if we terminate the Deposit Agreement.

When you sign the Franchise Agreement, we will apply the deposit toward the Franchise Fee due, and you must pay the balance of the Franchise Fee in a lump sum. Additionally, as described below, if you signed a Multi-Unit Development Agreement, we will credit a portion of the Multi-Unit Development Fee you paid toward the Franchise Fee under the conditions described below.

Co-Branded Unit

If you are an existing franchisee of ours operating a unit under one of our other brands (Arthur Treacher's Fish & Chips, Pudgie's Naked Chicken Co. or Wall Street Deli), or if you are purchasing one of those franchises at the same time you are purchasing this co-brand, the Franchise Fee due is $7,500. If you are not an existing franchisee of ours, the Franchise Fee due is $25,000. You must pay the Franchise Fee in full at the time you sign our agreement. The Franchise Fee for a co-branded unit is not refundable under any circumstances. We reserve the right to require you to sign our Deposit Agreement.

Scoop Shoppe

If you are an existing Ritter's Frozen Custard Shoppe franchisee in good standing, the Franchise Fee due for the Scoop Shoppe is $10,000. If you are purchasing a Scoop Shoppe at the same time as a Ritter's Frozen Custard Shoppe, the Franchise Fee due is $25,000 for the Ritter's Frozen Custard Shoppe plus $10,000 for the Scoop Shoppe. You may not purchase a Scoop Shoppe franchise until you either have an existing Ritter's Frozen Custard Shoppe in operation or you are purchasing a Ritter's Frozen Custard Shoppe at the same time you purchase a Scoop Shoppe. You must pay the Franchise Fee in full at the time you sign our agreement. The Franchise Fee for a Scoop Shoppe is not refundable under any circumstances. The owners of the Scoop Shoppe must be the same as the owners of the Ritter's Frozen Custard Shoppe, including the same percentage of ownership interests. If you are a corporate entity, then the corporate entity must own both Shoppes.

Grand Opening Advertising

In addition to the Franchise Fee described above, you must also pay a vendor of your choosing, which we must approve, the money for your grand opening advertising campaign and our designated agent will conduct your grand opening advertising campaign for you. This must be paid not later than 90 days before your Shoppe opens, and it is not refundable. For a full Ritter's Frozen Custard Shoppe franchise, the amount you must pay is $10,000. For a Scoop Shoppe, the amount you must pay is $7,500. For a co-branded franchise or Scoop Shoppe, the amount you must pay is $2,500.

Multi-Unit Development Fee

If you are going to be a Multi-Unit Developer, then you will sign a Multi-Unit Development Agreement and pay us a multi-unit development fee (the "**Multi-Unit Development Fee**"). The amount of the Multi-Unit Development Fee will depend on the number of Shoppes to be developed under the Multi-Unit Development Agreement, and will be calculated as follows: 100% of the Franchise Fee for the first Shoppe to be developed plus 50% of the reduced Franchise Fee for each additional Shoppe to be opened under that agreement and is due to us on signing the Multi-Unit Development Agreement. You will sign the Franchise Agreement for the first Shoppe at the same time as the Multi-Unit Development Agreement is signed. Upon signing a Franchise Agreement for each Shoppe after the first one, the balance of the Franchise Fee for that Shoppe is due. The Multi-Unit Development Fee is fully earned and non-refundable regardless of whether you enter into a Franchise Agreement for any of those Shoppes.

If you meet your obligations under the Multi-Unit Development Agreement and are not otherwise in default under any other agreement with us, as you sign Franchise Agreements for each Shoppe under the Multi-Unit Development Agreement, we will credit the portion of the Multi-Unit Development Fee that you paid attributable to that Shoppe towards the Franchise Fee due for that Shoppe. Additionally, if you are in compliance with the Multi-Unit Development Agreement, then as you sign a Franchise Agreement for each Shoppe that you develop to satisfy the Development Schedule, the Franchise Fee for those Shoppes will be the amount specified in the Multi-Unit Development Agreement (currently $25,000 for the first Shoppe and $20,000 for each additional Shoppe), regardless of whether our standard Franchise Fee is higher at the time you sign the Franchise Agreements for those Shoppes.

The initial fees described in this Item 5 are uniform. There are no additional payments to or purchases from us or our affiliates before you open your Shoppe.

ITEM 6: OTHER FEES

Name of Fee (1)	Amount	Date Due	Remarks
Royalty	5% of Gross Sales	Payable weekly by the 5th business day of each week	"Gross Sales" means all revenue from the sale of services and products and all other income related to the Franchised Business, except sales taxes. Royalty Fees are payable by automatic debit, and funds must be made available in your account for withdrawal. See note 2
Brand Development Fund Contribution	2% of Gross Sales	Payable weekly by the 5th business day of each week	This fee is due and payable at the same time and in the same manner as the Royalty Fee. See Item 11 for a discussion of the Brand Development Fund. We reserve the right to increase the Brand Development Fee to 3% of Gross Sales on 60 days' written notice to you
Local Advertising	3% of Gross Sales	Must be spent monthly	Payable to your local advertising suppliers. This expense is in addition to the Brand Development Fee. Any advertising you wish to use must first be approved by us. See Item 11
Cooperative Advertising Fund	An amount to be determined if a Cooperative Advertising Fund is established.	To be determined	If an advertising cooperative is formed for your area, you must join it. All amounts you pay to an advertising cooperative will count towards your local advertising requirement. Payable to the cooperative. See note 3
Successor Agreement Fee	One-half of the then-current Franchise Fee	Upon signing of the successor Franchise Agreement	You will only need to pay this fee if you chose to enter into a Successor Franchise Agreement. There is no successor agreement option under the Multi-Unit Development Agreement
Transfer	$15,000 under the Franchise Agreement	On or prior to the date of the proposed transfer	No fee is imposed for a one-time transfer to an entity you form and own, for the convenience of ownership, or for approved

Name of Fee (1)	Amount	Date Due	Remarks
	$4,000 for a Scoop Shoppe $15,000 per unit under the Multi-Unit Development Agreement		transfers to members of your immediate family.
Relocation Fee	$10,000	With request for relocation	If you request our consent to relocate your Shoppe
Additional Personnel Training	Our per-diem charges (which is currently $450) plus out-of-pocket costs for each trainee	Upon Demand	If you request that we train any additional personnel for you at our headquarters, beyond the initial two trainees, either before your Shoppe opens or while it is operating. Our per-diem rate is subject to change, and updated rates will be contained in our Confidential Operations Manual. The expenses you must pay for each of your trainees includes travel, lodging, meals and applicable wages
Additional on-site training and assistance	Our per-diem charges (which is currently $450) plus our out-of-pocket costs, per trainer	Upon Demand	If you ask that we (a) provide additional on-site training, or (b) conduct at your Shoppe any training session that we offer at our headquarters, and we do so, then you will have to pay our then-current per-diem charge for extra training. See Item 11 under the heading "Training". Our per-diem rate is subject to change, and updated rates will be contained in our Confidential Operations Manual. The out-of-pocket costs you must reimburse include travel, lodging and meals for each trainer we send to you
Audit by us	Cost of the audit	15 days after billing	Payable only if you fail to furnish reports, supporting records or other required information; or, if an audit reveals that you have understated Gross Sales by 2% or more, you must pay for the cost of the audit (including

Name of Fee (1)	Amount	Date Due	Remarks
			travel, lodging and meals expenses of the auditors) as well as any under-reported amount plus interest
Non-Compliance Fee	$75 each time you are found to not be in compliance with the System and default letters or termination letters are sent to you	As incurred	You will only need to pay this fee if a formal notice is issued to you.
Late Fee and Interest on Overdue Payments	A late fee equal to 5% of your overdue amount, plus interest equal to 1.5% per month (but not more than any maximum rate set by law)	At time the Overdue Payments are paid	Only due if you don't pay us the amounts you owe on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due
Prohibited Product or Service Fine	$250 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us. This may not be enforceable under California law.
Costs and Attorneys' Fees	Actual Costs	Upon request	If you default under your agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement
Liquidated Damages	See note 4		
Gift Card Program	See note 5		
Charges for "mystery shopper" quality control evaluation	Will vary under circumstances, but not to exceed $500 per year	Upon demand, if incurred	See Note 6. The mystery shopper program will be separate from our programs for customer surveys and customer satisfaction audits (which may require you to accept coupons from participating customers for discounted or complimentary items) Payable to us or third parties
Computer System Subscription Fee	$5 per employee	Monthly	Payable to approved supplier

Name of Fee (1)	Amount	Date Due	Remarks
Intranet Access	$20	Payable monthly	We maintain an intranet website for our franchisees
Product/Supplier Testing	Actual costs of testing and evaluation or $500, whichever is lower	Upon demand, if incurred	See Note 8 and Item 8
Shoppe Refurbishment	Actual Costs	As agreed	We may require you to refurbish your Shoppe to meet our then-current specifications for décor, layout, etc. We will not require you to refurbish the Shoppe more frequently than every five years. Payable to third parties
Shoppe Maintenance	Actual Costs	As incurred	You must regularly maintain the Shoppe premises and its fixtures, furnishings and equipment. If you must repair or replace any item on the premises or in the Shoppe and you do not do so, we have the right to make the repair or replace the item and you must reimburse our costs
Lease Review Fee	$500	Within 15 days after we consent to your proposed site	You must provide us a copy of the lease for your proposed restaurant premises for our review and consent before you sign it. Our review is limited to brand protection provisions only. We do not review and negotiate lease terms on your behalf.

Notes:

1. We impose and collect all fees uniformly, except as otherwise stated in the chart. All fees are non-refundable. All of the fees payable under the Franchise Agreement will apply to a Scoop Shoppe, if you own one, as well as the Ritter's Frozen Custard Shoppe.

2. We may require payment by other than automatic debit, and you must comply with our payment instructions. If you do not report the Shoppe's Gross Sales, we may debit your account for 120% of the last Royalty Fee and Brand Development Fund Contribution that we debited. If the Royalty Fee and Brand Development Fund Contribution we debit are less than the Royalty Fee and Brand Development Fund Contribution you actually owe us, we will debit your account for the balance on a day we specify. If the Royalty Fee and Brand Development Fund Contribution we debit are greater than the Royalty Fee and Brand Development Fund Contribution you actually owe us, we

will credit the excess against the amount we otherwise would debit from your account during the following week.

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

3. Cooperatives will include all Shoppes in a designated geographic area, whether owned by us, our affiliates or our franchisees. Each Shoppe has one vote on all cooperative matters.

4. If we terminate the Franchise Agreement with cause, you must pay us, within 15 days after the termination's effective date, liquidated damages equal to the average Royalties you paid or owed to us during the 12 months of operation preceding the termination's effective date multiplied by (a) 24 (the number of months in 2 years) or (b) the number of months remaining during your franchise term, whichever is lower. These liquidated damages cover only our damages from loss of the Royalty cash flow. They do not cover other damages to which we might be entitled due to your actions or inaction.

5. You must participate in our Gift Card program. Gift Cards are available for sale and redemption at any Shoppe in the System.

6. We may use an independent service to conduct a "mystery shopper" quality control and evaluation program. You must participate in this program, and we may require that you pay the then-current charges imposed by the evaluation service (as we direct, either directly to the evaluation service provider or to us as a reimbursement).

7. As described in Item 11 under the heading "Computer System," we may require you to use certain software, hardware and/or support services in connection with the operation of the Shoppe. We reserve the right to develop a proprietary software system, and if we do so we may require you to pay us an up-front licensing fee as well as ongoing software maintenance fees. We or our affiliates may be a provider of these services or products. Also, as described in Item 11, you must obtain and maintain a maintenance and/or support contract for your communications and information systems.

8. If you wish to purchase unapproved products or equipment, supplies, services, or Products (other than Proprietary Products) from other than approved suppliers, we may require that our representatives periodically be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You must pay a charge not to exceed the reasonable cost of the evaluation and testing.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – STRIP CENTER/END CAP				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Franchise Fee (See Item 5)*	$25,000	Lump Sum	At signing of Franchise Agreement	Us
Rent (3 Months) (Note 1)	$7,500 to $18,000	As agreed	As incurred	Landlord
Site Plans and Plan Review Fee (See Note 2)	$9,000 to $20,000	Lump sum	Prior to training	Suppliers
Construction/Leasehold Improvements (Note 4)	$135,000 to $300,000	Lump sum	Prior to training	Suppliers
Project Management Fee (Note 4)	$0 to $15,000	As Arranged	As Arranged	Project Manager
Equipment, Furniture and Signs (Note 5)	$165,000 to $243,000	Lump sum	Prior to training	Suppliers
Inventory & Supplies (Note 6)	$12,000 to $16,000	Lump sum or periodic	Prior to training	Suppliers
Insurance (Note 7)	$1,500 to $4,000	Lump sum	Prior to training	Suppliers
Prepaid Expenses and Deposits (Note 8)	$2,000 to $10,000	Lump sum	Prior to training	Suppliers
Training Expenses (2 people)	$5,000 to $10,000	As incurred	As incurred	Suppliers
Grand Opening Expenses (Note 9)	$10,000	Lump sum	90 days before opening	Suppliers
Additional Funds (Note 10) – 3 months	$15,000 to $45,000	Sporadic	As incurred	Suppliers, Employees, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 11) (including rent for three months)	$387,000 to $716,000			

YOUR ESTIMATED INITIAL INVESTMENT – FREE-STANDING BUILDING				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Franchise Fee (See Item 5)*	$25,000	Lump Sum	At signing of Franchise Agreement	Us
Land (if purchased) (See Note 1)	****	Lump sum or periodic	As incurred	Landlord, Seller or Mortgage Co.
Site Plans and Plan Review Fee (See Note 2)	$10,000 to $20,000	Lump sum	Prior to training	Suppliers
Sitework/Landscaping (See Note 3)	$60,000 to $220,000	Lump sum	Prior to training	Suppliers
Construction/Leasehold Improvements (Note 4)	$225,000 to $510,000	Lump sum	Prior to training	Suppliers
Project Management Fee (Note 4)	$0 to $15,000	As Arranged	As Arranged	Project Manager
Equipment, Furniture and Signs (Note 5)	$160,000 to $243,000	Lump sum	Prior to training	Suppliers
Inventory & Supplies (Note 6)	$12,000 to $18,000	Lump sum or periodic	Prior to training	Suppliers
Insurance (Note 7)	$2,000 to $12,000	Lump sum	Prior to training	Suppliers
Prepaid Expenses and Deposits (Note 8)	$2,500 to $10,000	Lump sum	Prior to training	Suppliers
Training Expenses (2 people)	$5,000 to $10,000	As incurred	As incurred	Suppliers
Grand Opening Expenses (Note 9)	$10,000	Lump sum	90 days before opening	Suppliers
Additional Funds(Note 10) – 3 months	$15,000 to $45,000	Sporadic	As incurred	Suppliers, Employees, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 11) (excluding real estate purchase costs)	$526,500 to $1,138,000			

YOUR ESTIMATED INITIAL INVESTMENT – CO-BRAND UNIT				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Franchise Fee (See Item 5)*	$7,500 to $25,000	Lump Sum	At signing of Franchise Agreement	Us
Rent and Security Deposit (Note 1)	$0	As agreed	As incurred	Landlord
Site Plans and Plan Review Fee (See Note 2)	$500 to $10,000	Lump sum	Prior to training	Suppliers
Construction/Leasehold Improvements (Note 4)	$10,000 to $180,000	Lump sum	Prior to training	Suppliers
Project Management Fee (Note 4)	$0 to $15,000	As Arranged	As Arranged	Project Manager
Equipment, Furniture and Signs (Note 5)	$50,000 to $120,000	Lump sum	Prior to training	Suppliers
Inventory & Supplies (Note 6)	$3,000 to $12,000	Lump sum or periodic	Prior to training	Suppliers
Insurance (Note 7)	$0	Lump sum	Prior to training	Suppliers
Prepaid Expenses and Deposits (Note 8)	$0	Lump sum	Prior to training	Suppliers
Training Expenses (2 people)	$2,500 to $6,000	As incurred	As incurred	Suppliers
Grand Opening Expenses (Note 9)	$2,500	Lump sum	90 days before opening	Suppliers
Additional Funds (Note 10) – 3 months	$0 to $15,000	Sporadic	As incurred	Suppliers, Employees, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 11) (including rent for three months)	$76,000 to $385,500			

YOUR ESTIMATED INITIAL INVESTMENT – SCOOP SHOPPE				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Franchise Fee (See Item 5)*	$10,000	Lump Sum	At signing of Franchise Agreement	Us

YOUR ESTIMATED INITIAL INVESTMENT – SCOOP SHOPPE				
Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Rent and Security Deposit (Note 1)	$1,000 to $5,000	As agreed	As incurred	Landlord
Site Plans and Plan Review Fee (See Note 2)	$7,000 to $18,000	Lump sum	Prior to training	Suppliers
Construction/Leasehold Improvements (Note 4)	$65,000 to $205,000	Lump sum	Prior to training	Suppliers
Project Management Fee (Note 4)	$0 to $15,000	As Arranged	As Arranged	Project Manager
Equipment, Furniture and Signs (Note 5)	$65,000 to $200,000	Lump sum	Prior to training	Suppliers
Inventory & Supplies (Note 6)	$7,000 to $16,000	Lump sum or periodic	Prior to training	Suppliers
Insurance (Note 7)	$1,500 to $4,000	Lump sum	Prior to training	Suppliers
Prepaid Expenses and Deposits (Note 8)	$2,000 to $10,000	Lump sum	Prior to training	Suppliers
Training Expenses (2 people)	$0 to $6,000	As incurred	As incurred	Suppliers
Grand Opening Expenses (Note 9)	$7,500	Lump sum	90 days before opening	Suppliers
Additional Funds (Note 10) – 3 months	$0	Sporadic	As incurred	Suppliers, Employees, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 11) (including rent for three months)	$166,000 to $496,500			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment.

1. ***Land***. A free-standing Shoppe is approximately 2,500 square feet. We estimate that, if you wish to purchase the site upon which to build a 2,000 square foot free-standing Ritter's Frozen Custard Shoppe, you will need at least a 3/4 acre site. If your Shoppe will be a larger 2,500 square foot building, you will need 1 to 2 acres to build a free-standing Shoppe. We cannot estimate the cost of purchasing land upon which to build the Shoppe. As land is unique, this cost will vary considerably and we cannot estimate the cost.

   If you wish to operate a Ritter's Frozen Custard Shoppe in a strip center, you will need approximately 1,800 square feet of space. The cost for leasing commercial space varies considerably depending upon the location and market conditions affecting commercial property.

This estimate in the chart does not include the cost of utilities or any other charges. The estimate in the chart represents one month of rent plus a one month security deposit.

As of December 31, 2025, we have built a 1,800 square foot in-line location and a 2,500 square foot free-standing building. These sizes are the newest proposed Shoppes and the cost estimates in this Item 7 are our current estimates for Shoppes of these sizes. **Actual costs may vary.**

If you are purchasing a co-branded unit, you will already be in possession of a location. If you are purchasing a Scoop Shoppe franchise, you will need approximately 800 square feet of space.

Our estimate does not include the cost of any real estate broker's fees. If you use a real estate broker to assist you in finding a suitable site for your Shoppe, you may have to pay the broker a fee.

2. ***Site Plans***. You must use an architect to prepare architectural plans. This cost will vary depending upon on the extent to which our standard architectural plans must be modified to your particular site.

3. ***Sitework and Landscaping***. If you will operate your Shoppe from a free-standing unit, you will incur costs in sitework and landscaping. Sitework costs include conducting soil boring and environmental tests and an engineering survey along with preparing the site by fill and/or excavation.

4. ***Construction and Leasehold Improvements***. If you will operate your Shoppe from a free-standing unit, you will incur costs in constructing a new building specifically designed for a Ritter's Frozen Custard Shoppe. The costs will vary depending upon the size, condition and location of the premises and the price differences between various suppliers and contractors. All construction materials and fixtures must be of our approved brands or types and must be purchased from designated and/or approved suppliers. ***The leasehold estimates are based on the assumption that the landlord delivers a "vanilla shell" with all the elements contained in the TRUFOODS' recommended "Schedule A Work letter", Your costs may vary.***

   If you lease a location for your Shoppe in a strip center, leasehold improvement costs, including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry, and similar work, and contractor's fees, will depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Shoppe; and any construction or other allowances the landlord grants.

   If you choose to employ a project manager to oversee the construction of your Shoppe, you will pay that project manager a fee of between $12,000 and $15,000. Using a project manager is at your discretion.

   If your Shoppe is a Scoop Shoppe or co-branded location, the high end of our estimate includes leasehold improvements to offer hamburgers, hot dogs and fries, which is optional for these types of franchises.

5. ***Equipment, Furniture and Signs***. The cost of purchasing equipment (including a point-of-sale system), furniture and signs will vary as a result of price differences between suppliers. You may purchase or lease approved brands and models of equipment, furniture and signs from approved suppliers. To purchase a computer hardware and software system the cost will be between $1,500 to $6,000 per terminal.

If you are purchasing a Scoop Shoppe, you will not manufacture frozen dessert products at the Scoop Shoppe. Your inventory will be provided by the Ritter's Frozen Custard Shoppe you must own.

If your Shoppe is a Scoop Shoppe or co-branded location, the high end of our estimate includes equipment and furnishings needed to offer hamburgers, hot dogs and fries, which is optional for these types of franchises.

6. ***Inventory and Supplies***. The cost of an opening inventory of custard mix, food, beverages, containers, packaging materials, utensils and other supplies and materials will vary depending on price differences between suppliers. Custard mix must be purchased from a supplier designated by us; other food and beverage products and items must generally conform to specifications, formulas and quality standards established by us and/or be purchased from approved suppliers.

If your Shoppe is a Scoop Shoppe or co-branded location, the high end of our estimate includes an initial inventory of hamburgers, hot dogs and fries, which is optional for these types of franchises.

7. ***Insurance***. You must maintain insurance coverage that meets our specifications. The range provided is an estimate of the amount to be expended for insurance during the first year of the Shoppe's operation (excluding workers' compensation insurance). The costs will vary depending on factors such as the size, location and contents of the Shoppe and whether you own or lease the Shoppe's location. If you are purchasing a co-branded unit, we assume that no additional insurance will be needed.

8. ***Prepaid Expenses and Deposits***. This item covers utility deposits, which may vary considerably depending on the size and location of the Shoppe, professional fees, and other items. If you are purchasing a co-branded unit, we assume that no additional security deposits are required.

9. ***Grand Opening Expenses***. This item covers the grand opening advertising and promotional expenses that you must incur in connection with the opening of the Shoppe. You must pay a vendor of your choosing, which must be approved by us, the amount for your grand opening advertising not later than 90 days before your Shoppe opens. They will conduct the grand opening advertising campaign on your behalf. If you are an existing franchisee of ours operating a unit under one of our other brands, or if you are purchasing one of those franchises at the same time you are purchasing this co-brand, you must pay to your approved vendor the grand opening advertising amount for both concepts.

10. ***Additional Funds***. You will need capital to support ongoing expenses, such as payroll, utilities, royalty fees and local advertising if these costs are not covered by sales revenue for your first three months of operation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be three months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after. If you are purchasing a co-branded unit, you either have an existing cash flow (in an existing business) or your additional funds requirement is included in the chart above for a stand-alone unit.

11. ***Total***. This is an estimate only of the range of initial start-up expenses that you may incur. These estimates are based on our predecessors' experience in the business since 2003. It is possible to significantly exceed costs in any of the areas listed. We cannot guarantee that you will not have additional expenses opening a Shoppe. Your costs will depend on factors including how well you

follow our methods and procedures; your management skill, experience and business acumen; whether you personally manage the Shoppe or hire a Manager; the region in which your Shoppe is located; local economic conditions; whether your Shoppe is in a new or existing location; the physical size and location of your Shoppe; the condition of the premises and the amount and nature of leasehold improvements required; the HVAC and electrical systems present and necessary; the prevailing wage rate; and the sales level reached during the initial period. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations.

We have not included a separate table for the initial investment if you sign a Multi-Unit Development Agreement. If you become a Multi-Unit Developer, you will pay a Multi-Unit Development Fee which is applied pro rata to the Franchise Fees due for each Shoppe to be developed after the first. The amount of the Multi-Unit Development Fee will depend on the number of Shoppes to be developed under the Multi-Unit Development Agreement, and will be calculated as follows: 100% of the Franchise Fee for the first Shoppe to be developed plus 50% of the reduced Franchise Fee for each additional Shoppe to be opened under that agreement and is due to us on signing the Multi-Unit Development Agreement. Other than the Multi-Unit Development Fee, actual start-up costs pertaining to the actual Shoppes opened under the Multi-Unit Development Agreement are as estimated above, subject to potential increases over time or other changes in circumstances. If you sign a Multi-Unit Development Agreement, your professional fees such as legal and financial may be higher.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure that the highest degree of quality and service is maintained, you must operate the Shoppe in strict conformity with the methods, standards, and specifications as we may periodically require in the Manuals or otherwise in writing.

None of our officers has an ownership interest in any approved supplier.

Products and Other Purchases

General

All Products sold or offered for sale at the Shoppe must meet our then-current standards and specifications and be approved by us. You must purchase, install, and use all fixtures, furnishings, equipment, décor, supplies, computers (hardware and software) and communications hardware and software, signs and materials as we may reasonably require in the Manuals or other written materials (collectively, "**Shoppe Items**"). You must purchase all additional Products and other Shoppe Items solely from manufacturers, distributors, and suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manuals or otherwise in writing. You may not purchase, offer or sell any Products, or use at your Shoppe any Products or Shoppe Items, that we have not previously approved as meeting our standards and specifications. Although we are not currently an approved supplier of any Products, we have the right to be an approved supplier of some items. We may disapprove of Products and suppliers based on our desire to consolidate System purchases through fewer suppliers. We may designate a single supplier, which may be us or one of our affiliates, for any products, equipment, supplies, or services, in which event you must purchase these items exclusively from the designated supplier.

If you wish to purchase unapproved products (except for Proprietary Products, which are discussed below) or Shoppe Items from other than approved suppliers, you must submit to us a written request to approve the proposed product or supplier, together with the evidence of conformity with our specifications as we reasonably specify. We will have the right to require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. You must pay a charge, not to exceed the reasonable cost of the evaluation and testing or $500, whichever is lower. We will use our best efforts to complete our review within 6 months. If we do not give our written approval within this 6 month period, we will be deemed to have disapproved the proposed new supplier. We may occasionally revoke our approval of particular Products, Shoppe Items or suppliers if we determine, in our sole discretion, that the Products or suppliers no longer meet our standards. Upon receipt of written notice of revocation, you must stop selling any disapproved product and/or stop purchasing from any disapproved supplier. We will provide our notices of approval of a new Product or supplier, or revocation of an existing Product or supplier, to you in writing (including e-mail).

Our specifications either: (1) are contained in the Manuals; or (2) will be provided to you upon request. We, however, have no obligation to make available to prospective suppliers the standards and specifications that we deem confidential. When approving suppliers, we consider whether they demonstrate the ability to meet our standards and specification and whether they possess adequate quality controls and capacity to supply your needs promptly and reliably. However, our approval may be withheld for any reason.

We estimate that your purchases from approved suppliers or that conform to our specifications will represent approximately 74% to 77% of your total purchases in establishing an in-line Shoppe, and approximately 80% to 90% in the continuing operation of the in-line Shoppe. We estimate that your purchases from approved suppliers or that conform to our specifications will represent approximately 86% to 88% of your total purchases in establishing a free-standing Shoppe, and approximately 80% to 90% in the continuing operation of the free-standing Shoppe.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some Products, equipment, or services to some or all of the Shoppes in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all Products, equipment and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in the best interests of the System or the franchised network of Shoppes. There are currently no purchasing arrangements or distribution cooperatives in our System.

We and/or our affiliates will receive payments or other compensation from suppliers on account of the suppliers' dealings with us, you, or other Shoppes in the System. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase Products, equipment, supplies, services and other items at a price that will benefit us and our franchisees. During the fiscal year ended December 31, 2025, we had total revenue of $$743,483 of which $144,230(or19.4%%) was from revenues or rebates paid to us by approved suppliers based on purchases from these suppliers by our franchisees. The revenue amounts in the previous sentence are for all of the TRUFOODS brands combined (Arthur Treacher's Fish & Chips, Pudgie's Naked Chicken, Ritter's Frozen Custard and Wall Street Deli). We cannot break out the revenues or rebates we receive by brand because we have several suppliers that pay us rebates based on sales to multiple brands.

The location you select for your Shoppe must be approved by us before you can secure the location by lease, sublease or purchase agreement. Any construction plans prepared for you must also be approved by us before you may begin constructing the Shoppe. Our review of your construction plans is only intended to verify that the construction plans meet our requirements for build-out of the Shoppe and presentation of the Proprietary Marks. You must make sure that your construction plans meet all applicable laws, ordinances and building codes. You may not open your Shoppe until we have approved it to open. We may require you to refurbish your Shoppe to meet our then-current specifications for décor, layout, etc. We will not require you to refurbish the Shoppe more frequently than every five years. Payable to third parties

Any advertising you propose to use to promote your Shoppe must be approved by us before you may use it.

<u>Proprietary Products</u>

The Proprietary Products, including our frozen custard mix and certain flavors, that are or may be offered and sold in Ritter's Frozen Custard Shoppes are manufactured in accordance with our proprietary recipes, formulae and specifications. To maintain the high standards of quality, taste, and uniformity associated with Proprietary Products sold at all Ritter's Frozen Custard Shoppes in the System, you must purchase Proprietary Products only from the suppliers and distributors that we designate in our sole discretion, and you may not offer or sell any Proprietary Products that have not been purchased from us or our designated supplier at or from the Shoppe. We will have the right to periodically introduce additional Proprietary Products, or to withdraw Proprietary Products. We may also designate a single approved supplier for the logoed hats, shirts and other merchandise you must purchase.

Except as described in this Item 8, we do not provide any material benefits to you based on your use of designated or approved suppliers.

<u>Insurance</u>

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. Your policies must name us, our affiliates, officers, directors, partners and employees as an additional insured. The policies must provide protection against any demand or claim under personal and bodily injury, death, or property damage, or any liability from your operation of the Shoppe. Required insurance will include comprehensive general liability coverage, including employment practices coverage; personal injury coverage; automobile coverage, including underinsured or uninsured coverage; business interruption insurance; and property damage coverage. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us and our affiliates as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Manuals. Additionally, we may designate one or more insurance companies as the insurance carrier(s) for Ritter's Frozen Custard Shoppes. If we do so, we may have you obtain your insurance through the designated carrier(s). You must provide us with a Certificate of Insurance naming TRUFOODS, LLC as additional insured, evidencing the coverage before your Shoppe opens.

Our insurance requirements are included in our Confidential Operations Manual and are subject to change during the term of your Franchise Agreement. You must comply with any change in our insurance requirements. Presently you must maintain the following minimum insurance amounts: (1) builder's risk insurance during any periods of construction or renovation; (2) all risks coverage for full repair and replacement value of all of the equipment, fixtures and supplies used in your Shoppe; (3) worker's compensation and employer's liability insurance, as well as any other insurance required by law; (4) comprehensive general liability insurance with limits of at least $1,000,000 per occurrence, and

$2,000,000 general aggregate, including the following coverages: personal injury (employee and contractual inclusion deleted); products/completed operation; and tenant's legal liability; (5) automobile liability insurance, and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least $1,000,000 combined single limit; (6) excess liability coverage over general liability, automobile liability, and employer's liability, with at least $1,000,000 per occurrence; (7) insurance coverage required by your lease or sublease, or as we may otherwise require; and (8) business interruption insurance for actual losses sustained for 12 months.

Except as described above, neither we nor any affiliate of ours will derive revenue as a result of your purchases or leases in accordance with our specifications or standards or from approved suppliers. We provide no material benefits to franchisees based on their use of approved suppliers.

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(s) in Franchise Agreement	Section(s) in Multi-Unit Development Agreement	Item in Disclosure Document
(a) Site selection and acquisition / lease	5.1	3.2	11
(b) Pre-opening purchases/leases	8.7	Not Applicable	7 and 8
(c) Site development and other pre-opening requirements	5	3.2	8 and 11
(d) Initial and ongoing training	6	Not Applicable	11
(e) Opening	5	Not Applicable	11
(f) Fees	4 and 13	4	5 and 6
(g) Compliance with standards and policies/Operating Manual	8, 10, and 13	5	8, 11, and 14
(h) Trademarks and proprietary information	8.8, 8.10, 9, and 10.2	1.4	13 and 14
(i) Restrictions on products/services offered	1.3 and 8.6	1	5, 8 and 16
(j) Warranty and customer service requirements	Not Applicable	Not Applicable	16
(k) Territorial development and sales quotas	1 and Exhibit A	1 and Exhibit A	12
(l) On-going product/service purchases	8	Not Applicable	8

Obligation	Section(s) in Franchise Agreement	Section(s) in Multi-Unit Development Agreement	Item in Disclosure Document
(m) Maintenance, appearance and remodeling requirements	8.13 and 8.14	Not Applicable	8
(n) Insurance	14	Not Applicable	7 and 8
(o) Advertising	13	Not Applicable	6, 7, 8, and 11
(p) Indemnification	21.4	12.4	6
(q) Owner's participation / management and staffing	8.3 and 8.4	Not Applicable	15
(r) Records and reports	12	5.3 and 5.4	6
(s) Inspections and audits	8.9	Not Applicable	6 and 11
(t) Transfer	15	7	17
(u) Renewal	2.2	Not Applicable	17
(v) Post-termination obligations	17	8.3	17
(w) Non-competition covenants	18	8	17
(x) Dispute resolution	27	16	17
(y) Liquidated damages	17.11	Not Applicable	6

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases or other obligations.

Franchisees of Ritter's Frozen Custard are eligible for expedited and streamlined SBA loan processing through the SBA's Franchise Registry Program, www.franchiseregistry.com.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-opening Obligations

Franchise Agreement. Before you open your Shoppe we will:

1. Approve or deny your proposed site for each Shoppe. (Franchise Agreement, Section 5.1)

2. Provide you with our standard initial training program for yourself and one manager (unless you are a Multi-Unit Developer and the Franchise Agreement is for your third or subsequent Shoppe). (Training is also discussed below in this Item 11 under the subheading "Training.") We will pay for the

cost of instruction and materials, subject to the terms stated in the Franchise Agreement. (Franchise Agreement, Sections 3.2, 6) If you are an existing franchisee of ours that is purchasing a co-branded unit, we may not require you to attend certain portions of our training program.

3. At no charge to you, provide you or the approved design firm and/or architect with our prototype plans and specifications for the construction of a Shoppe and for the exterior and interior design and layout, fixtures, equipment, furnishings, and signs. You must hire your own architect or employ a design firm and/or architecture firm designated by us to adapt the plans to your site (with our approval as described below under the heading "Construction and Layout of Shoppe"), and you must hire a contractor to build the Shoppe in accordance with those approved plans. You must also make sure that the plans comply with all local and other requirements, including zoning, code, and the Americans with Disabilities Act. (Franchise Agreement, Sections 3.1, 5.1)

4. We have the right to inspect and approve the Shoppe for opening before the initial opening. You may not start operation of your Shoppe until receiving our approval to do so. (Franchise Agreement, Section 5.2)

5. Lend you, for the duration of the Franchise Agreement, copies of the Manual (which is more fully described in Item 14 below). (Franchise Agreement, Section 3.3)

6. Plan your Grand Opening Advertising Program with you (which is more fully described in Item 7 of this Disclosure Document and in this Item under "Advertising"); you will pre-pay the cost of this program to us or our designated agent. (Franchise Agreement, Sections 3.5, 13.5)

7. Provide you a list of our then-current designated or approved suppliers. (Franchise Agreement, Section 3.8)

Multi-Unit Development Agreement: Before you open the Shoppe, we will:

1. Approve or deny your proposed site for each Shoppe. (Section 3.2)

2. Provide you with site selection guidelines, including our minimum standards for store sites, and other site selection counseling and assistance as we deem appropriate. (Section 5.1)

3. If we determine that on-site evaluation is appropriate, we will, at no charge to you, provide you with the on-site evaluations that we consider to be advisable for each Shoppe to be developed under the Development Schedule.

We are not required by the Franchise Agreement or Multi-Unit Development Agreement to furnish any other service or assistance to you before the opening of your Shoppe.

Continuing Obligations

Franchise Agreement: During the operation of your Shoppe, we will:

1. At our discretion, provide one of our representatives for up to seven days around the opening of your Restaurant. (Franchise Agreement, Section 3.2)

2. Conduct, as we deem advisable, periodic inspections of the Shoppe and may provide evaluations of the Products sold and services rendered at the Shoppe. (Franchise Agreement, Sections 3.7, 8.7.2)

3. Make available additional training programs, as we deem appropriate. (Franchise Agreement, Sections 6.4, 6.7)

4. Give you periodic and continuing advisory assistance as to the operation and promotion of the Shoppe, as we deem advisable. (Franchise Agreement, Section 3.6)

5. Maintain a Brand Development Fund. (Franchise Agreement, Section 13.2)

The Franchise Agreement does not require us to provide any other assistance or services to you during the operation of the Shoppe. As the Multi-Unit Development Agreement relates to the development of Shoppes, the Multi-Unit Development Agreement does not require us to provide any other assistance or services during the operation of the Shoppe.

Site Selection

Under the Franchise Agreement

If you do not already possess a location that we find acceptable for a Shoppe when you sign our Deposit Agreement, we will provide you with procedures for locating, evaluating, and obtaining our approval of a site. You will be given up to 90 days in which to find a suitable site for your Shoppe within the area that we designate as your deposit area. Within this 90 day period after signing the Deposit Agreement, you must submit to us a completed site approval package in a form specified by us, which includes an option contract, with a letter of intent or other evidence satisfactory to us that describes your favorable prospects for obtaining the site, photographs of the site, demographic statistics, and any other information or materials that we may reasonably require (collectively, the "**Site Approval Package**"). We will have 30 days after we receive the Site Approval Package from you to approve or disapprove, in our sole discretion, the location for the Shoppe. If we do not approve a proposed site by written notice to you within this 30 day period, the site shall be deemed disapproved by us. You must, on terms that we deem acceptable, secure a lease or a binding agreement for the purchase of the authorized site. (The lease or purchase agreement must be submitted to us for our approval before you acquire the authorized site.) If you cannot provide us with the Site Approval Package within 90 days after signing the Deposit Agreement, you may request an extension of time from us. If we and you cannot agree on a site within the 90-day period or any extension, the consequences will be to terminate the agreement. In most instances, you will sign your own lease and the Conditional Lease Assignment which is an exhibit to your Franchise Agreement, but in certain instances, we have the option of signing the lease directly and then subletting the site back to you, as per Exhibit K of the Franchise Agreement, which is our form of sublease.

At our option, you must sign a Sublease Agreement (which is available upon request), or you shall lease the approved site according to a lease that must contain terms and conditions acceptable to us. Any lease or sublease for an approved site must be in a form satisfactory to us and must: (1) provide for notice to us of, and our right to cure, your default under the lease; (2) provide for your right to assign your interest under the lease to us without the lessor's consent; (3) authorize and require the lessor to disclose to us, upon our request, sales and other information you furnish to the lessor; (4) provide that we shall have the right in our sole discretion to assume the lease if the Franchise Agreement expires or if it is terminated without the grant of a successor franchise; (5) provide lessor's consent to your use of signage according to our specifications; (6) provide that the lease may not be materially modified without our consent; and (7) include a signed copy of the Collateral Assignment of Lease which is attached as Attachment 7 to the Franchise Agreement. You must deliver a copy of the lease to us for our approval, which will not be unreasonably withheld, at least 15 days before you sign it. You may not sign a lease without our prior written approval. You must deliver a copy of the signed lease to us within 15 days after it is signed. You must further agree not to sign or agree to any modification of the lease which would affect our rights without our prior written approval. At our request, if we lease the approved site directly or through an affiliate, you must enter into the Sublease Agreement for the premises from us or from our Affiliate on the same terms as the prime lease.

Under any of the above circumstances, you must be opened and operating the earlier of ten months after you sign the Franchise Agreement or seven months following our approval of your site, as described below.

Under a Multi-Unit Development Agreement

For each proposed site for a Shoppe to be developed under the Multi-Unit Development Agreement, you must also submit to us a completed Site Approval Package. We will have 30 days after we receive the Site Approval Package from you to approve or disapprove, in our sole discretion, the location for the Shoppe. You must, on terms that we deem acceptable, secure a lease or a binding agreement for the purchase of the authorized site.

Under the Franchise Agreement and Multi-Unit Development Agreement, we will be deemed to have disapproved a proposed location unless we have expressly approved it in writing. In approving a location for the Shoppe, we consider the location, neighborhood, traffic patterns, visibility, parking facilities, size, lease, and zoning. If you do not locate and secure an acceptable site within the required time frames, you will be in default of your agreement with us for which we may terminate your agreement.

Our approval of (or failure to disapprove) a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Shoppe or for any other purpose, or as to any expected level of sales, revenues or profits. Approval by us of the site indicates only that the site meets the minimum requirements for a Ritter's Frozen Custard Shoppe site.

If there is an area representative for the area in which you are looking for a location for your Shoppe, the area representative will be reviewing and approving proposed sites, if the proposed sites meet our criteria.

Construction and Layout of Shoppe

You must develop your Shoppe according to our specifications. We will provide our standard plans and specifications for a prototype Ritter's Frozen Custard Shoppe, including interior design and layout, to you or to the design firm or architect that we have designated or approved (as described below). These plans and layouts are not intended, with respect to your particular location, to contain, address or comply with the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations for persons with disabilities. We may occasionally change our prototypes and plans (including our specifications for the interior and exterior appearances) of Ritter's Frozen Custard Shoppes, and develop or approve variations on our prototypes and plans to reflect locations with differing sizes, structural elements, visibility and other relevant factors.

You must hire a licensed architect to prepare all construction plans and specifications to suit the shape and dimensions of the site. We have the right to designate one or more suppliers of design and/or architecture services to perform these services for our system. During any period that we have designated a design or architecture firm before you begin to develop your Shoppe, you must employ the designated supplier to prepare all designs and plans for the Shoppe. If we have not designated suppliers for design and architecture services for your geographic area, you must locate and employ a qualified design consultant and architect who are licensed in your jurisdiction and who are reputable and experienced in providing design and architecture services. You must pay for all design and architecture services.

You must make sure that that your plans and specifications comply with the ADA and all other applicable regulations, ordinances, building codes and permit requirements and with lease or sublease requirements and restrictions, if any. You must submit final plans and specifications to us for approval before construction of the Shoppe begins. Our review is not designed to assess compliance with federal, state or local laws and regulations and is limited to review of the plans to access compliance with our design standards for Ritter's Frozen Custard Shoppes, including items like trade dress, presentation of Proprietary Marks, and the provision to the potential customer of certain products and services that are central to the functioning of Ritter's Frozen Custard Shoppes. Additionally, before opening the Shoppe (and before renovating it after the initial opening), you must sign and deliver to us an ADA Certification (in the form that is attached as Attachment 2 to the Franchise Agreement) certifying to us that the Shoppe and any proposed renovations comply with the ADA.

Opening of Shoppe

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be between four and ten months. Factors that may affect this time period include whether you are developing your Shoppe in a strip center or at a free-standing location, your ability to obtain financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs. Unless we agree in writing otherwise, you must conduct the opening of your Shoppe by the earlier of (i) ten months after signing the Franchise Agreement or (ii) seven months after we approve the site for your Shoppe. If your Shoppe is not open for business within the required timeframe, we may terminate your Franchise Agreement. You may not open the Shoppe for business until we have approved it for opening

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system (a "**Computer System**") that we may periodically specify. (Franchise Agreement, Section 7.1.) The term Computer System refers to hardware, software for the management and operation of the Shoppe and for reporting and sharing information with us, cash register systems, and communication systems (including modems, cables, etc.). Our specifications may change, as does the price and availability of new computer technology. For your Computer System you must maintain a service contract.

We currently specify the Square point of sale system. The iPad (Cloud) based point of sale system provide the following functions: cash control, time and attendance, complete reporting, and inventory control. Our approved supplier for the system is Square, which has offices in New York and San Francisco. Its primary headquarters is in San Francisco, CA. The number of terminals you will need will depend on the size and configuration of your Shoppe. You must also use the general ledger or accounting software package we specify on your Computer System which you must use to maintain an auditable set of books and records for the operations of the Franchised Location. We may also specify additional software programs that you must have on your Computer System. You must have a high-speed internet connection at all times (i.e., T1 line, DSL or cable modem). Other than the Computer System, we have not approved any hardware or software in place of these systems and programs, although we reserve the right to do so in the future. You must maintain continuing technological support coverage for your Computer System beyond any support that is initially provided by the vendor. We estimate that the cost for a maintenance contract will be approximately $360 per year/per terminal.

The hardware and software that we currently use is not proprietary to us, but is proprietary property to the vendors described above. To purchase a computer hardware and software system the cost will be approximately $1,500 per terminal. Depending on the size of your Shoppe, you could have one to two terminals.

We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for new Shoppes. In connection with a proprietary program if we elect to use one, we or our approved vendor may have you to sign a license or maintenance agreement to obtain and use the proprietary program. Other than providing you with information regarding our specifications and requirements for the Computer System, we are not required to assist you in obtaining hardware, software or related services. We will try to keep these changes infrequent and reasonable in cost, but the Franchise Agreement does not impose a limit as to the number or cost of these changes to the Computer System. Neither we nor any affiliate will provide you with any updates, upgrades or maintenance of your Computer System.

We have established an intranet website which provides private and secure communications between us, our franchisees, and other persons and entities that we determine appropriate, which requires you to have high speed internet access at all times. You must establish and maintain access to the intranet in the manner we designate and you must pay our then-current fee for intranet access. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign. (Franchise Agreement, Section 7.5)

Advertising

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, we reserve the right to require you to spend money on advertising and promotion, or to participate in and contribute for the purpose of advertising and promotion, each year during the term of the Franchise Agreement (the "**Advertising Obligations**").

Brand Development Fund

We will maintain and administer the Brand Development Fund. Ritter's Frozen Custard Shoppes owned by us or our affiliates will contribute to the Brand Development Fund on the same percentage basis as our franchisees. You must contribute 2% of Gross Sales to the Brand Development Fund. We reserve the right to increase the Brand Development Fee to 3% of Gross Sales on 60 days' written notice to you. We may defer, reduce, or waive the required Brand Development Fees of a franchisee under circumstances we deem appropriate. We would consider lowering or waiving a franchisee's Brand Development Fee if they are in a non-traditional location, such as an airport or stadium, where advertising is not needed to generate customers. They would both be considered a captive audience.

All Brand Development Fees received shall be held in a separate account for the Brand Development Fund and used solely for the purpose of administering our advertising program; advising franchisees regarding advertising and promotion; producing advertising and promotional materials for use by all Ritter's Frozen Custard Shoppes; payment of outside consultants retained by us in connection with the advertising and promotional program; conducting periodic advertising and promotional programs in the media we deem best (such as radio, print, and cable television) for local or regional coverage; developing, implementing, and maintaining a Franchise System Website and/or related strategies; and reimbursement to us of our costs in administering the advertising program, including expenses of salary and office overhead. We may use in-house advertising departments and/or a regional advertising agency to develop advertising.

The Brand Development Fund is not audited. Annual unaudited financial statements are available for your review, upon your written request.

We are not required to spend any particular portion of the Brand Development Fund in your Shoppe's area. Any amounts in the Brand Development Fund not spent in a particular year will be carried over to the following year. Up to 10% of the Brand Development Fund may be used for advertising that principally is a solicitation for the sale of franchises.

Although the Brand Development Fund is intended to be perpetual, we may terminate the Brand Development Fund at any time. The Brand Development Fund will not be terminated until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors on a pro rata basis. If we terminate the Brand Development Fund, we have the right to reinstate it at any time and you must again contribute to the Brand Development Fund. Any reinstated Brand Development Fund will be maintained as described above.

During our fiscal year ended December 31, 2025, expenditures from the Brand Development Fund were as follows: 89.8% was spent for production; 5.4% was spent for media placement; 4.8% was spent on administration of the Brand Development Fund.

Cooperative Advertising Fund

We will have the right, as we see fit, to establish a Cooperative Advertising Fund for your region, or we may approve of a Cooperative Advertising Fund that has been organized by franchisees in a region. The purpose of a Cooperative Advertising Fund is to conduct advertising campaigns for the Shoppes located in that region. The members of the Cooperative Advertising Fund will determine the amount of your contributions to the Cooperative Advertising Fund. Any amounts paid to a Cooperative Advertising Fund will count as part of your local advertising requirement, but if your contribution to a Cooperative Advertising Fund is less than the amount you must spend on local advertising, you must still spend the difference locally. As of our last fiscal year ending December 31, 2025, there is one Cooperative Advertising Fund located in Indiana.

If a Cooperative Advertising Fund for your area was established before you began to operate your Shoppe, then when you open your Shoppe, you must immediately join that Cooperative Advertising Fund. If a Cooperative Advertising Fund for your area is established after you begin to operate your Shoppe, then you will have 30 days to join the new Cooperative Advertising Fund. An individual Ritter's Frozen Custard Shoppe will not need to be a member of more than one Cooperative Advertising Fund. If we (or an affiliate) contribute to a Cooperative Advertising Fund, we will have the same voting rights for our Shoppes as do our franchisees with respect to their Shoppes.

The following provisions will apply to each Cooperative Advertising Fund (if and when organized):

(a) Cooperative Advertising Funds will be established, organized, and governed in the form and manner that we have approved in advance in writing.

(b) Cooperative Advertising Funds will be organized according to written governing documents for the exclusive purpose of administering regional advertising programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Cooperative Advertising Funds may not use advertising, promotional plans, or materials without our prior written approval, as described below under the heading "Local Advertising and Promotion."

(d) You must submit your contribution to the Cooperative Advertising Fund according to the schedule we designate for the Cooperative Advertising Fund. At the same time, you will have to submit the reports that we or the Cooperative Advertising Fund require. We may have you to submit this payment by EFT or by check. We also may have your payments and reports to the Cooperative Advertising Fund be made to us for distribution to the Cooperative Advertising Fund.

(e) We maintain the right to terminate any Cooperative Advertising Fund. A Cooperative Advertising Fund will not be terminated, however, until all monies in that Cooperative Advertising Fund have been expended for advertising or promotional purposes, except that if there are no remaining Shoppes in the Cooperative Advertising Fund we will transfer the remaining monies to the Brand Development Fund.

A statement of monies collected and costs incurred by the Fund will be prepared annually by us and will be furnished to you upon your written request.

Local Advertising and Promotion

You must spend a minimum of 3% of your Shoppe's Gross Sales each month on local advertising and promotion in your local market area, less any amounts contributed to a Cooperative Advertising Fund as described above. If the amount you contribute to a Cooperative Advertising Fund is less than the amount you must spend on local advertising, you must still spend the difference locally. Certain criteria will apply to any local advertising and promotion that you conduct. All of your local advertising and promotion must be in good taste in our sole discretion, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You, or any Cooperative Advertising Fund, may not use any advertising or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials. You must obtain our approval of the prices you intend to charge. If we do not give our written disapproval within 10 days, we will have been deemed to have approved the plans or materials. At our request, you must include certain language in your local advertising materials, such as "Franchises Available" and our website address and phone number.

All copyrights in and to advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, have your independent contractors sign the documents) that we deem necessary to implement this provision. (The requirements in this paragraph, as well as in the previous paragraph, will also apply to any Cooperative Advertising Funds.)

As discussed in Item 7, in addition to (and not in place of) the Advertising Obligations, you must prepare and conduct a grand opening advertising program (the **"Grand Opening Advertising Program"**), in accordance with our specifications for that program. All materials used in the Grand Opening Advertising Program will be subject to our prior written approval, as described above. The Grand Opening Advertising Program is considered "local advertising and promotion" and is therefore subject to the restrictions described in this Item 11. We will work with you to develop your Grand Opening Advertising Program for your market. We, our affiliates or approved suppliers may periodically make available to you, for purchase, certain advertising plans and promotional materials for your use in local advertising and promotion.

As used in the Franchise Agreement, the term "**local advertising and promotion**" refers to only the costs of purchasing and producing advertising materials (including camera-ready advertising), media (space or time), promotion, and your direct out-of-pocket expenses related to costs of advertising and sales promotion in your local market or area. Local advertising and promotion also includes associated advertising agency fees and expenses, postage, shipping, telephone, and photocopying costs. "Local advertising and promotion" does not, however, include any of the following: salaries and expenses of your employees; charitable, political, or other contributions or donations; and the value of discounts given to customers.

Advisory Council

Our Predecessor had an advisory council in place, which we have maintained. The advisory council acts in an advisory capacity only and does not have decision making authority. The advisory council was formed to provide assistance on advertising and marketing matters. We have the authority to form, change, merge and/or dissolve this or any other advisory council at any time.

The advisory council is comprised of our representatives and franchisee representatives. The franchisee representatives are elected by other franchisees in the System. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

Websites

Websites (as defined below) are considered as "advertising" under the Franchise Agreement are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "**Website**" means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate and that refers to the Shoppe, Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages. In connection with any Website, the Franchise Agreement provide that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Proprietary Mark, through the Internet without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website.

At our option, we may establish one or more Websites to advertise, market, and promote Ritter's Frozen Custard Shoppes, the products that they offer and sell, and/or the Ritter's Frozen Custard Shoppe franchise opportunity (each a "Franchise System Website"). If we establish a Franchise System Website, we will give you a webpage on the Franchise System Website that references your Shoppe. You must give us the information necessary to develop, update, and modify your webpage. This information must be accurate and not misleading and not infringe any other party's rights. We will own all intellectual property and other rights in the Franchise System Website, your webpage, and all information they contain.

We will develop, maintain, and update the Franchise System Website (including your webpage) and may use money from the Brand Development Fund. You must notify us whenever any information on your webpage changes or is inaccurate. At your request, we will update or add information that we approve to your webpage. You must pay our then current fee to be on the Franchise System Website or to update or modify your homepage. Our standards, specifications, and operating procedures may regulate the Franchise System Website. If you are not complying with the Franchise Agreement or any of our standards, specifications, or operating procedures, we may temporarily remove your webpage from the Franchise

System Website until you are in full compliance. You may not develop, maintain, or authorize any other Website that mentions or describes you or your Shoppe or displays the Proprietary Marks.

You (whether you are a Franchisee or Multi-Unit Developer) are strictly prohibited from promoting your business or using the Proprietary Marks in any way on social or networking Websites, such as Facebook, LinkedIn, Twitter, Instagram, and TikTok, without our prior written consent.

Training

Before your Shoppe opens, you must complete all of our initial training requirements. Unless you are a Multi-Unit Developer and you are opening your third or subsequent Shoppe (the differing requirements for Multi-Unit Developers are described below) you (or, if you are other than an individual, your Designated Principal) and one manager, for a maximum of two people, must attend and successfully complete, to our satisfaction, the initial training program that we offer at a location designated by us. (See Item 15 for details regarding our requirements for the management and operation of the Shoppe.) We will bear the cost of all training (instruction and required materials) for the initial training program and all other training, except as described below regarding additional training and assistance that we provide at your Shoppe. You will bear all other expenses incurred in attending training, including the costs of transportation, lodging, meals, wages, and worker's compensation insurance for all of your trainees.

If you are a Multi-Unit Developer, then by the time you are developing your third Shoppe, you must be prepared (by meeting all of our requirements) to train the managerial personnel for your third and subsequent Shoppes. This means that you must have management personnel who have completed to our satisfaction our initial training program and who continue to meet our standards and requirements for providing this training to other managers, and that you conduct the training of these additional managers according to the programs and requirements that we specify in the Manuals and other written materials. If we determine that you or your managers do not meet these requirements, we may have your additional managers attend and complete the initial training program we provide for new franchisees. If we require that additional or replacement managers attend and complete the initial training program, we reserve the right to have you pay our per diem training charges.

If you (or the Designated Principal) or any manager is no longer actively employed in the Shoppe, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our initial training program promptly after employment of the first individual ends, provided that you may train managers in accordance with Section 6.3 of the Franchise Agreement. You must maintain a minimum of two certified managers, one of which may be you, for the Shoppe at all times. The replacement Designated Principal and any necessary managers shall complete the initial training program as soon as is practicable, but in no event later than any time periods we periodically specify in the Manuals and otherwise in writing. Replacement managers must be trained according to our standards and you may be permitted to provide this training directly, provided you meet our then-current standards for qualifying as a training facility. We have the right to review any personnel you trained and to have these persons attend and complete, to our satisfaction, our initial training program.

We will not provide training for any employees except for managers, as described above. You must make sure that all of your employees are trained properly.

The subjects covered in the initial training program are described below. We currently anticipate that you and your managers will attend two weeks of training which must be completed at least 30 days before the date your Shoppe opens. The materials for the training will be provided through our Manuals, handouts and use of other presentation tools. We have the right to change the duration and content of our initial training program.

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-the-Job Training	Column 4 Location
Orientation	2	0	*
Daily Food Preparation	0	4	*
Menu Item Production	0	14	*
Cake/Pie/Novelty Production	0	8	*
Drive Thru Service/POS	0	8	*
Window/Inline Service/POS	0	16	*
Frozen Custard Machine/Prep	0	6	*
Closing Systems	0	6	*
Human Resources/Labor Mgt	3	0	*
Safety and Sanitation	0	1	*
Maintenance	0	1	*
Management Modules	1	14	*
Training Systems	2	2	*
Cash Management	0	2	*
Inventory/Ordering	0	3	*
Administrative/Marketing/Back Office POS Systems	4	0	*
Testing	2	0	*
Totals	**14**	**81**	

* Our initial training program will be held at a location designated by us. The training site is located in Indianapolis, Indiana.

It is the nature of the Shoppe business that all aspects of training are integrated; that is, there are no definitive starting and stopping times.

Some states and municipalities also may require separate training in sanitation and safety laws before permitting the Shoppe to open. You should check you state and local laws.

The Shoppe Operations Management Training Program is created for all new members joining the franchise operations team. Currently the training is supervised, scheduled and coordinated by Stewart Stolz. Mr. Stolz's experience in the field that is relevant to the subject taught and our operations is from 3 to 10 years. The minimum experience of the instructors in the field that is relevant to the subject taught and our operations is from 1 to 10 years.

We may use additional instructors on our training staff to conduct our training programs.

Additionally, we may require that you, your Designated Principal and/or your managers attend any refresher courses, seminars, and other training programs as we may periodically designate, provided that refresher and additional training will not exceed (a) four days (per trainee) each year at our headquarters, and (b) three days (per trainee) each year to attend a convention for the franchise system. We may offer voluntary training programs. If these refresher and additional training programs are conducted in Indianapolis, Indiana, or at our affiliate-owned Ritter's Frozen Custard Shoppes, we will bear the costs associated with providing these training programs. However, if you request that we provide any of this training at your Shoppe, and we do so, we may charge you our then-current per diem training fee (per trainer) for the additional training provided; and you will also have to reimburse us for all out of pocket costs and expenses associated with the additional training, including lodging, food and travel arrangement of the trainers.

Gift Card Program

We have instituted a program for all franchisees to sell or otherwise issue gift cards or certificates (together "**Gift Cards**"). You must participate by offering Gift Cards to your customers and honoring all Gift Cards presented to you as payment for products, regardless of whether the Gift Card was issued by you or another Ritter's Frozen Custard Shoppe.

Manuals

You must comply with all of the specifications, procedures, and standards set out in our Manuals. The table of contents to our Manuals is contained in Exhibit D. Our Manuals include approximately 211 pages.

ITEM 12: TERRITORY

Franchise Agreement

Your Franchise Agreement will specify the site that will be the Approved Location for your Shoppe. We are not required to grant you a territory. If your Shoppe is located at a Non-Traditional Site (described below), you will not receive a territory. We will use our best efforts to make sure that no franchisee's Shoppe operations adversely affects another franchisee's Shoppe operations. The Franchise Agreement does not grant you any territorial rights beyond whatever geographic radius is listed in an exhibit to the Franchise Agreement.

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.

If, during the term of the Franchise Agreement, you wish to relocate your Shoppe, or if the Shoppe is damaged or destroyed and cannot be repaired within 60 days, you must submit to us in writing the materials require to consider your request, including information concerning the proposed new location for the Shoppe and payment of our relocation fee. You must also meet certain other requirements, including being in compliance with the Franchise Agreement, the location meets our then-current requirements for a Ritter's Frozen Custard Shoppe, the location will not adversely affect another franchisee's operations (in our opinion), and you must sign our then-current form of Franchise Agreement. If we permit you to relocate, this will be considered a new term and you will not pay a new initial franchise fee when you sign the new Franchise Agreement.

You may sell our Proprietary Products and related products to retail customers and prospective retail customers who live anywhere but who choose to dine at or purchase from your Shoppe. You may not engage in any promotional activities or sell the Proprietary Products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. You may not place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located outside of your immediate market area. If you are granted a Territory you have a right of first refusal to acquire an additional franchise, as described below. You may not sell the Proprietary Products to any business or other customer at wholesale, without our advance written consent.

Although we have not done so, we and our affiliates may sell products under the Proprietary Marks anywhere through any method of distribution other than a Ritter's Frozen Custard Shoppe, including sales through channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales anywhere except as described in the following paragraph and you will not receive any compensation for our sales through alternative distribution channels except as described in the following paragraph.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive orders for any Proprietary Products or other products offered by a Shoppe calling for delivery or performance in your immediate area, 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 not be entitled to any compensation in connection with this. This electronic commerce program has not yet been instituted, but we plan on doing so in the future.

We have not yet established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do this anywhere and at any time.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Shoppe which sell the Proprietary Products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

There are no minimum sales volumes that you must meet to maintain your rights under the Franchise Agreement.

If you are purchasing a Scoop Shoppe in addition to a Ritter's Frozen Custard Shoppe, the Scoop Shoppe may not be located in close proximity to another franchisee's Shoppe, as we determine, and it must be within 20 minutes of drive time from your Ritter's Frozen Custard Shoppe.

The Franchise Agreement grants you no options or similar rights to acquire additional franchises within the territory or contiguous territories. You must be a Multi-Unit Developer to obtain these options or rights.

Multi-Unit Development Agreement

If you sign a Multi-Unit Development Agreement, the Multi-Unit Development Agreement will specify the Exclusive Area within which you may locate potential sites for Shoppes, subject to our approval. The size and scope of the Exclusive Area will be determined on a case-by-case basis, as we mutually agree upon before signing the Multi-Unit Development Agreement and will be specified in the Multi-Unit Development Agreement. Your Exclusive Area does not include the right to develop Restaurants at Non-Traditional Sites, unless we provide our written consent for you to do so. The factors that we consider in determining the size of an Exclusive Area include current and projected market demand, demographics and population, traffic patterns, location of other Ritter's Frozen Custard Shoppes, your financial and other capabilities, the number of Shoppes you wish to develop and our development plans. During the term of the Multi-Unit Development Agreement, if you comply with the obligations under the Multi-Unit Development Agreement and all of the Franchise Agreements between you (and your affiliates) and us, we will not establish or operate, or license anyone other than you to establish or operate, a Ritter's Frozen Custard Shoppe in the Exclusive Area. Except as described below, there are no circumstances under which the Multi-Unit Development Agreement may be altered before expiration or termination of the Multi-Unit Development Agreement. Your territorial protection is not dependent upon achievement of a certain sales volume, market penetration, or other factors, other than compliance with the Multi-Unit Development Agreement and Development Schedule.

If you do not comply with a deadline under the Development Schedule (a "**Missed Deadline**"), you will be in default under the Multi-Unit Development Agreement. For one Missed Deadline, we will provide you with an opportunity to cure your default and we will determine and notify you of a new deadline for that one Missed Deadline (without changing the remainder of the Development Schedule). If you fail to come into compliance by that new deadline, and/or upon the occurrence of a second Missed Deadline, we may terminate your Multi-Unit Development Agreement, or we may elect to take one or more of the following actions: (a) stop crediting the Multi-Unit Development Fees paid towards the Franchise Fees for the Shoppes to be developed; (b) eliminate the limited exclusivity or reduce the scope of protections granted to you within the Exclusive Area; (c) reduce the scope of the Exclusive Area; (d) reduce the number of Shoppes for you to develop, or (e) retain all Multi-Unit Development Fees paid to us. If we elect to take one or more of these actions, we will provide written notice of the action, and the Multi-Unit Development Agreement will be amended to reflect the changes.

The Multi-Unit Development Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the territory or contiguous territories except as stated below.

Our Reserved Rights under the Franchise Agreement and Multi-Unit Development Agreement

Under both the Franchise Agreement and Multi-Unit Development Agreement, we and our affiliates retain all the rights that we do not specifically grant to you. Among the rights that we retain are the following (the following list is only for purposes of illustration and is not meant to limit our rights). All references below to a Territory under the Franchise Agreement are only applicable if a Territory is granted to you. If you are not granted a Territory, then we may exercise these rights anywhere.

(1) We may own, acquire, establish, and/or operate and license others to establish and operate businesses, including Ritter's Frozen Custard Shoppes operating under the Proprietary Marks and the System selling the Products at any location outside your Territory or Exclusive Area regardless of their proximity to, or potential impact on, your Territory or Exclusive Area or Shoppes.

(2) We may own, acquire, establish and/or operate, and license others to establish and operate, non-Shoppe businesses under the Proprietary Marks at any location within or outside the Territory or Exclusive Area.

(3) We may own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether these businesses are similar or different from the Shoppe, at any location within or outside the Territory or Exclusive Area, notwithstanding their proximity to the Territory or Exclusive Area or the Approved Location or their actual or threatened impact on sales of the Shoppe.

(4) We may own, acquire, establish, and/or operate, and license others to establish and operate, Ritter's Frozen Custard Shoppes under the Proprietary Marks at Non-Traditional Sites at any location within or outside the Territory or Exclusive Area.

(5) We may sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products (including the Products) through grocery or convenience stores or through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing our Proprietary Marks, provided that distribution within the Territory or Exclusive Area shall not be from a Ritter's Frozen Custard Shoppe established under the System that is operated from within the Territory or Exclusive Area (unless the Shoppe is at a Non-Traditional Site).

(6) If a Territory is granted to you, and if a location becomes available within your Territory (under the Franchise Agreement or Multi-Unit Development Agreement) at which we believe a Shoppe can be established, we will offer you a right of first refusal to establish a Shoppe at that location. We will provide you with written notice of the opportunity together with our then-current Disclosure Document. If you wish to exercise the right of first refusal and develop the Shoppe at that location, you must sign a Franchise Agreement for the location and pay the initial franchise fee not later than 30 days after the notice and Disclosure Document are provided to you. If you do not sign the Franchise Agreement and pay the initial franchise fee within this period, then you will no longer have a right to the location and we may develop, or we may grant a franchise to a third party to develop, a Shoppe at the location.

ITEM 13: TRADEMARKS

The Franchise Agreement allows you to use the "Ritter's Frozen Custard" Proprietary Marks in connection with the Franchised Business. The Proprietary Marks were transferred to us from our Predecessor when we acquired the Ritter's Frozen Custard assets from our Predecessor. The following principal marks have been registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Application/Registration No.	Registration Date
Ritter's Frozen Custard	1976078	May 28, 1996
Ritter's Frozen Custard – Taste the Difference	2706642	April 15, 2003
Cubby Paws	2801455	December 30, 2003

We intend to file all affidavits and to renew our registrations for the Marks when they become due.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the Trademark Administrator of this state or any court. There is no pending infringement, opposition or cancellation proceeding. There is no pending material litigation involving the trademarks which may be relevant to their use in this state or in any other state.

We do not know of any infringing uses that could materially affect your use of the Proprietary Marks in this state or elsewhere.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third-party claim, suit or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in accordance with your Agreement, we will bear the cost of defense, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with your Agreement, you must bear the cost of defense, including the cost of any judgment or settlement. If there is any litigation due to your use of the Proprietary Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action. Unless litigation results from your use of the Proprietary Marks in a manner inconsistent with the terms of your Agreement, we will reimburse you for your out-of-pocket costs, except that you will bear the salary costs of your employees.

There are no agreements currently in effect which limit our rights to use or license the use of any Proprietary Marks. We reserve the right to substitute different proprietary marks for use in identifying the System and businesses operating under it if we, in our sole discretion, determine that substitution of different marks as Proprietary Marks will be beneficial to the System. You must promptly implement any substitution of new Proprietary Marks at your expense.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Proprietary Marks and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable period of time after receiving notice. We will not have to reimburse you for any cost attributable to or associated with any modified or discontinued Proprietary Marks or for any expenditures you make to promote a modified or substitute trademark or service mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Opening of Shoppe

We estimate that the time period between the signing of the Franchise Agreement and the start of operations will be between four and ten months. Factors that may affect this time period include whether you are developing your Shoppe in a strip center or at a free-standing location, your ability to obtain financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs. Unless we agree in writing otherwise, you must conduct the opening of your Shoppe by the earlier of (i) ten months after signing the Franchise Agreement or (ii) seven months after we approve the site for your Shoppe. If your Shoppe is not open for business within the required timeframe, we may terminate your Franchise Agreement. You may not open the Shoppe for business until we have approved it for opening.

Patents

We do not have an ownership interest in any patents that are material to the operation of your Shoppe.

Copyrights

Under federal law, copyright protection covers various materials used in our business and the development and operation of Ritter's Frozen Custard Shoppes, including the Manuals, advertising and promotional materials, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, nor are we required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

All rights, title, and interest in advertising and promotional materials that you develop or prepare (or that are prepared by someone on your behalf) or that bear any Proprietary Marks will belong to us. You must sign any documents we reasonably deem necessary to evidence our right, title, and interest in and to any advertising and promotional materials. We will have the right to use these materials and to provide them to other franchisees, the Brand Development Fund and other programs of the System, without compensation to you, regardless of how the materials were developed. Additionally, we may periodically have you sign a license agreement for the use of proprietary materials that we provide to you in an electronic format.

Confidential Information

Except for the purposes of (i) operating the Shoppe under a Franchise Agreement, and/or (ii) developing Shoppes under a Multi-Unit Development Agreement, you may never (during your Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the development and operation of the Shoppe that may be communicated to you or that you may learn by virtue of your operation of a Ritter's Frozen Custard Shoppe. You may divulge confidential information only to those of your employees who must have access to it to operate the Shoppe. Any information, knowledge, know-how, and techniques that we designate as confidential will be deemed "confidential" for purposes of the Agreements. The term "confidential information" includes System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Shoppes, proprietary software (if any), the terms of your Agreement with us, the Manuals, graphic designs and other intellectual property, interior and exterior trade dress for the Shoppe, and décor items for the Shoppe. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may have you, your Designated Principal, other owners, managers, and your employees with access to confidential information sign confidentiality and non-competition agreements. Each of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Shoppe. These agreements must be in a form that we find satisfactory and must include specific identification of our company as a third party beneficiary with the independent right to enforce the covenants. Our current forms for this agreement are included in Attachment 6 to the Franchise Agreement.

Confidential Manuals

To protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business in accordance with the Manuals. We will lend you one set of our Manuals for the term of the Franchise Agreement, which you must return to us at the expiration or termination of the Franchise Agreement. The Manuals may consist of multiple volumes of printed text, computer disks, other electronic stored data, videotapes, and periodic updates or bulletins that we issue to franchisees and others operating under the System. You must treat the Manuals, all supplements and revisions to the Manuals, including bulletins and the information contained in them, as confidential, and must use best efforts to maintain this information (whether in written or electronic format) as secret and confidential. You must not reproduce these materials (except for the parts of the Manuals that are meant for you to copy, which we will clearly mark as copyable) or otherwise make them available to any unauthorized person. The Manuals will remain our sole property. You must keep them in a secure place on the Shoppe premises.

We may revise the contents of the Manuals, and you must comply with each new or changed standard. We will notify you in writing of revisions to the Manuals. You must ensure that the Manuals are kept current at all times. If there is a dispute as to the contents of the Manuals, the terms of the master copies that we maintain at our home office will control.

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

Under the Franchise Agreement, you (or if you are an entity, your Designated Principal) must be involved in the general oversight and management of the operations of the Shoppe. We will have the right to rely upon the Designated Principal to have the responsibility and decision-making authority regarding your business and operations. Your Designated Principal must have at least a 10% ownership interest in you. You must at all times maintain two certified managers for your Shoppe, one of which may be you. If any of your managers fails to satisfactorily complete our initial training program or if your manager is no longer an employee, you must designate a replacement manager within 30 days, who is acceptable to us and who satisfactorily completes our training program. We may require you to reimburse our training costs for a replacement manager.

Under the Multi-Unit Development Agreement, you (or if you are an entity, your Designated Principal) must be involved in the general oversight and development of the Shoppes, as well as the operations of the Shoppes that are developed under the Multi-Unit Development Agreement. We will have the right to rely upon the Designated Principal to have the responsibility and decision-making authority regarding your business and operations.

Under both a Franchise Agreement and a Multi-Unit Development Agreement, if you are other than an individual, we may require that only your owners personally sign a guaranty (in the forms included as Attachment 5 to the Franchise Agreement), guarantying the legal entity's obligations under that agreement. Additionally, you or your owners and your employees with access to confidential information or who have received training may be required to sign covenants to maintain confidentiality and not compete with businesses under the System (our current forms for this agreement are included in Attachment 6 to the Franchise Agreement).

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell and provide only products and services that we have approved in writing and which conform to our standards and specifications. We have the right, without limit, to change the types of authorized products and services. You must carry and sell all Products that we approve and specify to be offered by all Ritter's Frozen Custard Shoppes, unless we otherwise provide our written approval.

You may only sell to retail customers at or from the Approved Location. All sales must be: (1) face-to-face, for customer consumption on the premises of the Shoppe; and (2) face-to-face, for customer carry-out consumption. You may not engage in any other type of sale, offer to sell, or distribution of Products, except with our prior written consent. For example, you may not sell products by catalog, mailing, toll free numbers, or by use of the Internet.

You must not use the Shoppe for any other business or operation or for any other purpose or activity at any time without first obtaining our prior written consent. You must keep the Shoppe open and in normal operation for the minimum hours and days as we may specify. You must operate the Shoppe in strict conformity with the methods, standards, and specifications as we require in the Manuals or in writing.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision		Section in Franchise Agreement	Summary
(a)	Length of the franchise term	Section 2.1	10 years. If you purchase a Scoop Shoppe franchise after you purchase a Ritter's Frozen Custard Shoppe, the franchise agreement for the Scoop Shoppe will expire at the same time as the initial franchise agreement
(b)	Renewal or extension of the term	Section 2.2	If you are in good standing , and subject to contractual requirements, you may sign a successor agreement for one (1) additional term of ten years, unless we have determined, in our sole discretion to withdraw from the geographical area where you Frozen Custard Shoppe is located.
(c)	Requirements for franchisee to renew or extend	Section 2.2	You must provide us with notice that you wish to sign a successor agreement, be in compliance with the terms of your Franchise Agreement, sign release, sign new Franchise Agreement, pay Successor Agreement fee and others.

Provision		Section in Franchise Agreement	Summary
			You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees in the successor agreement will not be greater than the fees that we then impose on similarly situated franchisees with successor agreements.
(d)	Termination by franchisee	None	You may seek termination upon any grounds available by state law
(e)	Termination by franchisor without cause	Not applicable	The Franchise Agreement will terminate upon your death or permanent disability and the Franchised Business must be transferred withing six months to a replacement franchisee that we approve.
(f)	Termination by franchisor with cause	Section 16	We may terminate your Franchise Agreement if you commit a default and do not cure the default. Our agreements contain a cross default provision, which states that a default under one agreement is a default under all agreements. If you own a Scoop Shoppe, then if the Franchise Agreement for your Ritter's Frozen Custard Shoppe is terminated, your Scoop Shoppe Franchise Agreement will automatically terminate
(g)	"Cause" defined – curable defaults	Sections 16.3 and 16.4	Failure to pay monies owed to us or our affiliates when due; refuse us to inspect the Shoppe or your books and records; failure to operate the Shoppe for the hours and days we specify; and other defaults which may be cured.
(h)	"Cause" defined – non-curable defaults	Sections 16.1 and 16.2	Bankruptcy, abandonment, conviction of felony, and others; see § 16.2. of the Franchise Agreement (Under the U.S. Bankruptcy Code, we may be unable to terminate the

Provision		Section in Franchise Agreement	Summary
			agreement merely because you make a bankruptcy filing.)
(i)	Franchisee's obligations on termination/non-renewal	Section 17	Stop operating the Shoppe, payment of amounts due, and others; see §§ 17.1 – 17.10 of the Franchise Agreement.
(j)	Assignment of contract by franchisor	Section 15.1	There are no limits on our right to assign the Franchise Agreement.
(k)	"Transfer" by franchisee – defined	Section 15.2	Includes transfer of any interest.
(l)	Franchisor approval of transfer by franchisee	Section 15.2	We have the right to approve transfers and can apply standards to determine (for example) whether the proposed transferee meets our requirements for a new franchisee. If you purchased a Scoop Shoppe franchise and you want to transfer your Ritter's Frozen Custard Shoppe franchise, the Scoop Shoppe must be transferred at the same time and to the same buyer
(m)	Conditions for franchisor approval of transfer	Sections 15.3 and 15.4	Release, signature of new Franchise Agreement, you pay transfer fee, and others; see §§ 15.3.1 – 15.3.11 and 15.4 of the Franchise Agreement.
(n)	Franchisor's right of first refusal to acquire franchisee's business	Section 15.6	We can match any offer.
(o)	Franchisor's option to purchase franchisee's business	Not applicable	
(p)	Death or disability of franchisee	Section 15.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchised Business must be transferred within six months to a replacement franchisee that we approve.

Provision		Section in Franchise Agreement	Summary
(q)	Non-competition covenants during the term of the franchise	Sections 18.2 and 18.5	Includes prohibition on engaging in any other business offering the same or substantially similar menu items; and soliciting or diverting customers to other businesses; and others; see § 18.2 of the Franchise Agreement.
(r)	Non-competition covenants after the franchise is terminated or expires	Sections 18.3 and 18.5	Includes a two year prohibition similar to "q" (above), within the Territory, or within 25 miles of any Ritter's Frozen Custard Shoppe then-operating under the System anywhere.
(s)	Modification of the agreement	Section 25	Must be in writing signed by both parties.
(t)	Integration/merger clause	Section 25	Only the final written terms of the Franchise Agreement are binding (subject to federal law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
(u)	Dispute resolution by arbitration or mediation	Not Applicable	
(v)	Choice of forum	Section 27.2	Litigation in New York (Subject to applicable state law)
(w)	Choice of law	Section 27.1	State of New York (Subject to applicable state law)

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision		Section in Multi-Unit Development Agreement	Summary
(a)	Length of the franchise term	Attachment A	Last date in Development Schedule
(b)	Renewal or extension of the term	Not Applicable	
(c)	Requirements for multi-unit developer to renew or extend	Not Applicable	
(d)	Termination by multi-unit developer	Not Applicable	You may seek to terminate on any grounds available to you by state law

Provision		Section in Multi-Unit Development Agreement	Summary
(e)	Termination by franchisor without cause	Not Applicable	
(f)	Termination by franchisor with cause	§ 6	We can terminate if you default. Our agreements contain a cross default provision, which states that a default under one agreement is a default under all agreements
(g)	"Cause" defined – curable defaults	§§ 6.3 and 6.4	All other defaults not specified in §§ 6.1 and 6.2 of Multi-Unit Development Agreement.
(h)	"Cause" defined – non-curable defaults	§§ 6.1 and 6.2	Bankruptcy; repeated failures to meet requirements; or failure to cure a default under, of Development Schedule; termination of any individual Franchise Agreement for a Shoppe operated by you or a person or entity affiliated with you.
(i)	Multi-unit developer's obligations on termination/ non-renewal	§ 6.6	Stop establishing or operating Shoppes under the System for which Franchise Agreements have not been signed at the time of termination and compliance with covenants.
(j)	Assignment of contract by franchisor	§ 7.1	There are no limits on our right to assign the Multi-Unit Development Agreement.
(k)	"Transfer" by multi-unit developer – defined	§ 7.2	Includes a transfer of an interest in the Multi-Unit Development Agreement, developer entity, or any material asset of your business.
(l)	Franchisor approval of transfer by multi-unit developer	§ 7.2	We have the right to approve transfers.
(m)	Conditions for franchisor's approval of transfer	§§ 7.2 and 7.3	Any of the conditions for transfer described in the Franchise Agreement attached to the Multi-Unit Development Agreement that we deem applicable, and simultaneous transfer of Franchise Agreements signed pursuant to the Multi-Unit Development Agreement.

Provision		Section in Multi-Unit Development Agreement	Summary
(n)	Franchisor's right of first refusal to acquire multi-unit developer's business	Not Applicable	
(o)	Franchisor's option to purchase multi-unit developer's business	Not Applicable	
(p)	Death or disability of multi-unit developer	Not Applicable	
(q)	Non-competition covenants during the term of the franchise	§ 8.2	Includes prohibition on engaging in any other business offering the same or substantially similar menu items, and soliciting or diverting customers to other businesses; and others.
(r)	Non-competition covenants after the franchise is terminated or expires	§ 8.3	Includes a two year prohibition similar to "q" (above), within the Exclusive Area, or within 25 miles of any Shoppe then-operating under the System located anywhere.
(s)	Modification of the agreement	§ 15	Must be in writing signed by both parties.
(t)	Integration/merger clause	§ 15	Only the terms of the Multi-Unit Development Agreement are binding (subject to federal law). Any representations or promises outside of the Disclosure Document and Multi-Unit Development Agreement may not be enforceable.
(u)	Dispute resolution by arbitration or mediation	Not Applicable	
(v)	Choice of forum	§ 16.2	Litigation in New York (Subject to applicable state law)
(w)	Choice of law	§ 16.1	State of New York (Subject to applicable state law)

ITEM 18: PUBLIC FIGURES

We do not use any public figure to promote our franchise, however we reserve the right to elect to do so at some point in the future.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that 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, 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 Robert Bagnell, 56 Columbine Circle, Newtown, Pennsylvania 18940 and (516) 220-8942, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2023, 2024 and 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	19	19	0
	2024	19	18	-1
	2025	18	16	-2
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	19	19	0
	2024	19	18	-1
	2025	18	16	-2

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023, 2024 and 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2023	0
	2024	1
	2025	0
Michigan	2023	0
	2024	0
	2025	1
Total	2023	0
	2024	1
	2025	0

Table No. 3
Status of Franchised Outlets
For years 2023, 2024 and 2025

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Termina-tions	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Florida	2023	4	0	0	0	0	0	4
	2024	4	0	1	0	0	0	3
	2025	3	0	1	0	0	1	1
Georgia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Indiana	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Michigan	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Ohio	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Termina-tions	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Texas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	2023	19	0	0	0	0	0	19
	2024	19	0	1	0	0	0	18
	2025	18	0	1	0	0	1	16

Table No. 4
Status of Company-Owned Outlets
For years 2023, 2024 and 2025

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
None	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Total	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
None	0	0	0
Total	0	0	0

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses will be provided in Exhibit E and F to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit F to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Ritter's Frozen Custard System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Ritter's Frozen Custard System.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G are our audited financial statements for the years ended December 31, 2023, December 31, 2024, and December 31, 2025.

Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

The following contracts are attached to this Disclosure Document:

Franchise Agreement – Exhibit B
Multi-Unit Development Agreement – Exhibit C
Form of General Release – Exhibit H

ITEM 23: RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, North Dakota 58505 Phone 701-328-2910	North Dakota Insurance & Securities Department
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

TRUFOODS, LLC
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ATTACHMENT 8 - SBA Addendum
ATTACHMENT 9 - Confidentiality and Non-Compete Agreement
ATTACHMENT 10 - Collateral Assignment of Lease

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this _______ ________________ (the "**Effective Date**"), by and between TRUFOODS, LLC, a New Jersey limited liability company whose principal place of business is 56 Columbine Circle, Newtown, Pennsylvania 18940 ("**Franchisor**"); and____ _______, a(n) ____, with its principal place of business located at____ and _______________________________'s principals ____________________________, an individual residing at ____ and ______________________ _______, an individual residing at ____ ("**Principal(s)**"). ________________________________ and Principal(s) shall be collectively referred to in this Agreement as the "**Franchisee**".

BACKGROUND:

A. Franchisor owns a format and system (the "**System**") relating to the establishment and operation of retail shops which operate at locations that display Franchisor's interior and exterior trade dress and feature and operate under the Proprietary Marks (as defined below) (each a "**Ritter's Frozen Custard Shoppe**" or "**Franchised Shoppe**"). The System also includes a non-manufacturing unit called a "**Scoop Shoppe**" that may be purchased separately; provided, however, that Franchisee may not own a Scoop Shoppe without also owning a Ritter's Frozen Custard Shoppe to produce products for the Scoop Shoppe. Ritter's Frozen Custard Shoppes are designed using Franchisor's interior trade dress to be welcoming and comfortable for customers, and offer a wide variety of frozen custard products, hamburgers, hot dogs, fries and beverages on a dine-in and take out basis, under the name and mark "Ritter's Frozen Custard". A Franchised Shoppe operates using Franchisor's proprietary recipes, formulae and techniques ("**Proprietary Products**"), as well as other non-proprietary food, beverage, and other compatible items designated by Franchisor from time to time (collectively, "**Products**").

B. The distinguishing characteristics of the System include distinctive exterior and interior design, décor, color schemes, fixtures, and furnishings; recipes, standards and specifications for products, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; procedures for inventory and management control; training and assistance; and marketing and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System including the mark "Ritter's Frozen Custard" and other marks (the "**Proprietary Marks**").

D. Franchisee desires to enter into the business of operating a Franchised Shoppe under the System and using the Proprietary Marks, and wishes to enter into this Agreement with Franchisor for that purpose, and to receive the training and other assistance provided by Franchisor in connection therewith.

E. Franchisee understands and acknowledges the importance of the high standards of Franchisor for quality, cleanliness, appearance, and service and the necessity of operating the business franchised hereunder in conformity with the standards and specifications of Franchisor.

NOW, THEREFORE, the parties agree as follows:

1. **GRANT**

1.1 Grant and Acceptance.

Franchisor grants to Franchisee the right, and Franchisee hereby undertakes the obligation, upon the terms and conditions set forth in this Agreement to: (a) establish and operate a Ritter's Frozen Custard Shoppe (the "**Franchised Shoppe**"), (b) use, only in connection therewith, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by Franchisor; and (c) operate the Franchised Shoppe only at the Approved Location (as defined in Section 1.2 below) in accordance with this Agreement.

1.2 Approved Location.

Franchisee shall develop and operate the Franchised Shoppe only at the site specified in Attachment 1 to this Agreement as the "**Approved Location**". Franchisee shall not relocate the Franchised Shoppe without Franchisor's prior written consent and/or otherwise in writing by Franchisor, as provided in Section 8.19 below.

1.3 Limit on Sales.

Franchisee's rights hereunder shall be limited to offering and selling Products at the Franchised Shoppe, and only to retail customers of the Franchised Shoppe for (a) customer consumption on the premises of the Franchised Shoppe at the Approved Location (the "**Premises**"); and (b) for customer carry-out consumption of Products sold at the Franchised Shoppe; provided that all such activities shall be conducted only in accordance with the requirements of this Agreement and the procedures set forth in the Manuals (as defined in Section 10 below) and all applicable laws. Franchisee shall not, without the prior written approval of Franchisor, engage in any other type of sale of, or offer to sell, or distribution of Products, including, but not limited to: selling, distributing or otherwise providing, any Products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any Products through catalogs, mail order, toll free numbers for delivery, or electronic means (e.g., the Internet).

1.4 Franchisor's Reserved Rights.

Franchisee acknowledges and agrees that Franchisor is not required to grant Franchisee any territorial exclusivity under this Agreement, the grant of which shall be in Franchisor's sole discretion. Franchisor retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein:

1.4.1 To own, acquire, establish, and/or operate and license others to establish and operate, Ritter's Frozen Custard Shoppes under the System at any location notwithstanding their proximity to the Approved Location or their actual or threatened impact on sales of the Franchised Shoppe;

1.4.2 To own, acquire, establish and/or operate and license others to establish and operate, non-Shoppe businesses under the Proprietary Marks, at any location;

1.4.3 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from the Franchised Shoppe, at any location notwithstanding their proximity to the Approved Location or their actual or threatened impact on sales of the Franchised Shoppe;

1.4.4 To own, acquire, establish, and/or operate and license others to establish and operate, Ritter's Frozen Custard Shoppes under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location. As used in this Agreement, "**Non-Traditional Sites**" shall mean outlets that serve primarily the customers located within the facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, indoor shopping centers, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of Non-Traditional Sites;

1.4.5 To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products (including the Products) through grocery or convenience stores or through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing Franchisor's Proprietary Marks.

2. TERM AND SUCCESSOR OPTIONS

2.1 Initial Term.

This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, this Agreement shall expire ten (10) years from the Effective Date. If this Agreement is for a Scoop Shoppe and is being executed subsequent to the Franchise Agreement for a Ritter's Frozen Custard Shoppe, then this Agreement shall expired at the same time as the Franchise Agreement for such Ritter's Frozen Custard Shoppe.

2.2 Successor Option.

If you satisfy each of the requirements set forth below, you may enter into a new franchise agreement and other agreements and legal instruments and documents customarily employed by us and in the form then generally being offered to prospective franchisees in the state in which the Franchised Shoppe is located (the "Successor Franchise Agreement") for one (1) additional term of ten (10) years.

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to enter into a Successor Franchise Agreement at least six (6) months, but not more than twelve (12) months, prior to the end of the Initial Term of this Agreement;

2.2.2 Franchisee shall not have any past due monetary obligations or other outstanding obligations to Franchisor and its affiliates, the approved suppliers of the System, or the lessor of the Premises;

2.2.3 Franchisee shall not be in default of any provision of this Agreement, or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates, the approved suppliers of the System, or the lessor of the Premises; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof;

2.2.4 Franchisee and Franchisor shall execute a mutual general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees (provided, however, that all rights enjoyed by the Franchisee and any causes of action arising in his/her favor from the provisions of Article 33 of the New York General

Business Law ("GBL") and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied);

2.2.5 Franchisee shall execute the then-current form of franchise agreement offered by Franchisor, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including requirements to pay additional and/or higher fees, except that Franchisee shall not be required to pay any initial franchise fee;

2.2.6 Franchisee shall comply with the then-current qualification and training requirements of Franchisor;

2.2.7 Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Premises as Franchisor may reasonably require, including installation of new equipment and renovation of signs, furnishings, fixtures, and decor to reflect the then-current standards and image of the System;

2.2.8 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises (or such other location acceptable to Franchisor) for the duration of the successor term;

2.2.9 Franchisee, at the time of the successor term, satisfies Franchisor's standards of financial responsibility and, if requested by Franchisor, Franchisee demonstrates to Franchisor that Franchisee has sufficient financial resources and means to continue to operate the Franchised Shoppe during the successor term; and

2.2.10 Franchisee shall pay to Franchisor a Successor Agreement fee equal to fifty percent (50%) of Franchisor's then-current initial franchise fee.

3. DUTIES OF FRANCHISOR

3.1 Franchisor's Prototype Plans.

Franchisor shall make available, at no charge to Franchisee, prototype design plans and specifications for the construction of a Ritter's Frozen Custard Shoppe and for the exterior and interior design and layout, fixtures, furnishings, equipment, and signs. Franchisee acknowledges that such standard design plans and specifications shall not contain the requirements of any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Ritter's Frozen Custard Shoppe, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee understands and acknowledges that Franchisor has the right to modify the prototype design plans and specifications, and develop additional prototype design plans and specifications, as Franchisor deems appropriate from time to time (however Franchisor will not modify the prototype plans and specifications for the Franchised Shoppe developed pursuant to this Agreement once those prototype architectural plans and specifications have been given to Franchisee). Franchisee shall adapt the standard plans to the Franchised Shoppe's location, as provided in Section 5.3 hereof, subject to Franchisor's approval.

3.2 Initial Training; Opening Assistance.

Franchisor shall provide its initial training for operators and managers ("**Initial Training**"), as described in Section 6 of this Agreement, for Franchisee and one (1) manager (unless this Agreement is for the third or subsequent Ritter's Frozen Custard Shoppe being developed pursuant to a Multi-Unit Development Agreement between Franchisor and Franchisee (or an affiliate of Franchisee), in which event the terms set forth in Section 6.1.3 below shall apply with respect to the pre-opening training of Franchisee and the Designated Principal). Franchisor shall also provide such ongoing training as it may, from time to time, deem appropriate.

Franchisor may, in its sole discretion, provide one (1) of its representatives for a period of up to seven (7) days around the opening of Franchisee's Shoppe.

3.3 Loan of Manuals.

Franchisor shall provide Franchisee, on loan, copies of the Franchisor's confidential operations manuals and other manuals, instructional materials, and written policies and correspondence (collectively, the "**Manuals**"), as more fully described in Section 10 hereof.

3.4 Advertising Programs and Materials.

Franchisor shall review and shall have the right to approve or disapprove all advertising and promotional materials that Franchisee proposes to use, pursuant to Section 13 below. Franchisor shall administer the Cooperative Advertising Funds, if such funds exist or are created, in the manner set forth in Section 13 below. Franchisor shall administer the Brand Development Fund in the manner set forth in Section 13 below.

3.5 Grand Opening Advertising.

Franchisor shall, together with Franchisee, plan Franchisee's Grand Opening Advertising Program (as described in Section 13.5 below), which program shall be conducted at Franchisee's expense.

3.6 Guidance.

Franchisor may provide periodic advice or offer guidance to Franchisee in the marketing, management, and operation of the Franchised Shoppe as Franchisor determines at the time(s) and in the manner determined by Franchisor.

3.7 Inspections.

Franchisor shall conduct, as it deems advisable, inspections of the operation of the Franchised Shoppe by Franchisee.

3.8 List of Suppliers.

Franchisor shall, in the Manuals (or otherwise in writing as determined by Franchisor), provide Franchisee with a list of suppliers designated and/or approved by Franchisor to supply Products, equipment, signage, materials and services to franchisees in the System.

3.9 Delegation.

Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any distributor, designee, employee, or agent of Franchisor, as Franchisor may direct.

3.10 Fulfillment of Obligations.

In fulfilling its obligations pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, Franchisor (and its affiliates) shall have the right: (i) to take into account, as it sees fit, the effect on, and the interests of, other franchised businesses and systems and in which Franchisor has an interest and on Franchisor's (and its affiliates') own activities; (ii) to share market and product research, and other proprietary and non-proprietary business information, with other franchised businesses and systems in which Franchisor (or its affiliates) has an interest, or with Franchisor's affiliates; (iii) to introduce proprietary and non-proprietary items or operational equipment used by the System into other franchised systems in which Franchisor has an interest; and/or (iv) to allocate resources and new developments between and among systems, and/or Franchisor's affiliates, as Franchisor sees fit. Franchisee understands and agrees that all of Franchisor's obligations under this Agreement are subject to this Section 3.10, and that nothing in this Section 3.10 shall in any way affect Franchisee's obligations under this Agreement.

4. FEES

4.1 Franchise Fee.

The initial franchise fee shall be the amount specified in Attachment 1 (the "**Franchise Fee**"), which is paid as specified in Attachment 1 in consideration of the franchise granted herein. The Franchise Fee (as reflected in Attachment 1) shall be Twenty-Five Thousand Dollars ($25,000), unless Franchisee (or an affiliate of Franchisee) is an existing franchisee under the System and is operating another Ritter's Frozen Custard Shoppe as of the Effective Date.

If Franchisee is a qualified United States veteran, in which event the initial franchise fee shall be fifty percent (50%) of the then-current initial franchise fee being charged. If Franchisee opens a second or more unit the veteran discount will not apply to those units.

If you are an existing Franchisee and are opening an additional outlet, the Franchise Fee shall be reduced by the deposit heretofore paid by Franchisee pursuant to the terms of a Deposit Agreement between Franchisor and Franchisee, or the development credit, if any, that may be applied from the remaining portion (if any) of the Multi-Unit Development Fees that Franchisee previously paid to Franchisor if Franchisee signed a separate Multi-Unit Development Agreement with Franchisor relating to the Franchised Shoppe. The balance of the Franchise Fee due shall be paid by Franchisee in a lump sum upon execution of this Agreement. If this Agreement is for a Scoop Shoppe, then the Franchise Fee payable hereunder shall be Ten Thousand Dollars ($10,000).

4.2 Refundability.

Payment of the Franchise Fee shall be non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others.

4.3 Royalty Fees.

For each Week during the term of this Agreement, Franchisee shall: (a) pay Franchisor a continuing royalty fee in an amount equal to five percent (5%) of the Gross Sales of the Franchised Shoppe ("**Royalty Fees**"); and (b) report to Franchisor, in the manner specified by Franchisor, its Gross Sales (a "**Sales Report**"). As used in this Agreement, the following terms shall apply:

4.3.1 The term "**Week**" means the period starting with the commencement of business on Monday and concluding at the close of business on the following Sunday (or, if the Franchised Shoppe is not open on a Sunday, the immediately preceding business day); however, Franchisor shall have the right to designate in writing any other period of not less than seven days to constitute a "Week" under this Agreement.

4.3.2 The term "**Gross Sales**" means all revenue from the sale of all Products and all other income of every kind and nature related to, derived from, or originating from the Franchised Shoppe, whether at retail or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Gross Sales" excludes any customer refunds, coupon sales, sales taxes, and/or other taxes collected from customers by Franchisee and actually transmitted to the appropriate taxing authorities.

4.3.3 If Franchisee does not report the Shoppe's Gross Sales, Franchisor may debit Franchisee's account for one hundred twenty percent (120%) of the last Royalty Fee and Brand Development Fund contribution that Franchisor debited. If the Royalty Fee and Brand Development Fund contribution Franchisor debits are less than the Royalty Fee and Brand Development Fund contribution Franchisee actually owes to Franchisor, once Franchisor has been able to determine the Shoppe's true and correct Gross Sales, Franchisor will debit Franchisee's account for the balance on a day Franchisor specifies. If the Royalty Fee and Brand Development Fund contribution Franchisor debits are greater than the Royalty Fee and Brand Development Fund contribution Franchisee actually owes, Franchisor will credit the excess against the amount it otherwise would debit from Franchisee's account during the following week.

4.4 Brand Development Fund Contribution.

Franchisee shall pay to Franchisor a weekly Brand Development Fund contribution equal to two percent (2%) of the Gross Sales of the Franchised Shoppe. The Brand Development Fund contribution is payable at the same time and in the same manner as the Royalty Fee due hereunder. Franchisor reserves the right, in its sole discretion, to increase the Brand Development Fund contribution to three percent (3%) of Gross Sales upon sixty (60) days' advance written notice to Franchisee.

4.5 Internal Systems Fee.

Franchisor reserves the right to impose an internal systems fee upon Franchisee, in an amount that Franchisor reasonably determines, for the development, adoption and/or use of new or improved internal systems technology for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise portal, benchmarking platform or other operations or communications systems ("Internal Systems Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the internal systems fees or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Franchisee shall pay the Internal Systems Fee in the manner and frequency as reasonably determined by Franchisor

4.6 When Payments Due.

All payments required by Sections 4.3 and 4.4 above based on the Gross Sales for the preceding Week, and the Sales Report required by Section 4.3 for the Gross Sales for the preceding Week, shall be paid and submitted so as to be received by Franchisor by the third (3rd) business day after the close of each Week. Franchisee shall deliver to Franchisor any and all reports, statements and/or other information required under Section 12.2 below at the time and in the format reasonably requested by Franchisor.

Franchisee shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Section. Franchisee shall execute Franchisor's current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to this Agreement as Attachment 4, and Franchisee shall comply with the payment and reporting procedures specified by Franchisor in the Manuals. Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Royalty Fees and Brand Development Fund contributions (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon Franchisee's generation and receipt of Gross Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims Franchisee may allege against Franchisor, the Cooperative Advertising Fund or others. Franchisee shall not, on grounds of any alleged non-performance by Franchisor or others, withhold payment of any fee, including without limitation Royalty Fees or Brand Development Fund contributions, nor withhold or delay submission of any reports due hereunder including but not limited to Sales Reports.

4.7 Accountants and Fees.

If required by Franchisor, Franchisee shall use a certified public accountant service approved by Franchisor for bookkeeping and financial records management. Franchisee shall pay such service provider a fee for these services for each month in such reasonable amount as the service provider may periodically designate.

4.8 Additional Payments.

Franchisee shall pay to Franchisor, within fifteen (15) days of any written request by Franchisor which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

4.9 Overdue Payments and Reports.

Any payment, contribution, statement, or report not actually received by Franchisor on or before such date shall be overdue. If any contribution or payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount: (i) a late payment fee in an amount equal to five percent (5%) of the overdue amount, plus (ii) interest on the overdue amount from the date it was due until paid, at the rate of one and one-half percent (1.5%) per month or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have.

4.10 Non-Compliance Fee

In the event Franchisee is, at any time during the term of this Agreement, found to not be in compliance with the terms hereof and/or the Current System, Franchisee agrees to pay to Franchisor Seventy-Five Dollars ($75) for each incidence of non-compliance if a notice is issued. Franchisee agrees that such fee is in addition to any other rights Franchisor may have under this Agreement or at law.

Franchisor reserves the right to grant Franchisee the opportunity to cure the non-compliance prior to imposing the non-compliance fee. Franchisor has the right to require any form of verification it requires to determine non-compliance, with or without cause, including but not limited to documentation, photos, video tours, etc. and that Franchisee shall be required to furnish such verification within seventy-two (72) hours of Franchisor's request.

4.11 No Subordination.

Franchisee shall not subordinate to any other obligation its obligation to pay Franchisor the royalties and/or any other fee or charge payable to Franchisor, whether under this Agreement or otherwise.

4.12 Security Interest.

Franchisee hereby grants to Franchisor a security interest in all of Franchisee's interest in all leasehold improvements, furniture, furnishings, fixtures, equipment, inventory and supplies located at or used in connection with the Franchised Shoppe, now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions and replacements therefor, and all cash and non-cash proceeds derived from insurance or the disposition of such collateral, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, of Franchisee to Franchisor. Franchisee agrees to execute and deliver to Franchisor in a timely manner all financial statements and other documents necessary or desirable to evidence, perfect and continue the priority of such security interests under the Uniform Commercial Code. For such purposes, the address of Franchisee and Franchisor are stated on the signature page of this Agreement. If Franchisee is in good standing, Franchisor agrees, upon request, to execute subordinations of its security interest to suppliers, lenders and/or lessors furnishing equipment or financing for the Franchised Shoppe.

5. SITE SELECTION, CONSTRUCTION AND OPENING OF BUSINESS

5.1 Identifying and Securing Sites.

Franchisee shall be solely responsible for identifying, submitting for Franchisor's approval, and securing a site for its Franchised Shoppe. The following terms and conditions shall apply to Franchisee's Franchised Shoppe:

5.1.1 Pursuant to the terms of the Deposit Agreement between Franchisee and Franchisor, Franchisee shall have submitted to Franchisor information concerning the potential location of the Franchised Restaurant, which location has been approved by Franchisor. The address of the Approved Location shall be included on Attachment 1 hereto.

5.1.2 Franchisee shall use its best efforts to secure such site, either through a lease/sublease that is acceptable to Franchisor, as provided in Section 5.2 below, or a binding purchase agreement, and shall do so within sixty (60) days of the date of this Agreement. Franchisee shall immediately notify Franchisor of the execution of the approved lease or binding purchase agreement. The site approved and secured pursuant to this Agreement shall be specified as the Approved Location.

5.1.3 Franchisee hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Shoppe or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Franchisee's expectations as to revenue or operational criteria.

5.2 Approval of Lease.

5.2.1 Upon Franchisor's approval of a proposed site, Franchisee will attempt to obtain lawful possession of the approved site, at Franchisor's option, either through a sublease from Franchisor or its affiliate or through Franchisee's direct purchase, lease or sublease. If Franchisor elects not to execute the lease and sublet the site back to Franchisee, then the lease or sublease for the Approved Location shall be in a form satisfactory to Franchisor and: (a) provide for concurrent, written notice to Franchisor of Franchisee's default under said lease or sublease; (b) provide for Franchisor's right, in its sole discretion, to cure Franchisee's default under said lease or sublease; (c) provide for Franchisee's right to assign its interest under said lease or sublease to Franchisor without the lessor's or sublessor's consent; (d) authorize and require the lessor or sublessor to disclose to Franchisor upon its request sales and other information furnished to the lessor or sublessor by Franchisee; (e) provide that Franchisor shall have the right, in its sole discretion, upon termination of this Agreement or expiration of this Agreement, without the grant of a successor franchise, to assume said lease or sublease; (f) provide for the lessor's or sublessor's consent to Franchisee's display of the Proprietary Marks in accordance with Franchisor's specifications therefor, subject only to applicable law; (g) provide that it may not be materially modified without Franchisor's prior written consent and that Franchisor will receive copies of such modifications when proposed and when executed; and (h) include an executed copy of the Collateral Assignment of Lease, which is attached hereto as Attachment 10, or a substantially similar form.

5.2.2 Within fifteen (15) days after Franchisor has consented to the site for the Franchised Business, Franchisee shall submit to Franchisor a copy of the proposed lease therefor, together with a lease review fee of Five Hundred Dollars ($500.00), for Franchisor's review thereof prior to its execution. Franchisee agrees that if Franchisor does not require Franchisee to enter into a sublease with Franchisor or its affiliate, Franchisee will not execute a lease, sublease or purchase agreement without Franchisor's prior written approval of its terms. If Franchisor does not disapprove a proposed lease, sublease or purchase agreement within thirty (30) days after Franchisor receives it, it shall be deemed not approved by Franchisor. Franchisee shall deliver a copy of the signed lease, sublease or purchase agreement to Franchisor within fifteen (15) days of its execution. Franchisee further agrees that it will not execute or agree to any modification of the lease, sublease or purchase agreement which would affect Franchisor's rights without Franchisor's prior written approval. If Franchisor chooses to take the lease for the Approved Location, Franchisee will, at Franchisor's request, sublease the site from Franchisor on the same terms as the prime lease, pursuant to the form of Sublease Agreement available upon request.

5.3 Preparing a Location.

Before commencing any construction of the Franchised Shoppe, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all of the following requirements:

5.3.1 Franchisee shall employ a qualified, licensed architect or engineer who has been approved or designated (as described below) by Franchisor to prepare, subject to Franchisor's approval, preliminary plans and specifications for site improvement and/or construction of the Franchised Shoppe based upon prototype plans and/or specifications furnished by Franchisor, as described in Section 3.1 above. Franchisor shall have the right to designate one or more suppliers of design services and/or architecture services to supply such services to the System. If Franchisor designates a design firm and/or architecture firm prior to the time Franchisee commences to develop the Franchised Shoppe, Franchisee shall employ such designated supplier(s) to prepare all or a portion of the designs and plans for the Franchised Shoppe, unless Franchisee obtains Franchisor's prior written approval to use an alternative professional. If

Franchisor has not designated a design firm or architecture firm, Franchisee shall be responsible for locating and employing a qualified design consultant and architect who is/are licensed in the jurisdiction in which the Franchised Shoppe will be located, and who is reputable and experienced in providing design and architecture services. Franchisee shall be solely responsible for payments for all design and architecture services. Franchisee acknowledges and agrees that Franchisor shall not be liable for the unsatisfactory performance of any contractor retained by Franchisee.

5.3.2 Franchisee shall comply with all federal, state, and local laws, rules and regulations and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business; health and sanitation inspections, if and when required; fictitious name registrations; sales and other tax permits; reporting and payment of all taxes; fire and police department clearances; Americans With Disability Act compliance; compliance with all federal, state or local data privacy laws, rules, and regulations; certificates of occupancy; any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation, and compliance otherwise with all environmental laws, rules, and regulations; and any other requirement, rule, law or regulation applicable to Franchisee or in the jurisdiction of the Territory. Franchisee shall further comply with all industry best practices with respect to the handling, storage, preparation, service and disposal of food and beverage products. In the event Franchisee receives any complaint, claim, other notice alleging a failure to comply with the ADA, Franchisee shall provide Franchisor with a copy of such notice within five (5) days after receipt thereof.

5.3.3 Franchisee shall be responsible for obtaining all zoning classifications and clearances that may be required by state or local laws, ordinances, or regulations or that may be necessary or advisable owing to any restrictive covenants relating to the Approved Location. After having obtained such approvals and clearances, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Franchisor's review and approval of plans shall be limited to review of such plans to assess compliance with Franchisor's design standards for Ritter's Frozen Custard Shoppes, including such items as trade dress, presentation of Proprietary Marks, and the providing to the potential customer of certain products and services that are central to the functioning of Ritter's Frozen Custard Shoppes. Such review is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Franchisee. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor. Any such change made without Franchisor's prior written permission shall constitute a default and Franchisor may withhold its authorization to open the Franchised Shoppe until the unauthorized change is rectified (or reversed) to Franchisor's reasonable satisfaction. Prior to opening the Franchised Shoppe and prior to renovating the Franchised Shoppe after its initial opening, Franchisee shall execute an ADA Certification in the form attached to this Agreement as Attachment 4 that certifies in writing to Franchisor that the Franchised Shoppe and any proposed renovations comply with the ADA.

5.3.4 Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Franchised Shoppe and shall certify in writing to Franchisor that all such permits and certifications have been obtained.

5.3.5 Franchisee shall employ a qualified licensed general contractor who is acceptable to Franchisor to construct the Franchised Shoppe and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 14 below.

5.3.6 Throughout the construction process, Franchisee shall comply with Franchisor's requirements and procedures for periodic inspections of the Premises, and shall fully cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request.

5.4 Opening Date.

Unless delayed by the occurrence of events constituting "force majeure" as defined in Section 5.5 below, Franchisee shall construct, furnish, and open the Franchised Shoppe in accordance with this Agreement and shall open the Franchised Shoppe the earlier of ten (10) months following the execution of this Agreement or seven (7) months after the Approved Location is identified. Time is of the essence. Franchisee shall provide Franchisor with written notice of its specific intended opening date and Franchisee's request for Franchisor's approval to open on such date, by no later than thirty (30) days prior to such intended opening date. Additionally, Franchisee shall comply with all other of Franchisor's pre-opening requirements, conditions and procedures (including, without limitation, those regarding pre-opening scheduling and communications) as set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor, and shall obtain Franchisor's written approval prior to opening the Franchised Shoppe.

5.5 Force Majeure.

As used in this Agreement, "**force majeure**" means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, or any other cause beyond the reasonable control of Franchisee; provided, however, force majeure shall not include Franchisee's lack of adequate financing.

6. TRAINING

6.1 Initial Training and Attendees.

Before opening the Franchised Shoppe, Franchisee shall have satisfied all initial training obligations required by Franchisor, which are as follows:

6.1.1 Franchisee (or, if Franchisee is other than an individual, the Designated Principal (defined in Section 8.3 below)) and one (1) manager (a maximum of two (2) persons total), shall attend and successfully complete, to Franchisor's satisfaction, the initial training program offered by Franchisor at a location designated by Franchisor (unless this Agreement is for the third or subsequent Ritter's Frozen Custard Shoppe being developed pursuant to a Multi-Unit Development Agreement between Franchisor and Franchisee (or an affiliate of Franchisee), in which event the requirements set forth in Section 6.1.3 below shall apply with respect to the pre-opening training of Franchisee, the Designated Principal and any manager) or virtually. The duration of the initial training will be approximately three (3) weeks at such location as Franchisor designates. If any required attendee does not satisfactorily complete such training, Franchisor may require that a replacement person attend and successfully complete, to Franchisor's satisfaction, the initial training program.

6.1.2 If Franchisee is other than an individual, Franchisor may require (in addition to the training of the Designated Principal) that any or all owners of beneficial interests in Franchisee (each a "**Principal**"), who are individuals and own at least a ten percent (10%) beneficial interest in Franchisee, attend and successfully complete, to Franchisor's satisfaction, such portions of the initial training program as determined by Franchisor appropriate for Principals not involved in the day-to-day operations of the Franchised Shoppe.

6.1.3 If this Agreement is for the third or subsequent Ritter's Frozen Custard Shoppe being developed pursuant to a Multi-Unit Development Agreement between Franchisor and Franchisee (or an affiliate of Franchisee), then Franchisee shall be responsible for conducting the initial training of its Designated Principal and any other managerial personnel in accordance with the requirements and conditions as Franchisor may from time to time establish for such training. Franchisor's requirements for initial training by Franchisee shall be set forth in the Manuals or other written materials and shall include, but are not limited to, the requirement that all such training activities be conducted: (a) by the Principals or personnel of Franchisee (or an affiliate of Franchisee), who have completed Franchisor's initial training program to the satisfaction of the Franchisor, and who remain acceptable to Franchisor to provide initial training; and (b) following the procedures and conditions established by Franchisor. If Franchisor determines that the training provided by Franchisee does not satisfy Franchisor's standards and requirements, or that any newly trained individual is not trained to Franchisor's standards, then Franchisor may require that such newly trained individual(s) attend and complete an initial training program provided by Franchisor prior to the opening of the Franchised Shoppe.

6.1.4 Franchisee must satisfy all pre-opening training requirements under this Section 6.1 by no later than thirty (30) days prior to the scheduled opening of the Franchised Shoppe.

6.2 New or Replacement Designated Principal and Managers.

In the event that Franchisee's Designated Principal or manager ceases active employment in the Franchised Shoppe, Franchisee shall enroll a qualified replacement who is reasonably acceptable to Franchisor in Franchisor's training program reasonably promptly following cessation of employment of said individual, provided that Franchisee may train replacement managers in accordance with Section 6.3 below. Franchisee shall bear all costs related to training the new or replacement manager, including Franchisor's training fee, and travel, lodging, meals and wages of the attendee. The replacement Designated Principal and any required managers shall complete the initial training program as soon as is practicable and in no event later than any time periods as Franchisor may specify from time to time in the Manuals and otherwise in writing. Franchisor reserves the right to review any Franchisee trained personnel and require that such persons attend and complete, to the satisfaction of Franchisor, the initial training program offered by Franchisor at a location designated by Franchisor.

Franchisee acknowledges and understands that, except for providing training to Franchisee's managers and replacement managers as described herein, Franchisor shall not be required to provide training to Franchisee's employees, which shall be Franchisee's sole responsibility.

6.3 Training by Franchisee of Additional or Replacement Managers.

Franchisee shall have the option of training any manager (following the training of the first manager by Franchisor) at the Franchised Shoppe or other Ritter's Frozen Custard Shoppes operated by Franchisee or its affiliates, provided that the training is conducted: (a) by the Designated Principal or other personnel who has completed Franchisor's initial training program, to the satisfaction of the Franchisor (and who remains acceptable to Franchisor to provide such training); (b) in accordance with any requirements or standards as Franchisor may from time to time establish in writing for such training; and (c) Franchisee is in compliance with all agreements between Franchisee and Franchisor. In the event Franchisee is not certified to provide training or Franchisee loses its training certification, then Franchisor will train the additional or replacement manager. Franchisor reserves the right to require Franchisee to pay Franchisor's then-current charges for such training, which charges are in addition to any out-of-pocket expenses to be incurred in relation to such training, such as travel, lodging, food and wages.

6.4 Refresher Training.

Franchisor may also require that Franchisee or its Designated Principal and managers attend such refresher courses, seminars, and other training programs as Franchisor may reasonably require from time to time, provided that such training shall not exceed four (4) days per person each year, and attendance for up to three (3) days per person each year at conventions, if any, conducted for Franchisor's franchisees.

6.5 Training Costs.

The cost of all training (instruction and required materials) shall be borne by Franchisor, except as provided in Section 6.7 below. All other expenses incurred in connection with training, including without limitation the costs of transportation, lodging, meals, wages, and worker's compensation insurance, shall be borne by Franchisee.

6.6 Location of Training.

All training programs shall be at such times as may be designated by Franchisor. Training programs shall be provided at Franchisor's headquarters and/or such other locations as Franchisor may designate.

6.7 Additional On-site Training.

If Franchisee requests that Franchisor provide additional on-site training or that any other training programs offered or required by Franchisor be conducted for Franchisee at the Franchised Shoppe, and Franchisor does so, then Franchisee agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket expenses, which shall be as set forth in the Manuals or otherwise in writing.

7. **TECHNOLOGY**

7.1 Computer Systems and Required Software.

The following terms and conditions shall apply with respect to the Computer System and Required Software:

7.1.1 Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Ritter's Frozen Custard Shoppes, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Ritter's Frozen Custard Shoppes, between or among Ritter's Frozen Custard Shoppes, and between and among the Franchised Shoppe and Franchisor and/or Franchisee; (b) Cash Register Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode and speed (collectively, the "**Computer System**").

7.1.2 Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("**Required Software**"), which Franchisee shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (c) the tangible media upon which such Franchisee shall record data; and (d) the database file structure of Franchisee's Computer System.

7.1.3 Franchisee shall record all sales on computer-based point of sale systems approved by Franchisor or on such other types of cash registers as may be designated by Franchisor in the Manuals or otherwise in writing ("**Cash Register Systems**"), which shall be deemed part of the Franchisee's Computer System.

7.1.4 Franchisee shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as Franchisor may request in writing (collectively, "**Computer Upgrades**").

7.1.5 Franchisee is solely responsible for maintaining the security and integrity of the computer and payment processing systems used in the Franchised Business and the customer and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software, and internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and payment processing systems and the data stored therein from viruses, malware, privacy breaches, or other unauthorized access. Franchisee shall notify Franchisor immediately of any actual or suspected data breach of Franchisee's computer systems and shall, at Franchisee's sole expense, cooperate fully with Franchisor and Franchisor's counsel to investigate the data breach and implement remedial measures. Franchisee shall defend, indemnify, and hold harmless Franchisor from any and all costs, expenses, and/or attorney's fees incurred in connection with the data breach, including but not limited to, costs associated with legal notifications, credit monitoring, and crisis management services.

7.1.6 Franchisee shall comply with all specifications issued by Franchisor with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Franchisor unimpeded access to Franchisee's Computer System and Required Software as Franchisor may request, in the manner, form, and at the times requested by Franchisor.

7.2 Data.

Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Shoppe, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. Franchisee may capture customer data only in strict accordance with Franchisor's specifications and only using those technologies and processes that are approved by Franchisor. All data pertaining to the Franchised Shoppe, and all data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including without limitation data pertaining to or otherwise concerning the Franchised Shoppe's customers) or otherwise provided by Franchisee (including, without limitation, data uploaded to, or downloaded from Franchisee's Computer System) is and will be owned exclusively by Franchisor, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee for the term of this Agreement, at no additional cost, solely for Franchisee's use in connection with the business franchised under this Agreement.

7.3 Privacy.

Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("**Privacy**"), and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in its determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

7.4 Telecommunications.

Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Intranet (as defined below), if any, and/or such other computer systems as Franchisor may reasonably require.

7.5 Intranet.

Franchisor has established a website providing private and secure communications between Franchisor, Franchisee, franchisees, licensees and other persons and entities as determined by Franchisor, in its sole discretion (an "**Intranet**"). Franchisee shall comply with Franchisor's requirements (as set forth in the Manuals or otherwise in writing) with respect to connecting to the Intranet, and utilizing the Intranet in connection with the operation of the Franchised Shoppe. The Intranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Intranet. Franchisee agrees to pay to Franchisor its then-current access fee for access to the Intranet.

7.6 Websites.

As used in this Agreement, the term "**Website**" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, Franchisee agrees to the following:

7.6.1 Franchisor shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Proprietary Marks, any or all of the Products, Ritter's Frozen Custard Shoppes, the franchising of Ritter's Frozen Custard Shoppes, and/or the System. Franchisor shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; Franchisor shall also have the right to discontinue operation of the Website.

7.6.2 Franchisor shall have the right, but not the obligation, to designate one or more web page(s) to describe Franchisee and/or the Franchised Shoppe, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web pages; and Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

7.6.3 Franchisee shall not establish a separate Website related to the Proprietary Marks or the System without Franchisor's prior written approval (which Franchisor shall not be obligated to provide). If approved to establish a Website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such Website. Franchisee specifically acknowledges and agrees that any Website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval under Section 13 below.

7.6.4 Franchisor shall have the right to modify the provisions of this Section 7 relating to Websites as Franchisor shall solely determine is necessary or appropriate.

7.6.5 At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, and with Franchisor's prior written approval, Franchisee may do cooperative listings with other System franchisees. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, X (Twitter), Bluesky, LinkedIn, YouTube, Threads, Tik Tok, blogs, or any other social media and/or networking site without Franchisor's prior written approval, and use of any social media accounts shall be in strict accordance with Franchisor's requirements. Franchisee shall provide Franchisor with all passwords and administrative rights to any and all social media accounts for the Franchised Business, and Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking whatever action as is necessary for the best interest of the System, if Franchisee fails to maintain such accounts in accordance with Franchisor's standards.

7.7 Online Use of Proprietary Marks.

Franchisee shall not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any e-mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without Franchisor's prior written consent as to Franchisee's plan for transmitting such advertisements.

7.8 No Outsourcing without Prior Written Approval.

Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval therefor. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is reasonably provided by Franchisor.

7.9 Changes to Technology.

Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 7 were periodically revised by Franchisor for that purpose.

7.10 Electronic Commerce.

7.10.1 Franchisee may sell the Products and related products to retail customers and prospective retail customers who live anywhere but who choose to dine at or from Franchisee's Shoppe. Franchisee may not engage in any promotional activities or sell the Products or similar products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. Franchisee may not place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located outside of its immediate market area. Franchisee has no options, rights of first refusal, or similar rights to acquire additional franchises. Franchisee may not sell the Proprietary Products to any business or other customer at wholesale.

7.10.2 Franchisor and its affiliates may sell products under the Proprietary Marks anywhere through any method of distribution other than a Ritter's Frozen Custard Shoppe, including sales through such channels of distribution as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). Franchisee may not use alternative distribution channels to make sales anywhere except as described in Section 7.10.3 and Franchisee will not receive any compensation for Franchisor's sales through alternative distribution channels except as described in Section 7.10.3.

7.10.3 If Franchisor engages in electronic commerce through any Internet, World Wide Web or other computer network site or sells through any other alternative distribution channel, and Franchisor receives orders for any Products or other products offered by a Ritter's Frozen Custard Shoppe calling for delivery or performance in Franchisee's immediate area, then Franchisor will offer the order to Franchisee at the price established by Franchisor. If Franchisee chooses not to fulfill the order or is unable to do so, then Franchisor, one of its affiliates or a third party designated by Franchisor (including another franchisee) may fulfill the order, and Franchisee will not be entitled to any compensation in connection with this.

8. OTHER DUTIES OF FRANCHISEE

8.1 Details of Operation.

Franchisee understands and acknowledges that every detail of the System and this Agreement is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating, quality and service standards, to increase the demand for the Products sold by all operators, to protect Ritter's Frozen Custard Shoppes operating under the System, and to protect the reputation and goodwill of Franchisor.

8.2 Compliance with the Agreement, including the Manuals.

Franchisee shall operate the Franchised Shoppe in strict conformity with this Agreement and such standards and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing, and shall refrain from deviating from such standards, specifications, and procedures without the prior written consent of Franchisor.

8.2.1 Franchisor has established certain operational standards, as set forth in the Manual. Franchisee acknowledges that any deviation from an operational standard constitutes a violation of this Agreement and will require Franchisor to incur incalculable administrative and management costs to address such violation. Accordingly, Franchisee agrees that, to compensate Franchisor for its incalculable administrative and management costs due to Franchisee's operational standard violation, Franchisee shall pay Franchisor an Operational Standards Violation Fee, as set forth in the Manual, for each violation of an operational standard. **Franchisee hereby authorizes Franchisor to take payment of the Operational Standards Violation Fee, at Franchisor's option, through electronic funds transfer or ACH payment.** Franchisor need not give Franchisee a cure opportunity before charging the Operational Standards Violation Fee, and Franchisor's imposition of an Operational Standards Violation Fee does not preclude Franchisor from seeking injunctive relief to restrain any subsequent or continuing violation, formally defaulting and terminating this Agreement or exercising any of Franchisor's rights under this Agreement.

8.3 Management of Business & Designated Principal.

If Franchisee is other than an individual, prior to beginning training, Franchisee shall comply with the following:

8.3.1 Franchisee shall designate, subject to Franchisor's reasonable approval, one (1) Principal who is an individual person and who shall be responsible for general oversight and management of the operations of the Franchised Shoppe on behalf of Franchisee (the "**Designated Principal**"). In the event the person designated as the Designated Principal dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to supervise the operations of the Franchised Shoppe, Franchisee shall promptly designate a new Designated Principal, subject to Franchisor's reasonable approval. The Designated Principal must have at least a ten percent (10%) ownership interest in Franchisee.

8.3.2 Franchisee shall inform Franchisor in writing whether Franchisee or, if Franchisee is other than an individual, the Designated Principal, will assume full-time responsibility for the daily supervision and operation of the Franchised Shoppe.

8.3.3 Franchisee acknowledges and agrees that Franchisor shall have the right to rely upon either or both the Franchisee or Designated Principal to have been given by Franchisee the responsibility and decision-making authority regarding the Franchised Shoppe's operation and Franchisee's business.

8.4 Staffing.

Franchisee agrees to maintain a competent, conscientious, staff (who are trained by Franchisee to Franchisor's standards and requirements) in numbers sufficient to promptly service customers and to take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; comply with such uniforms and/or dress code as Franchisor may prescribe; and meet such minimum standards as Franchisor may establish from time to time in the Manuals. In no way limiting the foregoing, Franchisee shall have on duty at all times a minimum of two (2) certified managers, one of which may be Franchisee, and/or hourly employees trained in management activities who have completed all training and certifications required by Franchisor, as well as all federal, state and local authorities. Franchisee shall be solely responsible for all employment decisions and functions of the Franchised Shoppe, including those related to hiring, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees.

8.5 Use of Premises.

Franchisee shall use the Premises solely for the operation of the Franchised Shoppe; shall keep the Franchised Shoppe open and in normal operation for such minimum hours and days as Franchisor may specify; and shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor.

8.6 Conformity to Standards.

To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Shoppe in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing. Without limitation, Franchisee agrees as follows:

8.6.1 Franchisee shall purchase and install prior to the opening of the Franchised Shoppe, and thereafter maintain, all fixtures, furnishings, equipment, decor, and signs, and maintain in sufficient supply supplies and materials, as Franchisor may prescribe in the Manuals or otherwise in writing. Franchisee shall refrain from deviating therefrom by the use of any unapproved item without the prior written consent of Franchisor.

8.6.2 Franchisee shall offer and sell only Products that Franchisor specifies from time to time, unless otherwise approved in writing by Franchisor; and Franchisee shall offer and sell all Products as Franchisor may specify from time to time as required offerings at the Franchised Shoppe. Franchisee shall offer and sell the Products utilizing the ingredients and employing the preparation standards and techniques as specified by Franchisor. Franchisee is prohibited from offering or selling any products or services at or from the Franchised Shoppe that have not previously been authorized by Franchisor, and shall discontinue selling and offering for sale any Products which Franchisor shall have the right to disapprove, in writing, at any time. If Franchisee wishes to offer or sell any products or services that have not previously been authorized by Franchisor, Franchisee must first make a written request to Franchisor, requesting authorization to offer or sell such products or services in accordance with Section 8.7 below. Franchisor may deny such approval for any reason.

8.6.3 Franchisee shall permit Franchisor or its agents, at any reasonable time, to remove samples of Products, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

8.6.4 Franchisor may designate an independent evaluation service to conduct a "mystery shopper" quality control and evaluation program with respect to Franchisor or affiliate-owned and/or franchised Ritter's Frozen Custard Shoppes. Franchisee agrees that the Franchised Shoppe will participate in such mystery shopper program, as prescribed and required by Franchisor, provided that Franchisor-owned, affiliate-owned, and franchised Ritter's Frozen Custard Shoppes also will participate in such program to the extent Franchisor has the right to require such participation. Franchisor shall have the right to require Franchisee to pay the then-current charges imposed by such evaluation service with respect to inspections of the Franchised Shoppe, and Franchisee agrees that it shall promptly pay such charges; provided, however, that such charges shall not exceed Five Hundred Dollars ($500) during each year of this Agreement.

8.6.5 Franchisee shall participate in all customer surveys and satisfaction audits, which may require that Franchisee provide discount or complimentary Products, provided that such discounted or complimentary sales shall not be included in the Gross Sales of the Franchised Shoppe. Additionally, Franchisee shall participate in any complaint resolution and other programs as Franchisor may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

8.7 Purchases and Approved Suppliers.

Franchisee shall purchase all equipment, fixtures, furnishings, signs, décor, supplies, services, and products (including the Products) required for the establishment and operation of the Franchised Shoppe from suppliers designated or approved in writing by Franchisor (as used in this Section 8.7 the term "supplier" shall include manufacturers, distributors and other forms of suppliers). In determining whether it will approve any particular supplier, Franchisor shall consider various factors, including but not limited to whether the supplier can demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; whose approval would enable the System, in Franchisor's sole opinion, to take advantage of marketplace efficiencies; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved. Franchisor reserves the right to designate, at any time and for any reason, a single supplier for any equipment, supplies, services, or products (including any Products) and to require Franchisee to purchase exclusively from such designated supplier, which exclusive designated supplier may be Franchisor or an affiliate of Franchisor.

8.7.1 Notwithstanding anything to the contrary in this Agreement, Franchisee shall purchase all of its requirements for Proprietary Products from Franchisor's designee(s), as set forth in Section 8.8 below (through such distributor or distributors as Franchisor may designate). Franchisor shall have the right to introduce additional, substitute new, or discontinue Proprietary Products from time to time.

8.7.2 If Franchisee desires to purchase any Products (except for Proprietary Products) or other items, equipment, supplies, services from suppliers other than those previously designated or approved by Franchisor, Franchisee must first submit to Franchisor a written request for authorization to purchase such items. Franchisee shall not purchase from any supplier until, and unless, such supplier has been approved in writing by Franchisor. Franchisor may deny such approval for any reason, including its determination to limit the number of approved suppliers. Franchisee must submit to Franchisor such information and samples as Franchisor may reasonably require, and Franchisor shall have the right to require periodically that its representatives be permitted to inspect such items and/or supplier's facilities, and that samples from the proposed supplier, or of the proposed items, be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. Permission for such inspections shall be a condition of the initial and continued approval of such supplier. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor may also require that the supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Franchisor by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that Franchisor may render to such suppliers.

8.7.3 Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Upon receipt of written notice of such revocation, Franchisee shall cease to sell or use any disapproved item, Products and/or cease to purchase from any disapproved supplier.

8.7.4 Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier, nor to require Franchisor to make available to prospective suppliers, standards and specifications for formulas, which Franchisor shall have the right to deem confidential.

8.7.5 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Franchisor's sole option, Franchisor may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally known suppliers who are willing to supply all or some Ritter's Frozen Custard Shoppes with some or all of the products and/or services that Franchisor requires for use and/or sale in the development and/or operation of Ritter's Frozen Custard Shoppes. In this event, Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all Products and other products and services, and/or refuse any of Franchisee's requests if Franchisor believes that this action is in the best interests of the System or the franchised network of Ritter's Frozen Custard Shoppes. Franchisor shall have unlimited discretion to approve or disapprove of the suppliers who may be permitted to sell Products to Franchisee.

8.7.6 Franchisor and its affiliates may receive payments or other compensation from suppliers on account of such suppliers' dealings with Franchisee and other franchisees; and Franchisor may use all amounts so received for any purpose Franchisor and its affiliates deem appropriate.

We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

8.8 Proprietary Products.

Franchisee acknowledges and agrees that the Proprietary Products offered and sold at Ritter's Frozen Custard Shoppes are manufactured in accordance with secret blends, recipes, standards, and specifications of Franchisor and/or Franchisor's affiliates, and are Proprietary Products of Franchisor and/or its affiliates. In order to maintain the high standards of quality, taste, and uniformity associated with Proprietary Products sold at all Ritter's Frozen Custard Shoppes in the System, Franchisee agrees to purchase Proprietary Products only from Franchisor or its designee(s), and not to offer or sell any other items not approved by Franchisor at or from the Franchised Shoppe. In connection with the handling, storage, transport and delivery of any Proprietary Products purchased from Franchisor, its affiliates or designee(s), Franchisee acknowledges that any action or inaction by any third party (e.g., an independent carrier) in connection with the handling, storage, transport and delivery of the Proprietary Products shall not be attributable to nor constitute negligence of Franchisor. A request shall not be approved unless and until Franchisee receives written approval from Franchisor.

8.9 Inspections.

Franchisee shall permit Franchisor and its agents to enter upon the Premises at any time during normal business hours for the purpose of conducting inspections of the Premises and the operations of Franchisee. Franchisee shall cooperate with representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting other rights of Franchisor under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee the actual expenses of Franchisor in so acting, which shall be payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

8.10 Trademarked Items.

Franchisee shall ensure that all advertising and promotional materials, signs, decorations, paper goods (including wrapping and containers for products, napkins, menus and all forms and stationery used in the Franchised Shoppe), Products, and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor. Franchisee shall place and illuminate all signs in accordance with Franchisor's specifications.

8.11 Participation in Promotions.

Franchisee shall participate in promotional programs developed by Franchisor for the System, in the manner directed by Franchisor in the Manuals or otherwise in writing, to the extent such promotional programs do not directly affect Franchisee's pricing freedom. In no way limiting the foregoing, Franchisee agrees that if required by Franchisor:

8.11.1 Franchisee shall participate in all programs and services for frequent customers, senior citizens, children, and other categories, which may include providing discount or complimentary Products.

8.11.2 Franchisee shall sell or otherwise issue gift cards or certificates (together "**Gift Cards**") that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor, and only in the manner specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisee or another Ritter's Frozen Custard Shoppe. Franchisee shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by Franchisor in the Manuals or otherwise in writing, including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other Ritter's Frozen Custard Shoppes and for making timely payment to Franchisor, other operators of Ritter's Frozen Custard Shoppes, or a third-party service provider for Gift Cards issued from the Franchised Shoppe that are honored by Franchisor or other Ritter's Frozen Custard Shoppe operators. We reserve the right to alter the terms and conditions of any gift card program, including reserving the right to apply changes retroactively to benefits already accrued under such programs.

8.12 Health Standards.

Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Franchised Shoppe under the Manuals and applicable health ordinances. Franchisee shall also comply with the requirements set forth in the Manuals for submitting to Franchisor a copy of a violation or citation relating to Franchisee's failure to maintain any health or safety standards in the operation of the Franchised Shoppe.

8.13 Maintenance of Premises.

Franchisee shall maintain the Franchised Shoppe and the Premises in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such repairs and replacements thereto (but no others without prior written consent of Franchisor) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct. In the event that Franchisee fails to make any required repair or replacement to the Franchised Shoppe and the Premises as required herein, whether or not required by the Franchisor, the landlord of the Premises or otherwise, the Franchisor has the right, to be exercised in its sole discretion, to enter upon the Franchised Shoppe and the Premises and to make any required repair or replacement, without being guilty of trespass or any other tort. If Franchisor exercises this option, Franchisee agrees to immediately reimburse Franchisor for its costs and expenses related to such repair or replacement.

8.14 Ongoing Upgrades and Refurbishments.

As set forth in Section 8.6.1, throughout the term of this Agreement, Franchisee shall maintain all fixtures, furnishings, equipment, decor, and signs as Franchisor may prescribe from time to time in the

Manuals or otherwise in writing. Franchisee shall make such changes, upgrades, refurbishment, and replacements as Franchisor may periodically require, in the time frames specified by Franchisor.

8.15 Five-Year Refurbishment and Renovations.

At the request of Franchisor, but not more often than once every five (5) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Premises, at its expense, to conform to the design, trade dress, color schemes, and presentation of the Proprietary Marks at the Franchised Shoppe in a manner consistent with the then-current image for new Ritter's Frozen Custard Shoppes. Such refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and shall be completed pursuant to such standards, specifications and deadlines as Franchisor may specify.

8.16 Compliance with Lease.

Franchisee shall comply with all terms of its lease or sublease, its financing agreements (if any), and all other agreements affecting the operation of the Franchised Shoppe; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall not engage in any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Premises.

8.17 Safety and Security of Premises.

Franchisee is solely responsible for the safety and security of the Franchised Business premises for Franchisee, Franchisee's personnel, agents, customers, and the general public. Any suggestions by Franchisor on such matters are for guidance only and not binding on Franchisee. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 21.4 hereof shall apply to any claims made against Franchisor regarding safety or security.

8.18 Obligations to Third Parties.

Franchisee must at all times pay its distributors, contractors, suppliers, trade creditors, employees and other creditors promptly as the debts and obligations to such persons become due, and failure to do so shall constitute a breach of this Agreement.

8.19 Notice of Legal Actions.

Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any suit to foreclose any lien or mortgage, or any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, including health agencies, which (i) relates to the operation of the Franchised Shoppe, (ii) may adversely affect the operation or financial condition of the Franchised Shoppe, or (iii) may adversely affect Franchisee's financial condition.

8.20 No Relocation.

Franchisee shall not relocate the Franchised Shoppe from the Approved Location without the prior written approval of Franchisor. If Franchisee desires to relocate the Franchised Shoppe, the following terms and conditions shall apply:

8.21.1 Franchisee shall submit such materials and information as Franchisor may request for the evaluation of the requested plan of relocation together with payment of Franchisor's relocation fee in the amount of Ten Hundred Dollars ($10,000). Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval for relocation: (i) Franchisee not be in default under any provision of this Agreement, or any other agreement between Franchisee and Franchisor; (ii) the proposed substitute location meets Franchisor's then-current standards for Ritter's Frozen Custard Shoppes and will not adversely affect another franchisee's operations (in Franchisor's discretion); (iii) the lease (if applicable) for the proposed substitute location must comply with Franchisor's then-current lease requirements for Ritter's Frozen Custard Shoppes (which may include the requirement that the lease contain certain terms and conditions, which may be different than, or in addition to, those terms Franchisor required as of the Effective Date with respect to the Approved Location), and Franchisee must obtain Franchisor's approval of the proposed lease; (iv) Franchisee must possess the financial resources to meet the costs associated with relocating; and (v) Franchisee enter into Franchisor's then-current form of Franchise Agreement (which shall replace this Agreement).

8.21.2 If, through no fault of Franchisee, the Premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have forty five (45) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld.

8.22 Franchisee Advisory Councils.

Franchisor may, during the term of this Agreement, form or require the formation of a franchisee advisory council or association (hereinafter "**Advisory Council**") or such successor council to serve as an advisory council to Franchisor with respect to advertising, marketing, and other matters relating to franchised Ritter's Frozen Custard Shoppes. If an Advisory Council is formed, the Advisory Council shall act in an advisory capacity only and shall not have any decision making authority.

8.23 Changes to the System.

Franchisee acknowledges and agrees that from time to time hereafter Franchisor may change or modify the System presently identified by the Proprietary Marks, as Franchisor deems appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Ritter's Frozen Custard Shoppes. Changes to the System may include, without limitation, the adoption and use of new, modified, or substituted products, services, equipment and furnishings and new techniques and methodologies, and (as described in Section 9 below) additional or substitute trademarks, service marks and copyrighted materials. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchised Shoppe any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any Ritter's Frozen Custard Shoppe or the System. Franchisee shall have no recourse against Franchisor on account of any variation to any franchisee and shall not be entitled to require Franchisor to provide Franchisee with a like or similar variation hereunder.

8.24 Modifications Proposed by Franchisee.

Franchisee shall not implement any change to the System (including the use of any product or supplies not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

9. PROPRIETARY MARKS

9.1 Ownership.

Franchisee acknowledges that the Proprietary Marks are owned by Franchisor, and that Franchisor has the right under said agreement to grant a license to Franchisee to use the Proprietary Marks during the term of this Agreement and in compliance with this Agreement. Franchisor will take all steps reasonably necessary to preserve and protect the ownership and validity in and to the Proprietary Marks.

9.2 License to Franchisee.

Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of rights of Franchisor.

9.3 Terms of Franchisee's Usage.

With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees to:

9.3.1 Use only the Proprietary Marks designated by Franchisor, and to use them only in the manner authorized and permitted by Franchisor;

9.3.2 Franchisee shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in Franchisor-approved advertising for the business conducted at or from that location;

9.3.3 Operate and advertise the Franchised Shoppe only under the name "Ritter's Frozen Custard," and/or such other names as Franchisor may designate, and use the Proprietary Marks without prefix or suffix, unless otherwise authorized or required by Franchisor;

9.3.4 Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium. Franchisee may, as necessary to conduct the business of the Franchised Shoppe and to obtain governmental licenses and permits for the Franchised Shoppe, indicate that Franchisee shall be operating the Franchised Shoppe under the trade name "Ritter's Frozen Custard," provided that Franchisee shall also clearly identify itself as the owner and operator of the Franchised Shoppe;

9.3.5 Identify itself as the owner of the Franchised Shoppe (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations on the Premises as Franchisor may designate in writing;

9.3.6 Not to use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

9.3.7 Execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

9.3.8 Promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, the right of Franchisor to use and to license others to use, or Franchisee's right to use the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor, in its sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor or its counsel, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts.

9.4 Franchisee Acknowledgments.

Franchisee expressly understands and acknowledges that:

9.4.1 Franchisor is the owner of the Proprietary Marks, with all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and that Franchisor has the sole right to use, and license others to use, the Proprietary Marks;

9.4.2 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Franchisor's right to use and to license others to use, the Proprietary Marks;

9.4.3 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

9.4.4 Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor, and, upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

9.4.5 The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others: (a) to use the Proprietary Marks itself in connection with selling the Products; (b) to grant other licenses for the Proprietary Marks; and (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

9.4.6 Franchisor shall have the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder at the sole discretion of Franchisor. Franchisor shall not be obligated to reimburse Franchisee for any costs related to Franchisee's compliance with such substitution or with respect to any change in the Proprietary Marks designated by Franchisor.

10. MANUALS

10.1 The Manuals and Furnishings to Franchisee.

In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the Franchised Shoppe in accordance with the standards, methods, policies, and procedures specified in the Manuals, which Franchisee shall receive on loan from Franchisor, via electronic access or otherwise, for the term of this Agreement upon completion by Franchisee of initial training. The Manuals may be set forth in several volumes, computer disks, other electronic stored data, and videotapes, including such amendments thereto, as Franchisor may publish from time to time. Additionally, Franchisee acknowledges and agrees that Franchisor may provide a portion or all (including updates and amendments) of the Manuals, and other instructional information and materials in, or via, electronic media, including without limitation, through the use of computer disks or the Internet.

10.2 The Manuals are Proprietary and Confidential.

Franchisee shall treat the Manuals, any other materials created for or approved for use in the operation of the Franchised Shoppe, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. Franchisee shall not download, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by the Franchisor.

10.3 The Manuals Remain Franchisor's Property.

The Manuals shall remain the sole property of Franchisor and shall be accessible only from a secure place on the Premises, and shall be returned to Franchisor, as set forth in Section 17.8 below, upon the termination or expiration of this Agreement.

10.4 Revisions to the Manuals.

Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to comply with each new or changed standard. Franchisee shall ensure that the Manuals are kept current at all times. In the event of any dispute as to the contents of the Manuals, the terms of the master copies maintained at the home office of Franchisor shall be controlling.

11. CONFIDENTIAL INFORMATION

11.1 Agreement with respect to Confidentiality.

Franchisee acknowledges and agrees that it shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or know-how concerning Franchisor, the System, the Products and/or the marketing, management or operations of the Franchised Shoppe that may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Shoppe. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Notwithstanding the generality of the foregoing, "confidential information" shall include, but not be limited to, System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Shoppes, proprietary software (if any), the terms of this Agreement, the Manuals, graphic designs and other intellectual property, interior and exterior trade dress for the Shoppe, and décor items for the Shoppe.

11.2 Individual Covenants of Confidentiality.

At Franchisor's request, Franchisee shall require its manager(s) and any personnel having access to any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Shoppe. Such covenants shall be in a form satisfactory to Franchisor (the current forms of which are included in Attachment 9 to this Agreement), which shall include specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

11.3 Remedies for Breach.

Franchisee acknowledges that any failure to comply with the requirements of this Section 11 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 11.

11.4 Grantback.

Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, owners or employees during the term of this Agreement relating to the development and/or operation of the Franchised Shoppe. Franchisee hereby grants to Franchisor and agrees to procure from its affiliates, owners or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques in all Shoppe businesses operated by Franchisor or its affiliates, franchisees and designees. Franchisor shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Franchisor's prior written approval.

12. **ACCOUNTING AND RECORDS**

12.1 Books and Records.

With respect to the operation and financial condition of the Franchised Shoppe, Franchisor may require that Franchisee adopt, until otherwise specified by Franchisor, a fiscal year that coincides with Franchisor's then-current fiscal year, as specified by Franchisor in the Manuals or otherwise in writing. Franchisee shall maintain for a period of not less than seven (7) years during the term of this Agreement, and, for not less than seven (7) years following the termination, expiration, or election to not enter into a Successor term of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing, including but not limited to: (i) daily transaction reports; (ii) cash receipts journal and general ledger; (iii) cash disbursements and weekly payroll journal and schedule; (iv) monthly bank statements, deposit slips and cancelled checks; (v) all tax returns; (vi) suppliers' invoices (paid and unpaid); (vii) dated daily and weekly transaction journal; (viii) semi-annual fiscal period balance sheets and fiscal period profit and loss statements; and (ix) such other records as Franchisor may from time to time request.

12.1.1 Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's proprietary information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2 Franchisee's Reports to Franchisor.

In addition to the Sales Reports required pursuant to Section 4.3 above, Franchisee shall:

12.2.1 Prepare by the twentieth (20th) day of each calendar month a balance sheet and profit and loss statement and an activity report for the last preceding calendar month, which shall be in the form prescribed by Franchisor. Franchisee shall maintain and submit such statements and reports to Franchisor at the times as Franchisor may designate or otherwise request.

12.2.2 Submit to Franchisor on April 15th of the year following the end of each calendar year, unless Franchisor designates in writing a different due date, during the term of this Agreement, a profit and loss statement for such year and a balance sheet as of the last day of such year, prepared on an accrual basis in accordance with U.S. generally accepted accounting principles ("**GAAP**"), including but not limited to all adjustments necessary for fair presentation of the financial statements. Franchisee shall certify such financial statements to be true and correct. Additionally, Franchisor reserves the right to require Franchisee to prepare (or cause to be prepared) and provide to Franchisor annual financial statements (that includes a fiscal year-end balance sheet, an income statement of the Franchised Shoppe for such fiscal year reflecting all year-end adjustments, and a statement of changes in cash flow of Franchisee), and to require that such statements be prepared on a review basis by an independent certified public accountant (who Franchisor may require to be retained in accordance with Section 4.6). Franchisee shall provide such additional information, if any, as Franchisor may reasonably require in order for Franchisor to meet its obligations under GAAP.

12.2.3 Submit to Franchisor within thirty (30) days of the date Franchisee files them, a copy of any sales tax return filed with the appropriate taxing authority for the Franchised Shoppe.

12.2.4 Franchisee shall maintain its books and records, and provide all statements and reports to Franchisor, using the standard statements, templates, categories, and chart of accounts that Franchisor provides to Franchisee.

12.2.5 Submit to Franchisor such other periodic reports, forms and records as specified, and in the manner and at the time as specified in the Manuals or as Franchisor shall otherwise require in writing from time to time (including without limitation the requirement that Franchisee provide or make available to Franchisor certain sales and financial information in electronic format and/or by electronic means).

12.3 Inspection and Audit.

Franchisor and its agents shall have the right at all reasonable times to examine and copy, at the expense of Franchisor, the books, records, accounts, and/or business tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection should reveal that any contributions or payments have been understated in any statement or report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any statement or report of two percent (2%) or more, Franchisee shall, in addition to repayment of monies owed with interest, reimburse Franchisor for any and all costs and expenses connected with the inspection (including travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

13. MARKETING AND PROMOTION

13.1 Promotional Programs.

13.1.1 Franchisor may, from time to time, in its sole discretion, develop and administer advertising and sales promotion programs designed to promote all Ritter's Frozen Custard Shoppes operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor. The standards and specifications established by Franchisor for such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, shall be final and binding upon Franchisee.

13.1.2 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks. In particular, Franchisee shall comply with all applicable federal, state, and local telemarketing, telephone solicitation, do-not-call, text/SMS marketing, and related consumer protection laws, rules, and regulations applicable to the Franchised Business ("Telemarketing Laws"). Such Telemarking Laws include compliance with the Federal CAN-SPAM Act's general rules for commercial email, opt-out rules, and other communication messages and the Telephone Consumer Protection Act, as amended, and compliance with any registration, license, and/or permit requirements. Franchisor may at any time inspect, audit, and review Franchisee's advertising and telemarketing-related procedures, and Franchisee shall, at Franchisee's sole expense, implement any corrective actions that Franchisor's requires.

13.2 Brand Development Fund.

Franchisee shall be required to pay to Franchisor a Brand Development Fee, as set forth in Section 4.4. Franchisor shall use the Brand Development Fees to produce artwork and creative materials to promote the System and Ritter's Frozen Custard Shoppes, and Franchisee acknowledges that up to ten percent (10%) of the Brand Development Fee may be used by Franchisor to prepare and place advertising that is primarily a solicitation of franchise sales.

Franchisor has instituted the Brand Development Fee for advertising, marketing, brand building and public relations programs that Franchisor, in its sole discretion, may use to promote and develop Ritter's Frozen Custard Shoppes. Franchisor will direct all programs financed by the Brand Development Fee, with sole discretion over the creative concepts, materials, menu development and endorsements it uses, and the geographic, market, and media placement and allocation of it. The Brand Development Fee may be used to pay the costs of developing advertising ideas and concepts; developing market research and merchandising programs; preparing advertising campaigns; developing promotional ideas and strategies; preparation of collateral creative materials; preparing advertisements; preparing public relations campaigns; POS development, consulting cost for all items associated with brand and menu development, providing technical and professional advice in connection with any of the above; placing advertising; and administrative costs. Franchisee shall participate in all advertising and public relations programs for which the Brand Development Fee will be used. The Brand Development Fee will provide Franchisee with samples of certain marketing, advertising and promotional formats and other such materials without charge. All Ritter's Frozen Custard Shoppes owned by Franchisor or its affiliates pay the Brand Development Fee and contribute to the local advertising cooperatives in their respective markets on the same basis as Franchisee.

The Brand Development Fee is intended to maximize recognition of the Marks and patronage of Ritter's Frozen Custard Shoppes generally. Although Franchisor will try to utilize the Brand Development Fee to develop advertising and marketing materials and programs in order to benefit all Ritter's Frozen Custard Shoppes, Franchisor is not obligated to ensure that money spent from the Brand Development Fee in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fee by the Ritter's Frozen Custard Shoppes operating in that geographic area or that any Ritter's Frozen Custard Shoppe will benefit directly or in proportion to its Brand Development Fee from the development of advertising and marketing materials or the placement of advertising. Franchisee's failure to receive any benefit will not serve as a basis for a reduction or elimination of its obligation to pay the Brand Development Fee. Franchisor has no fiduciary obligation to Franchisee or any other Ritter's Frozen Custard Shoppes in connection with the Brand Development Fee or the collection, control or administration of monies paid for the Brand Development Fee. Except as expressly provided in this Agreement, Franchisor assumes no direct or indirect liability or obligation to Franchisee concerning the maintenance, direction, or administration of the Brand Development Fee.

13.3 Cooperative Advertising Fund.

Franchisor shall have the right to designate any geographical area for purposes of establishing a regional or local market advertising fund ("**Cooperative Advertising Fund**"). If a Cooperative Advertising Fund is established for the geographic area in which the Franchised Shoppe is located, Franchisee shall become a member of such Cooperative Advertising Fund within thirty (30) days after the date on which the Cooperative Advertising Fund commences operation, or at the time the Franchisee commences operation hereunder. In no event shall Franchisee be required to be a member of more than one (1) Cooperative Advertising Fund. The following provisions shall apply to each such Cooperative Advertising Fund:

13.3.1 Each Cooperative Advertising Fund shall be organized and governed in a form and manner, and shall commence operations on a date, approved in advance by Franchisor in writing. Unless otherwise specified by Franchisor, the activities carried on by each Cooperative Advertising Fund shall be decided by a majority vote of its members. Any Ritter's Frozen Custard Shoppe that Franchisor operates in the region shall have the same voting rights as those owned by its franchisees. Each Ritter's Frozen Custard Shoppe owner shall be entitled to cast one (1) vote for each Ritter's Frozen Custard Shoppe its owns that belongs to the Cooperative Advertising Fund. Any disputes arising among or between Franchisee, other franchisees in the Cooperative Advertising Fund, and/or the Cooperative Advertising Fund shall be resolved in accordance with the rules and procedures set forth in the Cooperative Advertising Fund's governing documents.

13.3.2 Each Cooperative Advertising Fund shall be organized for the exclusive purpose of administering regional or local advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising and promotion.

13.3.3 Franchisee shall contribute to the Cooperative Advertising Fund in such amounts as the members of the Cooperative Advertising Fund may determine, and any monies that Franchisee contributes to a Cooperative Advertising Fund shall count towards Franchisee's local advertising requirement, as described in Section 13.4 below.

13.3.4 Franchisee shall submit its required contributions to the Cooperative Advertising Fund at the time required by Franchisor, together with such statements or reports as may be required by Franchisor or by the Cooperative Advertising Fund with Franchisor's prior written approval. If so requested by Franchisor in writing, Franchisee shall submit its payments and reports to the Cooperative Advertising Fund directly to Franchisor for distribution to the Cooperative Advertising Fund.

13.3.5 Franchisor maintains the right to terminate any Cooperative Advertising Fund. A Cooperative Advertising Fund shall not be terminated, however, until either: (a) all monies in that Cooperative Advertising Fund have been expended for advertising and/or promotional purposes; or (b) Franchisor has transferred the unexpended monies to the Brand Development Fund, in the event there are no longer any Ritter's Frozen Custard Shoppes operating within the geographic area covered by such Cooperative Advertising Fund.

13.4 Local Advertising.

Franchisee shall conduct advertising in its immediate market area to promote the Franchised Shoppe and, with respect to "local advertising and promotion", Franchisee shall comply with the following:

13.4.1 Franchisee shall spend on a monthly basis a minimum of three percent (3%) of the Gross Sales of the Franchised Shoppe. Franchisee shall account for such expenditures on a routine basis and shall prepare, in accordance with the schedule and procedures specified by Franchisor from time to time, and provide to Franchisor detailed reports describing the amount of money expended on local advertising and promotion during such previous period. Franchisee shall maintain all such statements, reports and records, and shall submit same to Franchisor as Franchisor may specify in the Manuals or otherwise request of Franchisee. Additionally, at the request of Franchisor, Franchisee shall submit bills, statements, invoices, or other documentation satisfactory to Franchisor to evidence Franchisee's advertising or marketing activities.

13.4.2 As used in this Agreement, the term "**local advertising and promotion**" shall refer to advertising and promotion related directly to the Franchised Shoppe, and shall, unless otherwise specified, consist only of the direct costs of purchasing advertising materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), promotion, direct out-of-pocket expenses related to costs of advertising and sales promotion (including, but not limited to, advertising agency fees and expenses, cash and "in-kind" promotional payments to landlords, postage, shipping, telephone, and photocopying), and such other activities and expenses as Franchisor, in its sole discretion, may specify. Franchisor may provide to Franchisee, in the Manuals or otherwise in writing, information specifying the types of advertising and promotional activities and costs which shall not qualify as "local advertising and promotion," including, without limitation, the value of advertising coupons, and the costs of products provided for free or at a reduced charge for charities or other donations.

13.4.3 Upon written notice to Franchisee, Franchisor may require Franchisee to participate in mandatory promotions as Franchisor may develop and implement from time to time.

13.4.4 Franchisee's requirement to conduct local advertising and promotion as described herein shall be reduced by any contributions that Franchisee makes to a Cooperative Advertising Fund, as described in Section 13.3. However, if the amount Franchisee contributes to a Cooperative Advertising Fund is less than the amount Franchisee must spend on local advertising and promotion, Franchisee shall nevertheless spend the difference locally.

13.5 Grand Opening Advertising.

In addition to the Advertising Obligation, Franchisee shall pay a vendor of their choosing that must be approved by the Franchisor and not later than ninety (90) days prior to the opening of the Shoppe, an amount equal to Ten Thousand Dollars ($10,000) for grand opening advertising and promotional programs in conjunction with the Franchised Shoppe's initial grand opening (the "**Grand Opening Advertising Program**").

13.6 Standards for Advertising.

All advertising, marketing and promotion to be used by Franchisee or any Cooperative Advertising Fund shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any marketing or promotional plans or materials that are not provided by Franchisor unless and until Franchisee has submitted the materials to Franchisor, pursuant to the procedures and terms set forth in Section 13.7 herein.

13.7 Franchisor's Approval of Proposed Plans and Materials.

If Franchisee desires to use marketing and promotional plans and materials that have not been provided or previously approved by Franchisor, Franchisee shall submit samples of all such marketing and promotional plans and materials to Franchisor (as provided in Section 24 herein) for prior approval (including prices to be charged). If written notice of disapproval is not received by Franchisee from Franchisor within five (5) business days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them. At Franchisor's request, such marketing and promotional plans and materials shall include certain language, such as "Franchises Available" and Franchisor's website address and telephone number.

13.8 Directory Listings.

Franchisee shall, at its expense and in addition to its expenditures for local advertising and promotion, obtain listings in the white and yellow pages of local telephone directories. Franchisee shall comply with Franchisor's specifications concerning such listings, including the form and size of such listings, and the number of directories in which such listings shall be placed. Additionally, Franchisee shall be required to obtain listings in and/or advertise with Franchisor and other franchisees in the System, on electronic yellow page directories and other on-line directories as Franchisor may designate. Franchisor reserves the right to place such, and subsequently modify or remove, on-line listings and advertisements on behalf of Franchisee. For any listings or advertisements posted by or on behalf of Franchisee, Franchisee shall promptly pay, upon demand by Franchisor, its pro-rata share of the costs.

13.9 Ownership of Advertising Plans and Materials.

Franchisee acknowledges and agrees that any and all copyrights in and to advertising and promotional materials developed by or on behalf of Franchisee which bear the Proprietary Marks shall be the sole property of Franchisor, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Franchisor to give effect to this provision. Any advertising, marketing, promotional, public relations, or sales concepts, plans, programs, activities, or materials proposed or developed by Franchisee for the Franchised Shoppe or the System and approved by Franchisor may be used by Franchisor and other operators under the System of Franchisor without any compensation to Franchisee.

14. INSURANCE

14.1 Insurance.

Franchisee shall procure at its expense and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting Franchisee and Franchisor, and their officers, directors, partners and employees against any loss, liability, personal injury, death, or property damage or expense whatsoever arising or occurring upon or in connection with Franchisee's operations and the Franchised Shoppe, as Franchisor may reasonably require for their own and Franchisee's protection. Franchisor and such of its respective affiliates shall be named as additional insureds in such policy or policies.

14.2 Coverages.

Such policy or policies shall be written by an insurance company satisfactory to Franchisor in accordance with standards and specifications set forth in the Manuals or otherwise in writing; provided, however, that Franchisor shall have the right to designate from time to time, one or more insurance companies as the insurance carrier(s) for Ritter's Frozen Custard Shoppes, and if required by Franchisor, Franchisee shall be obtain its insurance coverage from the designated insurance company (or companies). The policy or policies shall include, at a minimum (except as different coverages, umbrella coverages, and policy limits may reasonably be specified for all Franchisees from time to time by Franchisor in the Manuals or otherwise in writing) the following:

14.2.1 Builder's risk insurance that satisfies the standards and specifications set forth by Franchisor in the Manuals or otherwise in writing to cover any period(s) of renovation or construction at the Franchised Shoppe.

14.2.2 All risks coverage insurance on the Franchised Shoppe and all fixtures, equipment, supplies and other property used in the operation of the Franchised Shoppe, for full repair and replacement value of the equipment, improvements and betterments, without any applicable co-insurance clause, except that an appropriate deductible clause shall be permitted.

14.2.3 Worker's compensation coverage in the limits required by the state law of Territory; employer liability insurance in the amount of One Million Dollars ($1,000,000); employer practices liability insurance that names Franchisor as co-defendant in the amount of One Million Dollars ($1,000,000) for employment wrongful acts, including third party liability for harassment and discrimination of non-employees; and wage and hour defense coverage in the minimum amount of One Hundred Thousand Dollars ($100,000) as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is operated.

14.2.4 Comprehensive general liability insurance with limits of at least One Million Dollars ($1,000,000) per occurrence, and Two Million Dollars ($2,000,000) general aggregate, including the following coverages: personal injury (employee and contractual inclusion deleted); products/ completed operation; and tenant's legal liability; insuring Franchisor and Franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Franchised Shoppe, provided that the required amounts herein may be modified from time to time by Franchisor to reflect inflation or future experience with claims.

14.2.5 Automobile liability insurance, and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least One Million Dollars ($1,000,000) combined single limit.

14.2.6 Excess liability coverage over general liability, automobile liability, and employer's liability, with at least One Million Dollars ($1,000,000) per occurrence.

14.2.7 Such insurance and types of coverage as may be required by the terms of any lease for the Premises, or as may be required from time to time by Franchisor.

14.2.8 Business interruption insurance for actual losses sustained for a period of twelve (12) months.

Franchisor's then-current insurance requirements shall be communicated to Franchisee in the Operations Manual. Franchisee acknowledges and understands that Franchisor may modify its insurance requirements during the term of this Agreement, and Franchisee agrees to comply with any such modification.

14.3 Certificates of Insurance.

The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by Franchisor. Prior to commencing any renovations or construction at the Franchised Shoppe, Franchisee shall provide Franchisor with a Certificate of Insurance for the builder's risk insurance required under Section 14.2.1. At least thirty (30) days prior to the opening of the Franchised Shoppe, but in no event later than the date on which Franchisee acquires an interest in the real property on which it will develop and operate the Franchised Shoppe, and thereafter on an annual basis, Franchisee shall provide Franchisor with a Certificate of Insurance showing compliance with the foregoing requirements (except with respect to the builder's risk insurance, which shall have already been in effect pursuant to Section 14.2.1 above). Such certificate shall state that said policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by Franchisee of the obligations under this Paragraph shall not relieve Franchisee of liability under the indemnity provision set forth in this Agreement. Franchisee acknowledges that minimum limits as required above may be modified by Franchisor in its sole discretion from time to time, by written notice to Franchisee.

14.4 Franchisor's Right to Procure Insurance for Franchisee.

Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

15. TRANSFER OF INTEREST

15.1 Franchisor's Rights to Transfer.

Franchisor shall have the right to assign this Agreement and all of its attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing Franchisor's obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

Franchisee expressly affirms and agrees that Franchisor may sell its assets, its rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "TRUFOODS LLC" as Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the frozen dessert business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that Franchisor exercises its right to assign its rights in this Agreement.

15.2 No Transfers Without Franchisor's Approval.

Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee or the Principals of Franchisee, if Franchisee is not an individual, and that Franchisor has granted this franchise in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

15.2.1 Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber: (a) the rights and/or obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Franchised Shoppe.

15.2.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, including membership interests, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by Franchisor.

15.2.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal of Franchisee.

15.2.4 A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any interest of the Principal in Franchisee, as such is identified in Attachment 2.

15.3 Conditions on Transfer.

Franchisor shall not unreasonably withhold any consent required by Section 15.2 above; provided, that if the proposed transfer alone or together with other previous, simultaneous, or proposed transfers would have the effect of changing control of Franchisee, results in the assignment of the rights and obligations of Franchisee under this Agreement, or transfers the ownership interest in all or substantially all of the assets of the Franchised Shoppe or the business franchised hereunder, Franchisor shall have the right to require any or all of the following as conditions of its approval:

15.3.1 All of Franchisee's monetary obligations and all other outstanding obligations to Franchisor, its affiliates, and the approved suppliers of the System have been satisfied in full;

15.3.2 Franchisee shall not be in default under any provision of this Agreement, any other agreement between Franchisee and Franchisor or its affiliate, the approved suppliers of the System, or the lessor (or sublessor) for the Premises;

15.3.3 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

15.3.4 The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Franchisee. Additionally, the transferee and/or such owners of the transferee as Franchisor may request shall guarantee the performance of the transferee's obligations in writing in a form satisfactory to Franchisor;

15.3.5 The transferee shall demonstrate to Franchisor's satisfaction that the terms of the proposed transfer do not place an unreasonable financial or operational burden on the transferee, and that the transferee (or, if the transferee is other than an individual, such owners of beneficial interest in the transferee as Franchisor may request) meets Franchisor's then-current application qualifications (which may include educational, managerial, socially responsible, and business standards, good moral character, business reputation, and credit rating); has the aptitude and ability to operate the Franchised Shoppe and absence of conflicting interests; and has adequate financial resources and capital to operate the Franchised Shoppe;

15.3.6 At Franchisor's option, Franchisee shall execute the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, higher and/or additional fees;

15.3.7 If so requested by Franchisor, Franchisee, at its expense, shall upgrade the Franchised Shoppe, and other equipment to conform to the then-current standards and specifications of new Ritter's Frozen Custard Shoppes then being established in the System, and shall complete the upgrading and other requirements within the time specified by Franchisor;

15.3.8 The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchised Shoppe that arose prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

15.3.9 The transferee (and, if the transferee is not an individual, such Principals of the transferee as Franchisor may request) and the transferee's manager (if applicable) shall, at the transferee's expense, successfully attend and successfully complete any training programs then in effect for operators and managers upon such terms and conditions as Franchisor may reasonably require;

15.3.10 Franchisee shall pay to Franchisor a transfer fee in the amount of Ten Thousand Dollars ($10,000) to compensate Franchisor for its expenses incurred in connection with the transfer;

15.3.11 The transferor(s), at the request of Franchisor, shall agree in writing to comply with the covenants set forth in Section 18 below.

If this Agreement is for a Scoop Shoppe, then such Scoop Shoppe must be transferred at the same time and to the same transferee as for the original Franchised Shoppe being operated by Franchisee. All other provisions of this Section 15.3 shall apply to such transfer, except that the transfer fee for the Scoop Shoppe shall be Four Thousand Dollars ($4,000).

15.4 Additional Terms.

For any transfer not covered by Section 15.3, each transferee shall, in addition to the requirement of obtaining Franchisor's consent as provided in Section 15.2 , be subject to the requirements of Sections 15.3.3 and 15.3.4 above (with respect to execution of releases and personal guarantees).

15.5 Security Interests.

Neither Franchisee nor any Principal shall grant a security interest in, or otherwise encumber, any of the assets or securities of Franchisee, including the Franchised Shoppe, unless Franchisee satisfies the requirements of Franchisor, which include, without limitation, execution of an agreement by the secured party in which it acknowledges the creditor's obligations under this Section 15, and agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void.

15.6 Right of First Refusal.

If Franchisee or any Principal desires to accept any *bona fide* offer from a third party to purchase Franchisee, any material asset of Franchisee, or any direct or indirect interest in Franchisee, Franchisee or such Principal shall promptly notify Franchisor, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of the written transfer request and the required information and documentation related to the offer (including any information that Franchisor may reasonably request to supplement or clarify information provided to Franchisor with the written transfer request), to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party; provided, however, a spouse, domestic partner, parent or child of the seller shall not be considered a third party for purposes of this Section 15.6. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of the election to purchase by Franchisor, or, if longer, on the same timetable as contained in the *bona fide* offer.

15.6.1 Any material change thereafter in the terms of the offer from the third party or by Franchisee, or a change in the identity of the third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 15.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 15, with respect to a proposed transfer.

15.6.2 If the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, Franchisor shall designate an independent appraiser to make a binding determination. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this Section 15.6, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

15.7 Death or Disability.

The grant of rights under this Agreement , is person to you, and on the death or permanent disability of you or any of your Principals, the executor, administrator, conservator or any other personal representative of yours or of the deceased Principal, as the case may be, shall be required to transfer your or your Principal's interest in this Agreement within six (6) months from the date of death or permanent disability to a third party approved by us. Failure to transfer in accordance with eh forgoing will constitute a material default and the franchise granted by this Agreement will terminate. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or conditions that is reasonably expect to prevent or actually does prevent such person from providing continuous and material supervision of the operation of the Franchised Shoppe during the six (6) month period from its onset.

15.7.1 Upon the death or claim of permanent disability of you or any Principal, you or a representative of yours must notify us of such death or claim of permanent disability within ten (10) days of its occurrence. Any transfer under this Section 15.7 shall be subject to the same terms and conditions as described in this Article 15 for any *inter vivos* transfer

15.7.2 Immediately after the death or permanent disability of such persons or while the Shoppe is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Shoppe shall be supervised by an interim successor manager satisfactory to us, or we, in our sole discretion may provide interim management All monies from the operation of the Franchised Shoppe during such period of operation by Franchisor shall be kept in a separate account and the expenses of the Franchised Shoppe, including reasonable compensation and expenses for Franchisor's representative, shall be charged to said account. If, as herein provided, Franchisor temporarily operates the Franchised Shoppe franchised herein for Franchisee, Franchisee agrees to indemnify and hold harmless Franchisor and any representative of Franchisor who may act hereunder, from any and all acts which Franchisor may perform, as regards the interests of Franchisee or third parties.

15.8 Limited Exceptions.

Notwithstanding anything to the contrary in this Section 15:

15.8.1 Franchisee shall not be required to pay the transfer fee due under Section 15.3.10 above, if the transferee: (a) is a spouse, domestic partner, parent, or direct lineal descendant or sibling of Franchisee or of a Principal of Franchisee (or more than one of such persons), provided that the transferee has been involved in, and is knowledgeable regarding, the operations of the Franchised Shoppe; (b) is a Principal of Franchisee; or (c); is a transferee under Sections 15.7 above.

15.8.2 If Franchisee is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of

Sections 15.3.6 (signing a new franchise agreement), 15.3.7 (upgrading the Franchised Shoppe), and 15.3.10 (transfer fee) shall not apply, and Franchisee may undertake such transfer, provided that Franchisee owns one hundred percent (100%) of the equity interest in the transferee entity, and the Franchisee personally guarantees, in a written guaranty satisfactory to Franchisor, the performance of the obligations of the Franchisee under the Franchise Agreement.

15.9 No Waiver.

The consent of Franchisor to any transfer pursuant to this Section 15 shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be a waiver of the right of Franchisor to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15.10 Bankruptcy.

If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of the ownership of Franchisee, Franchisee's obligations and/or rights hereunder and/or any material assets of Franchisee, shall be subject to all of the terms of this Section 15.

15.11 No Transfers in Violation of Law.

Notwithstanding anything to the contrary in this Agreement, no transfer shall be made if the transferee, any of its affiliates, or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

15.12 Step-In Rights – Cause for Step-In

If Franchisor determines in its sole judgment that the operation of Franchisee's Shoppe is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Shoppe which would cause harm to the System and thereby lessen its value, Franchisee authorizes Franchisor to operate its Shoppe for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies which Franchisor may have under this Agreement. In the sole judgment of Franchisor, Franchisor may deem Franchisee incapable of operating the Shoppe if, without limitation, Franchisee is absent or incapacitated by reason of illness or death; Franchisee has failed to pay when due or has failed to remove any and all liens or encumbrances of every kind placed upon or against Franchisee's Shoppe; or Franchisor determines that operational problems require that Franchisor operate Franchisee's Shoppe for a period of time that Franchisor determines, in its sole discretion, to be necessary to maintain the operation of the Shoppe as a going concern.

15.13 Step-In Rights – Duties of Parties

Franchisor shall keep in a separate account all monies generated by the operation of Franchisee's Shoppe, less the expenses of the business, including reasonable compensation and expenses for Franchisor's representatives. In the event of the exercise of the Step-In Rights by Franchisor**,** Franchisee agrees to hold harmless Franchisor and its representatives for all actions occurring during the course of such temporary operation. Franchisee agrees to pay all of Franchisor's reasonable attorneys' fees and costs incurred as a consequence of Franchisor's exercise of its Step-In Rights. Nothing contained herein shall prevent Franchisor from exercising any other right which it may have under this Agreement, including, without limitation, termination.

16. **DEFAULT AND TERMINATION**

16.1 Automatic Termination.

Franchisee shall be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee, or any of Franchisee's partners, if Franchisee is a partnership, or any of its officers, directors, shareholders, or members, if Franchisee is a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Shoppe shall be sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Termination Upon Notice.

Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in the manner provided under Section 24 hereof), upon the occurrence of any of the following events of default:

16.2.1 If Franchisee fails to complete all pre-opening obligations and to open the Franchised Shoppe within the time limits as provided in Section 5.4 above;

16.2.2 If Franchisee or any of its Principals is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the Products, the goodwill associated therewith, or the interest of Franchisor therein;

16.2.3 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Shoppe;

16.2.4 If Franchisee's action or inaction, at any time, may result in the loss of the right to possession of the Premises, or forfeiture of the right to do or transact business in the jurisdiction where the Franchised Shoppe is located;

16.2.5 If Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 15 hereof;

16.2.6 If Franchisee knowingly maintains false books or records, or knowingly submits any false statements or reports to Franchisor;

16.2.7 If, contrary to the terms of Sections 9 or 10 hereof, Franchisee discloses or divulges the contents of the Manuals or other confidential information provided to Franchisee by Franchisor;

16.2.8 If Franchisee fails to comply with the covenants in Section 18.2 below or fails to timely obtain execution of the covenants required under Section 18.5 below;

16.2.9 If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or if Franchisee otherwise operates the Franchised Shoppe in a manner that materially impairs the reputation or goodwill associated with the System, Proprietary Marks, Products, or the rights of Franchisor therein;

16.2.10 If Franchisee, after curing a default pursuant to Sections 16.3 or 16.4 hereof, commits the same default again, whether or not cured after notice;

16.2.11 If Franchisee commits three (3) or more defaults under this Agreement in any twelve (12) month period, whether or not each such default has been cured after notice (this provision in no way limits Section 16.2.10 above);

16.2.12 If Franchisee at any time ceases to operate or otherwise abandons the Franchised Shoppe for a period of three (3) consecutive days unless such closure is approved in writing by Franchisor, or excused by *force majeure*;

16.2.13 If Franchisee breaches any material provision of this Agreement which breach is not susceptible to cure;

16.2.14 If Franchisee fails to comply with all applicable laws and ordinances relating to the Franchised Shoppe, including Anti-Terrorism Laws, or if Franchisee's or any of his/her owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or Franchisee or any of his/her owners otherwise violate any such law, ordinance, or regulation.

16.3 Notice and Opportunity to Cure - 7 Days.

Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to Franchisee at least seven (7) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the seven (7) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the seven (7) day period or such longer period as applicable law may require.

16.3.1 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its affiliates when due;

16.3.2 If Franchisee refuses to permit Franchisor to inspect the Premises, or the books, records, or accounts of Franchisee upon demand; or

16.3.3 If Franchisee fails to operate the Franchisor during such days and hours specified in the Manuals (this provision in no way limits Section 16.2.12.

16.4 Notice and Opportunity to Cure - 30 Days.

Except as otherwise provided in Sections 16.1, 16.2 and 16.3 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 24 hereof) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to the satisfaction of Franchisor, and by promptly providing proof thereof to Franchisor within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

16.5 Cross-Default

Any default by Franchisee (or any person/company affiliated with Franchisee) under this Agreement may be regarded as a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee). Any default by Franchisee (or any person/company affiliated with Franchisee) under any other agreement, including, but not limited to, a multi-unit development agreement, any lease and/or sublease, between Franchisor (or any affiliate of Franchisor) and Franchisee (or any person/company affiliated with Franchisee), and any default by Franchisee (or any person/company affiliated with Franchisee) under any obligation to Franchisor (or any affiliate of Franchisor) may be regarded as a default under this Agreement. Any default by Franchisee (or any person/company affiliated with Franchisee) under any lease, sublease, loan agreement, security interest or otherwise, whether with Franchisor, any affiliate of Franchisor and/or any third party may be regarded as a default under this Agreement and/or any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any affiliate of Franchisee).

In each of the foregoing cases, Franchisor (and any affiliate of Franchisor) will have all remedies allowed at law, including termination of Franchisee's rights (and/or those of any person/company affiliated with Franchisee) and Franchisor's (and/or Franchisor's affiliates') obligations. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy provided under law or equity and Franchisor may pursue any rights and/or remedies available.

16.6 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to this Section 16, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any services or products for which Franchisor is an Approved Supplier to Franchisee and/or suspension of Franchisee's webpage on Franchisor's Website, until such time as Franchisee corrects the breach.

16.7 Reimbursement of Costs

Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement.

16.8 Termination of Scoop Shoppe Franchise Agreement

If this Agreement is for a Scoop Shoppe, then either (a) upon termination of the Franchise Agreement for Franchisee's original Franchised Shoppe, or (b) upon expiration of the Franchise Agreement for Franchisee's original Franchised Shoppe without successor term, this Agreement shall automatically terminate at the same time as the first Franchise Agreement.

17. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and:

17.1 Stop Operating.

Franchisee shall immediately cease to operate the Franchised Shoppe, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former operator of Franchisor in connection with the promotion or operation of any other business.

17.2 Stop Using the System.

Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the System; the Proprietary Mark "Ritter's Frozen Custard" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use all signs, marketing materials, displays, stationery, forms, products, and any other articles which display the Proprietary Marks.

17.3 Cancel Assumed Names.

Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark "Ritter's Frozen Custard" or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

17.4 The Premises.

Franchisee shall, at the option of Franchisor, assign to Franchisor or its designee any interest which Franchisee has in any lease or sublease for the Premises. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises, Franchisee shall make such modifications or alterations to the Premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of Ritter's Frozen Custard Shoppes under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 17.4, Franchisor shall have the right to enter upon the Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand. Additionally, if Franchisor does not elect to exercise the option to acquire the lease/sublease, Franchisee shall comply with Section 18.3 below regarding a Competitive Business (as defined in Section 18.2.3 below).

17.5 Phone Numbers and Directory Listings.

In addition, Franchisee shall cease use of all telephone numbers and any domain names, websites, e-mail addresses, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Franchised Shoppe, and shall promptly execute such documents or take such steps necessary to remove reference to the Franchised Shoppe from all trade or business telephone directories, including "yellow" and "white" pages, or at Franchisor's request transfer same to Franchisor. Franchisee hereby authorizes Franchisor to instruct issuers of any telephone and internet domain name services, and other providers to transfer any such telephone numbers, domain names, websites, addresses, and any other identifiers to Franchisor upon termination of this Agreement, without need for any further approval from Franchisee. Without limiting the foregoing, if requested by Franchisor, Franchisee shall provide, during the term or upon termination of this Agreement, written confirmation of Franchisor's rights under this Section 17.5. Franchisee agrees that it shall sign such documents and do such things (without cost to Franchisee) that may be reasonably requested by Franchisor in order to implement this Section 17.5.

17.6 No Use of Proprietary Marks or Trade Dress in other Businesses.

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in the sole discretion of Franchisor, is likely to cause confusion, mistake, or deception, or which, in the sole discretion of Franchisor, is likely to dilute the rights of Franchisor in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description, or representation (including but not limited to reference to Franchisor, the System, or the Proprietary Marks) which, in the sole discretion of Franchisor, suggests or represents a present or former association or connection with Franchisor, the System, or the Proprietary Marks.

17.7 Pay Franchisor All Amounts Due.

Franchisee shall promptly pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default and termination, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises at the time of default.

17.8 Return of Manuals and Confidential Information.

Franchisee shall, at its own expense, immediately deliver to Franchisor the Manuals and all other records, computer disks, correspondence, and instructions containing confidential information relating to the operation of the Franchised Shoppe (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor.

17.9 Franchisor's Option to Purchase Certain Assets.

Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Franchised Shoppe, at the lesser of Franchisee's cost or fair market value. The cost for such items shall be determined based upon a five (5) year straight-line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee.

17.10 Comply with Covenants.

Franchisee and its Principals shall comply with the covenants contained in Section 18.3 of this Agreement.

17.11 Liquidated Damages.

If Franchisor terminates this Agreement with cause, Franchisee must pay Franchisor liquidated damages equal to the average Royalty Fees Franchisee paid or owed to Franchisor during the twelve (12) months of operation before the termination multiplied by (a) twenty-four (24), being the number of months in two (2) full years, or (b) the number of months remaining during the term of this Agreement, whichever is higher.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to Franchisor's reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. Franchisee and each of its owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

18. COVENANTS

18.1 Full Time and Best Efforts.

Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or, if Franchisee is not an individual, the Designated Principal) shall devote best efforts to the management and operation of the Franchised Shoppe.

18.2 During the Agreement Term.

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

18.2.1 Divert or attempt to divert any present or prospective business or customer of any Ritter's Frozen Custard Shoppe to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

18.2.2 Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise encourage such person to leave his or her employment; or

18.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined below). A "**Competitive Business**" shall be considered to be a food service business that offers the same or substantially similar menu offerings as a Franchised Shoppe. Furthermore, Franchisee acknowledges and agrees that Franchisee shall be considered in default under this Agreement and that this Agreement will be subject to termination as provided in Section 16.2.8 herein, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Franchisee (or, if Franchisee is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 18.2.3 if such person was subject to the covenants of this Section 18.2.3.

18.3 After the Agreement and After a Transfer.

Franchisee covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 15 of this Agreement; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 18.3; or (e) any or all of the foregoing:

18.3.1 Franchisee shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any Competitive Business that is, or is intended to be, located at the Approved Location or within a radius of twenty-five (25) miles of any other Ritter's Frozen Custard Shoppe located anywhere; provided, however, that this provision shall not apply to the operation by Franchisee of any business under the System under a franchise agreement with Franchisor; or

18.3.2 Franchisee shall not sublease, assign, or sell Franchisee's interest in any lease, sublease, or ownership of the Premises or assets of the Franchised Shoppe to a third party for the operation of a Competitive Business, or otherwise arrange or assist in arranging for the operation by a third party of a Competitive Business.

18.4 Exception for Ownership in Public Entities.

Sections 18.2.3 and 18.3 shall not apply to ownership by Franchisee of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

18.5 Personal Covenants.

At the request of Franchisor, Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 18 (including covenants applicable upon the termination of a person's relationship with Franchisee) and the provisions of Sections 10 and 15 of this Agreement (as modified to apply to an individual) from any or all of the following persons: (a) the Designated Principal, (b) all managers and other personnel employed by Franchisee who have received or will receive training and/or other confidential information; (c) all officers, directors, and Principals who have or will receive training or access to confidential information, or who are or may be involved in the management and operation of the Franchised Shoppe. Every covenant required by this Section 18.5 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

18.6 Covenants as Independent Clauses.

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 18.

18.7 Franchisor's Right to Reduce Scope of the Covenants.

Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 18, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 25 hereof.

18.8 Covenants Survive Claims.

Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 18; provided, however, any claims Franchisee may have against Franchisor may be brought in a separate proceeding. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 18.

19. **CORPORATE, LIMITED LIABILITY COMPANY, OR PARTNERSHIP FRANCHISEE**

19.1 List of Principals.

If Franchisee is a corporation, limited liability company, or partnership, each Principal of Franchisee, and the interest of each Principal in Franchisee, shall be identified in Attachment 2 hereto. Franchisee shall maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Attachment 2 upon any change, which shall be made only in compliance with Section 15 above.

19.2 Guaranties.

Such Principals as Franchisor may request shall execute a spousal guaranty, indemnification, and acknowledgment of Franchisee's obligations under this Agreement in the form attached hereto as Attachment 3. As set forth in Section 8.3, the Designated Principal shall at all times have at least a ten percent (10%) interest in Franchisee.

19.3 Corporations and Limited Liability Companies.

If Franchisee is a corporation or limited liability company, Franchisee shall comply with the following requirements:

19.3.1 Franchisee shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to operating the Franchised Shoppe.

19.3.2 Franchisee shall, upon request of Franchisor, promptly furnish to Franchisor copies of Franchisee's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

19.3.3 Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Franchisee shall conspicuously endorse upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 18.2.3 shall not apply to a publicly held corporation.

19.4 Partnerships and Limited Liability Partnerships.

If Franchisee or any successor to or assignee of Franchisee is a partnership or limited liability partnership, Franchisee shall comply with the following requirements:

19.4.1 Franchisee shall be newly organized and its partnership agreement shall at all times provide that its activities are confined exclusively to operating the Franchised Shoppe.

19.4.2 Franchise shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

19.4.3 The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

20. **TAXES, PERMITS, AND INDEBTEDNESS**

20.1 Taxes.

If any withholding, sales, excise, use, privilege or other tax (excepting Franchisor's income tax obligation) ("Tax Charge") is imposed or levied by any government or governmental agency on Franchisor or Franchisee for any fee due and payable under this Agreement, including but not limited to, the Royalty Fee, System Technology Fee, and/or Brand Fund Contribution (for the purpose of this Section 6.8, such fees shall be referred to as a "Taxable Payment"), then Franchisee shall pay Franchisor a sum equal to the amount of the Tax Charge, together with the Taxable Payment, such that the net sum received by Franchisor equals the amount of the Taxable Payment without deduction, withholding, payment or application of the Tax Charge.

20.2 Dispute About Taxes.

In the event of any *bona fide* dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises of the Franchised Shoppe, or any improvements thereon.

20.3 Compliance with Laws.

Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business; health and sanitation inspections, if and when required; fictitious name registrations; sales and other tax permits; reporting and payment of all taxes; fire and police department clearances; Americans With Disability Act compliance; compliance with all federal, state or local data privacy laws, rules, and regulations; certificates of occupancy; any permits, certificates or licenses required by any environmental federal, state or local law, rule or regulation, and compliance otherwise with all environmental laws, rules, and regulations; and any other requirement, rule, law or regulation applicable to Franchisee or in the jurisdiction of the Territory. Franchisee shall further comply with all industry best practices with respect to the handling, storage, preparation, service and disposal of food and beverage products.

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

21. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 Independent Contractor

Franchisee understands and agrees that Franchisee is and will be Franchisor's independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of Franchisee's employees will be considered to be Franchisor's employees. Neither Franchisee nor any of Franchisee's employees whose compensation Franchisee pay may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions for Franchisee's Ritter's Frozen Custard Shoppe does not directly or indirectly vest in Franchisor the power to hire, fire or control any such employee.

Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of Franchisee's Ritter's Frozen Custard Shoppe and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of Franchisee's Ritter's Frozen Custard Shoppe Restaurant, which Franchisee alone controls, but only constitutes standards Franchisee must adhere to when exercising Franchisee's control of the day-to-day operations of Franchisee's Ritter's Frozen Custard Shoppe.

Franchisee may not, without Franchisor's prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, Franchisor may not control or have access to Franchisee's funds or the expenditure of Franchisee's funds or in any other way exercise dominion or control over Franchisee's Ritter's Frozen Custard Shoppe. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Franchisee is other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee's operation of the Ritter's Frozen Custard Shoppe.

21.2 Sole and Exclusive Employer of Franchisee's Employees

Franchisee hereby irrevocably affirms, attests and covenants Franchisee's understanding that Franchisee's employees are employed exclusively by Franchisee and in no fashion are any such employee employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of Franchisee's employees is under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of Franchisee's employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/ /unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate Franchisee's employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attests and affirms that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that Franchisee's Ritter's Frozen Custard Shoppe is at all times staffed at those levels necessary to operate Franchisee's Ritter's Frozen Custard Shoppe in conformity with the System and the products, services, standards of quality and efficiency, and other Ritter's Frozen Custard Shoppe brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee affirms, warrants and understands that Franchisee may staff Franchisee's Ritter's Frozen Custard Shoppe with as many employees as Franchisee desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations Franchisee may receive from Franchisor regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate Franchisee's Ritter's Frozen Custard Shoppe, and that Franchisee is entirely free to disregard Franchisor's recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems and operations of a Ritter's Frozen Custard Shoppe and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, should any such appearance by Franchisee be required or requested by Franchisor, Franchisor will recompense Franchisee the reasonable costs associated with Franchisee's appearing at any such venue.

21.3 Franchisee Not Authorized

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Principals or any claim or judgment arising therefrom.

21.4 Indemnification.

Franchisee shall indemnify and hold Franchisor, its owners and affiliates, and its officers, directors, and employees (the "**Indemnitees**") harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, but not limited to, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with the operation of the Franchised Shoppe and/or Franchisee's conduct under this Agreement (notwithstanding any claims that the Indemnitees are or were negligent). Franchisee agrees that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees shall have the right, but not the obligation, to: (i) choose counsel; (ii) direct, manage and/or control the handling of the matter; and/or (iii) settle on behalf of the Indemnitees, and/or Franchisee, any claim against the Indemnitees. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee shall be taken as prima facie evidence of Franchisee's obligation hereunder.

22. APPROVALS AND WAIVERS

22.1 Approval Requests.

Whenever this Agreement requires the prior authorization, approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

22.2 Non-waiver.

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

23. WARRANTIES OF FRANCHISEE

23.1 Reliance by Franchisor.

Franchisor entered into this Agreement in reliance upon the statements and information submitted to Franchisor by Franchisee in connection with this Agreement. Franchisee represents and warrants that all such statements and information submitted by Franchisee in connection with this Agreement are true, correct and complete in all material respects. Franchisee agrees to promptly advise Franchisor of any material changes in the information or statements submitted.

23.2 Compliance with Laws.

Franchisee represents and warrants to Franchisor that neither Franchisee (including, without limitation, any and all of its employees, directors, officers and other representatives), nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

24. NOTICES

24.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery. The Non-Compliance Fee described in Section 4.9 of Franchise Agreement shall apply to this Section even if Franchisee fails to accept notices transmitted in any of the above means.

25. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Franchisee by Franchisor. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

26. SEVERABILITY AND CONSTRUCTION

26.1 Severable Parts.

Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

26.2 Terms Surviving this Agreement.

Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), or assignment shall survive such expiration, termination.

26.3 No Rights on Third Parties.

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and such successors and assigns of Franchisor as may be contemplated by Section 15 hereof, any rights or remedies under or by reason of this Agreement.

26.4 Full Scope of Terms.

Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

26.5 Franchisor's Application of its Rights.

Franchisor shall have the right to operate, develop and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and its judgment of what is in its best interests and/or in the best interests of the Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interest; (iii) Franchisor's decision or the action it take applies differently to Franchisee and one or more other franchisees or Franchisor's company-owed operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

26.6 Captions Only for Convenience.

All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

27. APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 Governing Law.

This Agreement takes effect upon its acceptance and execution by Franchisor, and shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of New York shall prevail, without regard to, and without giving effect to, the application of New York conflict of law rules. Nothing in this Section 27.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of New York or of any other state to which it would not otherwise be subject.

27.2 Dispute Resolution.

IN THE EVENT ANY PARTY IS REQUIRED TO EMPLOY LEGAL COUNSEL OR TO INCUR OTHER REASONABLE EXPENSES TO ENFORCE ANY OBLIGATION OF ANOTHER PARTY HEREUNDER, OR TO DEFEND AGAINST ANY CLAIM, DEMAND, ACTION, OR PROCEEDING BY REASON OF ANOTHER PARTY'S FAILURE TO PERFORM ANY OBLIGATION IMPOSED UPON SUCH PARTY BY THIS AGREEMENT, AND PROVIDED THAT LEGAL ACTION IS FILED BY OR AGAINST THE FIRST PARTY AND SUCH ACTION OR THE SETTLEMENT THEREOF ESTABLISHES THE OTHER PARTY'S DEFAULT HEREUNDER, THEN THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY THE AMOUNT OF ALL REASONABLE ATTORNEYS' FEES OF SUCH COUNSEL AND ALL OTHER EXPENSES REASONABLY INCURRED IN ENFORCING SUCH OBLIGATION OR IN DEFENDING AGAINST SUCH CLAIM, DEMAND, ACTION, OR PROCEEDING, WHETHER INCURRED PRIOR TO OR IN PREPARATION FOR OR CONTEMPLATION OF THE FILING OF SUCH ACTION OR THEREAFTER.

EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE PARTIES AGREE THAT ALL DISPUTES THAT CANNOT BE AMICABLY SETTLED SHALL BE DETERMINED SOLELY AND EXCLUSIVELY BY A COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK.

NOTHING HEREIN CONTAINED SHALL BAR THE RIGHT OF EITHER PARTY TO SEEK AND OBTAIN TEMPORARY AND PERMANENT INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION IN ACCORDANCE WITH APPLICABLE LAW AGAINST THREATENED CONDUCT THAT WILL IN ALL PROBABILITY CAUSE LOSS OR DAMAGE TO FRANCHISEE OR FRANCHISOR.

FRANCHISEE SHALL NOT ASSERT ANY CLAIM OR CAUSE OF ACTION AGAINST FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR AFFILIATES AFTER ONE (1) YEAR FOLLOWING THE EVENT GIVING RISE TO SUCH CLAIM OR CAUSE OF ACTION.

27.3 No Rights Exclusive of Other Rights.

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

27.4 Waiver of Jury Trial.

Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Shoppe, brought by either party hereto against the other, whether in mediation, or a legal action, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

27.5 Waiver of Punitive Damages.

Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other.

27.6 Injunctive Relief.

Franchisee and Principal(s) acknowledge that a violation of the covenants of confidentiality and non-competition contained in this Agreement would result in immediate and irreparable injury to Franchisor for which monetary damages cannot fully remedy. Accordingly, Franchisee and Principal(s) hereby consent to the entry of a temporary and permanent injunction prohibiting any conduct by Franchisee or Principal(s) in violation of the terms of the covenants set forth in Sections 9, 10, 11, 15, and 18 and hereby agree to waive any and all defenses to the entry of such injunction(s). Notwithstanding, Franchisee and Principal(s) acknowledge and agree that the foregoing injunctive relief is in addition to, and does not restrict Franchisor from pursuing, any and all claims for monetary damages resulting from a breach by Franchisee or Principal(s) of the covenants contained herein.

28. ACKNOWLEDGMENTS

28.1 Franchisee's Investigation of the Business Possibilities.

Franchisee acknowledges that it has conducted an independent investigation of the business of operating a Ritter's Frozen Custard Shoppe, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Franchisee (or, if Franchisee is a corporation, partnership or limited liability company, the ability of its principals) as (an) independent businessperson(s). Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

28.2 Receipt of Disclosure Document.

Franchisee acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by Franchisee for the franchise rights granted under this Agreement.

28.3 Franchisee Read the Agreement and Consulted.

Franchisee acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

28.4 Consent to Do Business Electronically.

The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of New York, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement and its Attachments, and by attaching their signature electronically to the Franchise Agreement, they are executing the document and intending to attach their electronic signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on an electronic signature as the respective party's signature.

28.5 Franchisee's Responsibility for Operation of Business.

Although Franchisor retains the right to establish and periodically modify System standards, which Franchisee has agreed to maintain in the operation of the Franchised Shoppe, Franchisee retains the right and sole responsibility for the day-to-day management and operation of the Franchised Shoppe and the implementation and maintenance of System standards at the Franchised Shoppe.

28.6 No Conflicting Obligations.

Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

28.7 Different Franchise Offerings to Others.

Franchisee acknowledges and agrees that Franchisor may modify the offer of its franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

28.8 Success Depends on Franchisee.

Franchisee acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon Franchisee's ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

28.9 No Guarantees.

Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

29. SECURITY INTEREST

To secure payment of all sums owing to Franchisor from Franchisee, whether they be Royalty Fees, Brand Fund Contributions, and/or other fees, costs, damages, or reimbursements pursuant to this Agreement or any other agreement between Franchisor and Franchisee and/or Principal(s), Franchisee grants Franchisor a security interest in the Collateral (as hereafter defined) and further agrees:

29.1 The Collateral means all equipment, furniture, signage, inventory, and supplies of the Franchised Business, wherever located, that are now owned or hereafter acquired, and any additions, substitutions, replacements, or products thereof or proceeds therefor.

29.2 This Agreement shall be deemed a security agreement, and Franchisor, in Franchisor's discretion, may file with applicable state agencies or offices this Agreement and/or one or more financing statements indicating Franchisor's secured interest in the Collateral. Franchisee shall cooperate with Franchisor and shall execute such documents as may be necessary for Franchisor to perfect its security interests.

29.3 Upon a default of this Agreement by Franchisee, all sums owing to Franchisor from Franchisee shall be immediately due and payable, and Franchisor shall have the immediate right to possession and use of the Collateral, which includes Franchisor right to enter upon any premises, without legal process, where the Collateral may be found. Franchisor further shall have all rights, options, duties, and remedies of a secured party pursuant to the Uniform Commercial Code, as adopted by the State where the Collateral is located, including the right to dispose of the Collateral in accordance therewith.

29.4 Franchisor's exercise of its rights with regard to the Collateral are in addition to and not exclusive of any other rights or remedies that Franchisor may have pursuant to this Agreement, at law, or in equity for Franchisee's breach of this Agreement."

29.3 Additional Documents

Franchisee will from time to time as required by Franchisor join with Franchisor in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor.

29.4 Possession of Collateral

Upon default and termination of Franchisee's rights under this Agreement, Franchisor shall have the immediate right to possession and use of the Collateral.

29.5 Franchisor's Remedies in Event of Default

Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at Franchisor's option and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under, the Uniform Commercial Code of New York (or other applicable law), including, without limitation, Franchisor's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth above.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

FRANCHISOR: **TRUFOODS, LLC**	**FRANCHISEE:** ____________________________________
By:________________________________ Name:______________________________ Title:_______________________________	By:________________________________ Name:______________________________ Title:_______________________________
	Address for Notices: ____________________________________ ____________________________________ ____________________________________ Telephone:__________________________ Fax:________________________________ Attn:_______________________________

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 1
DATA SHEET

1. The Approved Location for the Franchised Shoppe shall be ________________________ ____ (See Section 1.2).

2. If Franchisee is granted a protected territory by Franchisor, which decision shall be solely in Franchisor's discretion and made on a case-by-case basis, the territory shall be ____________________ ____. Franchisee acknowledges and understands that in the event there is any Non-Traditional Site (as defined in Section 1.4) within the boundaries of such territory, if granted, the premises of this Non-Traditional Site will not be included in the territory and Franchisee will have no rights to this Non-Traditional Site.

3. Franchise Fee. The initial franchise fee shall be $___________ (See Section 4.1). The initial franchise fee is determined and payable as follows *(check the appropriate set of boxes)*:

☐ This Agreement is for a single unit Franchised Restaurant and is not being executed pursuant to a Multi-Unit Development Agreement, and:

☐ Franchisee was **not** an existing franchisee under the System prior to executing this Agreement and has, pursuant to the terms of a Deposit Agreement, paid $12,500 as a deposit to be applied toward the initial franchise fee, and the balance of the initial franchise fee, or $12,500, was paid upon the execution of this Agreement; or

☐ Franchisee was an existing franchisee under the System prior to executing this Agreement and has, pursuant to the terms of a Deposit Agreement, paid $10,000 as a deposit to be applied toward the initial franchise fee, and the balance of the initial franchise fee, or $10,000, was paid upon the execution of this Agreement.

☐ This Agreement is executed pursuant to a Multi-Unit Development Agreement, and is:

☐ For Franchisee's first Ritter's Frozen Custard Shoppe, then $25,000 was paid upon execution of the Multi-Unit Development Agreement as part of a multi-unit development fee and such amount is credited as full payment of initial franchise fee.

☐ For Franchisee's second or later Ritter's Frozen Custard Shoppe, then $10,000 was paid as part of a multi-unit development fee and such amount is credited towards the initial franchise fee this Agreement, and $10,000 was paid upon the execution of this Agreement.

Initial: ____________ Date: __________
Franchisee

Initial: ____________ Date: __________
TRUFOODS, LLC

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 2
STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE

Name	Percentage of Ownership

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 3
GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on___________ _______ to TRUFOODS, LLC a New Jersey limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated of even date herewith (the "Franchisee Agreement") with ____, a(n) ______________________________________, _____________________________________ and ___ _________________________________(collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty are in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE’S PRINCIPAL:

____
Print Name:________________________
Address: __________________________
____

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 4
ADA CERTIFICATION

TRUFOODS, LLC ("**Franchisor**") and ______________________ ("**Franchisee**") are parties to a franchise agreement dated ______________________ for the operation of a Ritter's Frozen Custard Shoppe at ______________________________ (the "**Franchised Shoppe**"). In accordance with Section 5.3 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Franchised Shoppe and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards, including but not limited to the Americans with Disabilities Act. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisee does not constitute ownership, control, leasing or operation of the Franchised Shoppe. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee acknowledge its obligation under this Franchise Agreement to indemnify Franchisor and the officers, directors, and employees of Franchisor in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by the indemnified party(ies) as a result of any matters associated with Franchisee's compliance with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

FRANCHISEE:

By:____________________________________
Name:__________________________________
Title:___________________________________

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 5

AUTHORIZATION AGREEMENT
AUTOMATIC DEPOSITS (ACH WITHDRAWALS)

Franchisor Name: **TRUFOODS, LLC**

I (We) hereby authorize TRUFOODS, LLC, hereinafter called Franchisor, to initiate debit entries to my (our) Checking Account/Savings Account (Select One) indicated below at the depository financial institution named below, and to debit the same to such account. I (We) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. Law, and that I will be responsible for any banking fees that my institution charges.

Financial Institution Name:________________________________Branch: __________________

City:_______________________State:_________Zip:__________Phone: __________________

ACH/Routing Number:____________________________Account Number:__________________________
(Nine Digits)

This authorization is to remain in full force and effect until Franchisor has received a written replacement ACH Withdrawal Form notification from me. I (We) understand that revocation of this Authorization Agreement by me (us) may constitute an event of Default under the Franchise Agreement.

I (We) understand that the amount to be withdrawn by Franchisor will not be the same each month and I (We) therefore authorize all monetary transfers pursuant to Articles 4 and 16 of the Franchise Agreement.

______________________________________ Print Franchisee / Account Holder Name	______________________________________ Print Franchisee/Co-Account Holder Name
______________________________________ Franchisee/ Account Holder Signature-Date	______________________________________ Franchisee/Co-Account Holder Signature-Date
______________________________________ Daytime Phone Number	______________________________________ Email Address

PLEASE ATTACH A VOIDED CHECK TO THIS FORM

Please Return Form to:

Trufoods, LLC
56 Columbine Circle
Newtown, Pennsylvania 18940

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 6
<u>INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT</u>

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of ____ ___________________________(the "Effective Date") by and between Trufoods, LLC , a New Jersey limited liability company (the "Franchisor"), and __________________________, a(n) _______________ _______________, with its principal place of business located at_____________________________________ and _______________________________'s principal(s), _______________________________, an individual, residing at _____________________________, and __________________________, an individual, residing at ______________________________ ("Principal(s)"). ____________________ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an Ritter's Frozen Custard business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the Ritter's Frozen Custard brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **<u>Definitions</u>**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **<u>Internet Advertising and Telephone Accounts</u>**

2.1 <u>Interest in Websites, Social Media, and Software Accounts and Other Electronic Listings</u>. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Franchised Business or the Marks.

2.2 <u>Interest in Telephone Numbers and Listings</u>. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media and software companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising and Telephone Listings: (i) to transfer all of Franchisee's interest in such Electronic Advertising and Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Telephone Listings, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising and Telephone Listings or will take such other actions with respect to the Electronic Advertising and Telephone Listings as Franchisor directs; and

2.3.1 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising and Telephone Listings to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising and Telephone Listings;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the Commonwealth of Pennsylvania, without regard to the application of Pennsylvania conflict of law rules.

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

TRUFOODS, LLC

By:____

Robert Bagnell, Chief Financial Officer
(Print Name, Title)

FRANCHISEE:

____

By:____

__________________________, ____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 7
POWER OF ATTORNEY (TAXES)

Taxes

IRREVOCABLE POWER OF ATTORNEY

STATE OF ________________)
)
COUNTY OF ______________)

KNOW ALL MEN BY THESE PRESENTS

That ________________, a ___________________ ("Franchisee"), does hereby irrevocably constitute and appoint TRUFOODS, LLC, a New Jersey limited liability company ("Franchisor"), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including, but not limited to, the State Comptroller of the State of ________, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor. Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _______________, 20___ by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of ________ and the laws of the State of ________ shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the _____ day of ________________, 20___.

FRANCHISEE:

____

By:_____________________________

Name:___________________________

Title:___________________________

STATE OF ________________)
)
COUNTY OF ______________)

BEFORE ME, the undersigned authority, on this day personally appeared _________________, _______________ of ______________________, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____________, 20__.

(SEAL)

____

Notary Public in and for
The State of ________________

My commission expires:

____

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 8
SBA ADDENDUM

RELATING TO A RITTER'S FRANCHISE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of _________________________, by TRUFOODS, LLC, a New Jersey limited liability company whose principal place of business is 56 Columbine Circle, Newtown, Pennsylvania 18940 ("Franchisor"), and _________________, located at _____________________ ("Franchisee").

WHEREAS, Franchisor and Franchisee entered into a Franchise (or License) Agreement on _____________, 20___, ("Franchise Agreement"). The Franchisee agreed, among other things, to operate and maintain a franchise located at ___________________ designated by Franchisor as Unit #__________ (Unit). Franchisee has obtained from a lender a loan ("Loan") in which funding is provided with the assistance of the United States Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the other, the receipt and sufficiency of which all of the parties acknowledge, the parties agree as follows:

1. The Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.

2. If the Franchise Agreement is terminated and the Franchised Site or its contents are to be sold under Section 17.9 of the Franchise Agreement and the parties are unable to agree as to a purchase price and terms, the fair market value of such premises and property shall be determined by three Appraisers chosen in the following manner. Franchisee shall select one and Franchisor shall select one, and the two appraisers so chosen shall select a third appraiser. The decision of the majority of the appraisers so chosen shall be conclusive. The cost of the third appraiser shall be shared equally by the parties.

3. This Agreement automatically terminates on the earliest to occur of the following: (i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Agreement as of the day and year first above written.

TRUFOODS, LLC:	**FRANCHISEE:**
By: ______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title: ____________________________	Title:_____________________________

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 9
CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this _______ day of_________________________________, by ____________________________________ _______________________________, a(n) ____ ___________________ ("Franchisee"), a franchisee of TRUFOODS, LLC a New Jersey limited liability company ("Franchisor"), and ___________________, an individual ("Covenantor") in connection with an Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____________ ______ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark "Ritter's Frozen Custard" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of Franchised Business outlets;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Ritter's Frozen Custard operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Ritter's Frozen Custard outlet or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any restaurant or eatery business substantially similar to the System, or

(iii) seek to employ any person who is at that time employed by Franchisor, or otherwise induce such person to leave his or her employment.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of the Franchised Business or of other franchisees in the Ritter's Frozen Custard System to any competitor, by direct or indirect inducement or otherwise,

(ii) participate as an owner, partner, director, officer, employee, or consultant or serve in any other managerial, operational or supervisory capacity in any restaurant or eatery business within the within ten (10) miles of Franchisee's Territory or any Ritter's Frozen Custard location, or

(iii) seek to employ any person who is at that time employed by Franchisor, or otherwise induce such person to leave his or her employment.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE FRANCHISED BUSINESS IS LOCATED. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE SUCH STATE. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE WHERE THERE FRANCHISED BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.
i. All notices and demands required to be given hereunder shall be in writing, and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

____
____

If directed to Covenantor:

____
____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

____

By: _____________________________________
Name: ___________________________________
Title: ____________________________________

COVENANTOR:

____
Name: ___________________________________

TRUFOODS, LLC
FRANCHISE AGREEMENT
ATTACHMENT 10
CONDITIONAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned _______________________ ("Assignor") hereby assigns and transfers to TRUFOODS, LLC, a New Jersey corporation with a notice address of 56 Columbine Circle, Newtown, Pennsylvania 18940 ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which shall be attached hereto (the "Lease") respecting premises commonly known as __________________________________. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that Assignor has full power and authority to so assign the Lease and Assignor's interest therein and that Assignor has not previously assigned or transferred, and is not obligated to assign or transfer, any of Assignor's interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under the franchise agreement for a Ritter's Frozen Custard outlet between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that the option must be exercised, unless Assignee otherwise agrees in writing. If Assignee does not otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as aforesaid, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the purpose of effecting such extension or renewal.

ASSIGNOR:

DATED: ____________ By:____

____________________,___________________________
(Print Name, Title)

DATED: ____________ ____

DATED: ____________ ____

CONSENT AND AGREEMENT OF LANDLORD

to that Conditional Assignment of Lease from ____________________________ (Assignor) to TRUFOODS, LLC. (Assignee) dated ________________ for the property known as __________________ _____________.

The undersigned Landlord under the aforedescribed Lease further hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Landlord of notice thereof in accordance with paragraph (a) above;

(c) Consents to the foregoing Conditional Assignment and agrees that if Assignee takes possession of the Premises demised by the Lease and confirms to Landlord the assumption of the Lease by Assignee as tenant thereunder, Landlord shall recognize Assignee as tenant under the Lease, provided that Assignee cures within the 30-day period the non-monetary defaults, if any, of Assignor under the Lease;

(d) Agrees that Assignee may further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord and upon such assignment Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

(e) Permits Assignee to enter upon the Premises without being guilty of trespass or any other crime or tort to de-identify the Premises as a Ritter's Frozen Custard outlet if Tenant fails to do so following termination of the Franchise Agreement or Lease, provided that Assignee shall repair any damage caused thereby.

DATED: ___________________ LANDLORD:

____

____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

TRUFOODS, LLC

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1 – Certification of Multi-Unit Developer
2 - Development Schedule, Area and Fee
2 – Statement of Ownership Interest in Franchise

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "**Agreement**") is being entered into this___________________ , (the "**Effective Date**") by and between TRUFOODS, LLC., a New Jersey limited liability company with a principal business address of 56 Columbine Circle, Newtown, Pennsylvania 18940 (herein "**Franchisor**") and ______________________ , an individual residing at ________________ and ____________________ , an individual residing ____________________ (individually and together herein "**Developer**").

BACKGROUND

A. Franchisor owns a format and system (the "**System**") relating to the establishment and operation of retail shops which operate at locations that display Franchisor's interior and exterior trade dress and feature and operate under the Proprietary Marks (as defined below) (each a "**Ritter's Frozen Custard Shoppe**" or "**Franchised Shoppe**"). Ritter's Frozen Custard Shoppes are designed using Franchisor's interior trade dress to be welcoming and comfortable for customers, and offer a wide variety of frozen custard products, hamburgers, hot dogs, fries and beverages on a dine-in and take out basis, under the name and mark "Ritter's Frozen Custard". A Franchised Shoppe operates using Franchisor's proprietary recipes, formulae and techniques ("**Proprietary Products**"), as well as other non-proprietary food, beverage, and other compatible items designated by Franchisor from time to time (collectively, "**Products**").

B. The distinguishing characteristics of the System include distinctive exterior and interior design, decor, color schemes, fixtures, and furnishings; recipes, standards and specifications for products, equipment, materials, and supplies; uniform standards, specifications, and procedures for operations; purchasing and sourcing procedures; procedures for inventory and management control; training and assistance; and marketing and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System including the mark "Ritter's Frozen Custard" and other marks (the "**Proprietary Marks**").

D. Multi-Unit Developer desires to obtain certain development rights to open and operate Ritter's Frozen Custard Shoppes under the System and the Proprietary Marks, as well as to receive other assistance provided by Franchisor in connection therewith.

NOW THEREFORE, the parties agree as follows:

1. GRANT

1.1 Grant and Acceptance

Franchisor grants development rights to Multi-Unit Developer, and Multi-Unit Developer undertakes the obligation, pursuant to the terms and conditions of this Agreement, to develop no less than the number of Ritter's Frozen Custard Shoppes (the "**Franchised Shoppes**") as set forth in Attachment 2 to this Agreement. In this regard, the parties further agree that:

1.1.1 Each Franchised Shoppe developed hereunder shall be operated pursuant to a separate Franchise Agreement (a "**Franchise Agreement**") that shall be executed as provided in Section 3.4 below.

1.1.2 For each Franchised Shoppe to be developed under this Agreement, Multi-Unit Developer shall execute the Franchise Agreement for such Franchised Shoppe in accordance with the deadlines set forth in the development schedule specified in Paragraph 1 of Attachment 2 to this Agreement (the "**Development Schedule**").

1.1.3 Each Franchised Shoppe developed hereunder shall be at a specific location, which shall be designated in the Franchise Agreement, that is within in the area described in Paragraph 2 of Attachment 2 to this Agreement (the "**Exclusive Area**").

1.2 Exclusive Area

Except as otherwise set forth herein (including, without limitation, the rights retained by Franchisor as described in Section 1.3), during the term of this Agreement, and so long as Multi-Unit Developer is in compliance with its obligations under this Agreement and all of the Franchise Agreements between Multi-Unit Developer (including any affiliate of Multi-Unit Developer), Franchisor shall not establish or operate, or license anyone other than Multi-Unit Developer to establish or operate, a Ritter's Frozen Custard Shoppe under the Proprietary Marks and System at any location that is within the Exclusive Area.

1.3 Franchisor's Reserved Rights

Notwithstanding anything to the contrary, Franchisor retains the rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Multi-Unit Developer any rights therein:

1.3.1 To own, acquire, establish, and/or operate and license others to establish and operate, Ritter's Frozen Custard Shoppes under the System at any location outside the Exclusive Area notwithstanding their proximity to the Exclusive Area or their actual or threatened impact on sales or development of any of the Franchised Shoppes;

1.3.2 To own, acquire, establish and/or operate and license others to establish and operate, non-Shoppe businesses under the Proprietary Marks, at any location within or outside the Exclusive Area.

1.3.3 To own, acquire, establish and/or operate, and license others to establish and operate, businesses under proprietary marks other than the Proprietary Marks, whether such businesses are similar or different from Ritter's Frozen Custard Shoppes, at any location within or outside the Exclusive Area notwithstanding their proximity to the Exclusive Area or their actual or threatened impact on sales or development of any of the Franchised Shoppes;

1.3.4 To own, acquire, establish, and/or operate and license others to establish and operate, Ritter's Frozen Custard Shoppes under the Proprietary Marks at Non-Traditional Sites (as defined below) at any location within or outside the Exclusive Area. As used in this Agreement, "**Non-Traditional Sites**" shall mean outlets that serve primarily the customers located within the facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, in-door shopping centers, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of Non-Traditional Sites.

1.3.5 To sell and to distribute, directly or indirectly, or to license others to sell and to distribute, directly or indirectly, any products (including the Products) through grocery or convenience stores or through outlets that are primarily retail in nature, or through mail order, toll free numbers, or the Internet, including those products bearing Franchisor's Proprietary Marks, provided that distribution within the Exclusive Area shall not be from a Ritter's Frozen Custard Shoppe established under the System that is operated from within the Exclusive Area (except from a Ritter's Frozen Custard Shoppe at a Non-Traditional Site).

1.4 No Rights to Use the System

This Agreement is not a Franchise Agreement, and does not grant to Multi-Unit Developer any right to use the Proprietary Marks or the System or to sell or distribute any Products. Multi-Unit Developer's rights to use the Proprietary Marks and System will be granted solely under the terms of the Franchise Agreement.

2. TERM

Unless sooner terminated in accordance with the provisions of this Agreement, this Agreement shall commence on the date hereof and shall expire on the last date set forth in the Development Schedule, as shown in Paragraph 1 of Attachment 2 (the "**Expiration Date**").

3. DEVELOPMENT OBLIGATIONS

3.1 Time is of the Essence

Recognizing that time is of the essence, Multi-Unit Developer shall comply strictly with the Development Schedule. Multi-Unit Developer acknowledges and agrees that the Development Schedule requires that Multi-Unit Developer have executed and delivered to Franchisor Franchise Agreements for a cumulative number of Franchised Shoppes by the end of the time periods specified in Attachment 2.

3.2 Identifying and Securing Sites

Multi-Unit Developer shall be solely responsible for identifying, submitting for Franchisor's approval, and securing specific sites for each Franchised Shoppe. The following terms and conditions shall apply to each Franchised Shoppe to be developed hereunder:

3.2.1 Multi-Unit Developer shall submit to Franchisor, in a form specified by Franchisor, a completed site approval package, which shall include a site approval form prescribed by Franchisor, an option contract, letter of intent, or other evidence satisfactory to Franchisor which describes Multi-Unit Developer's favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials as Franchisor may reasonably require (collectively, the "**Site Approval Package**"). Franchisor shall have thirty (30) days after receipt of the Site Approval Package from Multi-Unit Developer to approve or disapprove, in its sole discretion, the proposed site for the Franchised Shoppe. In the event Franchisor does not approve a proposed site by written notice to Multi-Unit Developer within said thirty (30) days, such site shall be deemed disapproved by Franchisor. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

3.2.2 Following Franchisor's approval of a proposed site, Multi-Unit Developer shall use its best efforts to secure such site, either through a lease/sublease that is acceptable to Franchisor, as provided in Section 3.3 below, or a binding purchase agreement, and shall do so within sixty (60) days of approval of the site by Franchisor. Multi-Unit Developer shall immediately notify Franchisor of the execution of the approved lease or binding purchase agreement. The site approved and secured pursuant to this Agreement shall be specified as the "Approved Location" under the Franchise Agreement executed pursuant Section 3.4 below.

3.2.3 Multi-Unit Developer hereby acknowledges and agrees that approval by Franchisor of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Shoppe or for any other purpose. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Multi-Unit Developer and Franchisor acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Franchisor of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria used by Franchisor could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Franchisor. Franchisor shall not be responsible for the failure of a site approved by Franchisor to meet Multi-Unit Developer's expectations as to revenue or operational criteria.

3.3 Approval of Lease

Upon Franchisor's approval of a proposed site, Multi-Unit Developer will attempt to obtain lawful possession of the Approved Location through purchase, lease or sublease; provided that Franchisor must approve any lease or purchase contract for an Approved Location and the lease must contain certain terms and conditions that Franchisor designates. As soon as practicable, Multi-Unit Developer will deliver to Franchisor for review a copy of the lease, sublease or purchase agreement for each Approved Location. If Franchisor does not disapprove a proposed lease, sublease or purchase agreement within thirty (30) days after Franchisor receives it, it shall be deemed not approved by Franchisor. Multi-Unit Developer shall deliver a copy of the signed lease, sublease or purchase agreement to Franchisor within fifteen (15) days of its execution. Multi-Unit Developer further agrees that it will not execute or agree to any modification of the lease, sublease or purchase agreement which would affect Franchisor's rights without Franchisor's prior written approval. If Multi-Unit Developer owns an Approved Location, Multi-Unit Developer will, at Franchisor's request, enter into a lease with Franchisor for a term equal to the term of the franchise, and will sublease the Approved Location from Franchisor on the same terms as the prime lease.

3.4 Franchise Agreements

With respect to the Franchise Agreements to be executed for the Franchised Shoppes to be developed pursuant to this Agreement, the following terms and conditions shall apply:

3.4.1 The Franchise Agreement for the first Franchised Shoppe to be developed under this Agreement shall be the current of Franchise Agreement at the time of signing.

3.4.2 The Franchise Agreement for each subsequent Franchised Shoppe to be developed under this Agreement shall be Franchisor's then-current Franchise Agreement, the terms of which may differ from the terms of the Franchise Agreement attached hereto including, without limitation, a higher and/or additional fees; provided, however, so long as Multi-Unit Developer is in compliance with this Agreement, then initial franchise fee shall be as set forth in Section 4.3 below, and if the royalty fee rate is higher for the then-current franchise agreement, the royalty fee rate under the Franchise Agreement that Multi-Unit Developer executes shall be the same as the royalty fee rate set forth in the original Franchise Agreement.

3.4.3 Franchisor shall permit one or more Franchise Agreements to be executed by entities other than Multi-Unit Developer; provided that (a) each such franchisee entity is controlled by, or under common control with, Multi-Unit Developer, and (b) the Multi-Unit Developer and all Principals (as defined in Section 9.1 below) of Multi-Unit Developer requested by Franchisor execute guarantees, guarantying to Franchisor the timely payment and performance of the franchisee's obligations under the Franchise Agreement.

3.4.4 Provided that Multi-Unit Developer is in compliance with this Agreement, after Multi-Unit Developer locates and secures a site pursuant to Sections 3.2 and 3.3 above, Multi-Unit Developer (or an affiliate of Multi-Unit Developer pursuant to Section 3.4.3 above) shall execute the Franchise Agreement for such Franchised Shoppe, as provided in this Section 3.4. Multi-Unit Developer shall thereafter comply with all pre-opening and opening requirements set forth in the Franchise Agreement relating to the Franchised Shoppe.

3.5 Force Majeure Events

Multi-Unit Developer shall not be responsible for non-performance or delay in performance occasioned by a "**force majeure,**" which means an act of God, war, civil disturbance, act of terrorism, government action, fire, flood, accident, hurricane, earthquake, or other calamity, strike or other labor dispute, or any other cause beyond the reasonable control of Multi-Unit Developer; provided, however, force majeure shall not include Multi-Unit Developer's lack of adequate financing. If any delay occurs, any applicable time period hereunder shall be automatically extended for a period equal to the time lost; provided, however, that Multi-Unit Developer shall make reasonable efforts to correct the reason for such delay and give Franchisor prompt written notice of any such delay.

4. DEVELOPMENT FEE, INITIAL FRANCHISE FEES, AND ROYALTIES

4.1 Multi-Unit Development Fee

In consideration of the development rights granted herein, upon execution of this Agreement, Multi-Unit Developer shall pay an multi-unit development fee ("**Multi-Unit Development Fee**") that is equal to the Franchise Fee (as defined 4.3) for the first Franchised Shoppe and one-half of the reduced Franchise Fee for each additional Franchised Shoppe that Multi-Unit Developer must develop in order to comply with the Development Schedule, the aggregate amount of which is specified in Paragraph 3 of Attachment 2 to this Agreement. Receipt of the Multi-Unit Development Fee is hereby acknowledged. The Multi-Unit Developer acknowledges and agrees that the Multi-Unit Development Fee is fully earned and nonrefundable in consideration of administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted herein to Multi-Unit Developer, even if Multi-Unit Developer does not enter into any Franchise Agreements pursuant to this Agreement.

4.2 Credit Towards Franchise Fee

If Multi-Unit Developer is in compliance with its obligations under this Agreement and any other agreement with Franchisor, then upon execution of each Franchise Agreement, Franchisor will credit towards the Franchise Fee (which amounts are set forth in Section 4.3 below) for said Franchise Agreement, the portion of the Multi-Unit Development Fee that was attributable to such Franchised Shoppe. In no circumstances will Franchisor grant credits in excess of the total Multi-Unit Development Fee paid by Multi-Unit Developer.

4.3 Franchise Fees

Notwithstanding anything to the contrary in any of the Franchise Agreements, the initial franchise fee (the "**Franchise Fee**") that shall be paid by Multi-Unit Developer for each Franchised Shoppe to be developed pursuant to the Development Schedule shall be the following amounts, which shall be paid in full upon execution of each such Franchise Agreement, less any credit that may be applied pursuant to Section 4.2 above:

First Franchised Shoppe	$25,000
Second and each subsequent Shoppe	$20,000

5. **DUTIES OF THE PARTIES**

5.1 Franchisor's Assistance

Franchisor shall furnish to Multi-Unit Developer the following:

5.1.1 Site selection guidelines, including Franchisor's minimum standards for Ritter's Frozen Custard Shoppe sites and sources regarding demographic information, and such site selection counseling and assistance as Franchisor may deem advisable.

5.1.2 Such on-site evaluation as Franchisor deems advisable in response to Multi-Unit Developer's request for site approval for each Franchised Shoppe; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to the receipt of a Site Approval Package for such site prepared by Multi-Unit Developer pursuant to Section 3.2.

5.2 Designated Principal

If Multi-Unit Developer is other than an individual, Multi-Unit Developer shall designate, subject to Franchisor's reasonable approval, one Principal (as defined in Section 9.1) who is both an individual person and owns at least a ten percent (10%) interest in Multi-Unit Developer, and who shall be responsible for general oversight and management of the development of the Franchised Shoppes under this Agreement and the operations of all such Franchised Shoppes open and in operation on behalf of Multi-Unit Developer (the "**Designated Principal**"). Multi-Unit Developer acknowledges and agrees that Franchisor shall have the right to rely upon the Designated Principal to have been given, by Multi-Unit Developer, the responsibility and decision-making authority regarding the Multi-Unit Developer's business and operation. In the event the person designated as the Designated Principal becomes incapacitated, leaves the employ of Multi-Unit Developer, transfers his/her interest in Multi-Unit Developer, or otherwise ceases to supervise the development of the Franchised Shoppes, Multi-Unit Developer shall promptly designate a new Designated Principal, subject to Franchisor's reasonable approval.

5.3 Records and Reports to Franchisor

Multi-Unit Developer shall, at Multi-Unit Developer's expense, comply with the following requirements to prepare and submit to Franchisor the following reports, financial statements and other data, which shall be prepared in the form and using the standard statements and chart of accounts as Franchisor may prescribe from time to time:

5.3.1 No later than the twentieth (20^{th}) day of each calendar month, Multi-Unit Developer shall have prepared a profit and loss statement reflecting all Multi-Unit Developer's operations during the last preceding calendar month, for each Franchised Shoppe. Multi-Unit Developer shall prepare profit and loss statements on an accrual basis and in accordance with generally accepted accounting principles. Multi-Unit Developer shall submit such statements to Franchisor at such times as Franchisor may designate or as Franchisor may otherwise request.

5.3.2 On April 15th of the year following the end of Multi-Unit Developer's fiscal year, a complete annual financial statement (prepared according to generally accepted accounting principles), on a compilation basis, and if required by Franchisor, such statements shall be prepared by an independent certified public accountant.

5.3.3 Such other forms, reports, records, information, and data as Franchisor may reasonably designate.

5.4 Maintaining Records

Multi-Unit Developer shall maintain during the term of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation, and shall make available to Franchisor at Franchisor's request and at Multi-Unit Developer's expense, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles.

5.5 Multi-Unit Developer to Provide Training

Multi-Unit Developer agrees that, notwithstanding any thing to the contrary in any Franchise Agreement, Multi-Unit Developer shall be responsible for conducting the initial training of all required trainees (including without limitation the owners and management personnel) for the third (3^{rd}) and any subsequent Franchised Shoppes developed under this Agreement, in accordance with the requirements and conditions as Franchisor may from time to time establish for the initial training. By no later than the time Multi-Unit Developer is seeking Franchisor's approval to develop the third (3^{rd}) Franchised Shoppe under this Agreement, Multi-Unit Developer shall be have completed to Franchisor's satisfaction all requirements and conditions necessary to obtain Franchisor's approval for Multi-Unit Developer to conduct such training.

6. **DEFAULT AND TERMINATION**

6.1 Automatic Termination

Multi-Unit Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Multi-Unit Developer, if Multi-Unit Developer, or any of Multi-Unit Developer's partners, if Multi-Unit Developer is a partnership, or any of its officers, directors, shareholders, or members, if Multi-Unit Developer is a corporation or limited liability company, becomes insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Multi-Unit Developer or such a petition is filed against and not opposed by Multi-Unit Developer; if Multi-Unit Developer is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Multi-Unit Developer or other custodian for Multi-Unit Developer's business or assets is filed and consented to by Multi-Unit Developer; if a receiver or other custodian (permanent or temporary) of Multi-Unit Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against Multi-Unit Developer; if final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if Multi-Unit Developer is dissolved; if execution is levied against any asset of Multi-Unit Developer or Multi-Unit Developer's Franchised Shoppes; if suit to foreclose any lien or mortgage against any asset of Multi-Unit Developer or Multi-Unit Developer's Franchised Shoppes is instituted against Multi-Unit Developer and not dismissed within sixty (60) days; or if any asset of Multi-Unit Developer's or any Franchised Shoppe of Multi-Unit Developer's shall be sold after levy thereupon by any sheriff, marshal, or constable.

6.2 Termination Upon Notice

Multi-Unit Developer shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder or take any of the actions described in Section 6.5 below, without affording Multi-Unit Developer any opportunity to cure the default, effective immediately upon the provision of notice to Multi-Unit Developer (in the manner provided under Section 10 hereof), upon the occurrence of any of the following events of default:

6.2.1 If the Franchise Agreement for any Franchised Shoppe operated by Multi-Unit Developer (or an entity affiliated with Multi-Unit Developer) is terminated.

6.2.2 If Multi-Unit Developer (or an officer or director of, or a shareholder in, Multi-Unit Developer (or an entity affiliated with Multi-Unit Developer) if Multi-Unit Developer is a corporation, or a general or limited partner of Multi-Unit Developer, if Multi-Unit Developer is a partnership) is convicted of a felony, a crime involving moral turpitude, or any other crime or action that Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein.

6.2.3 If Multi-Unit Developer or any Principal purports to transfer any rights or obligations under this Agreement or any the assets of Multi-Unit Developer in a manner that is contrary to the terms of Section 7 of this Agreement.

6.3 Notice and Opportunity to Cure – For a Missed Deadline

Failure by Multi-Unit Developer to meet a deadline under the Development Schedule (a "Missed Deadline") shall constitute a default under this Agreement. Franchisor shall, for one (1) Missed Deadline, provide Multi-Unit Developer with a reasonable opportunity to cure such default by Franchisor notifying Multi-Unit Developer in writing of a new date for the Missed Deadline (without change to any other deadline in the Development Schedule). If Multi-Unit Developer fails to come into compliance with the Development Schedule by such new deadline, and/or upon the occurrence of another Missed Deadline, Franchisor, in its discretion, may terminate this Agreement and all rights granted hereunder without affording Multi-Unit Developer any further opportunity to cure the default, effective immediately upon the delivery of written notice to Multi-Unit Developer (in the manner set forth in Section 10 of this Agreement); or Franchisor, in its discretion, may elect, in lieu of terminating this Agreement, to take any of the actions described in Section 6.5 below.

6.4 Notice and Opportunity to Cure Other Defaults

Except as otherwise provided in Sections 6.1, 6.2 , and 6.3 above, if Multi-Unit Developer fails to comply with any material term and condition of this Agreement, such action shall constitute a default under this Agreement and, upon the occurrence of any such default, Franchisor may terminate this Agreement by giving written notice of termination stating the nature of such default to Multi-Unit Developer at least thirty (30) days prior to the effective date of termination; provided, however, that Multi-Unit Developer may avoid termination by curing the default to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the 30-day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement and all rights granted hereunder (including but not limited to, the right to develop new Franchised Shoppes) will terminate without further notice to Multi-Unit Developer effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

6.5 Franchisor's Other Options Upon Default

Franchisor, in its discretion, may elect, in lieu of terminating this Agreement, to use other remedial measures for Multi-Unit Developer's breach of this Agreement, which include, but are not limited to: (i) termination of the credit towards Franchise Fees granted in Section 4.2 hereof; (ii) loss of the limited exclusivity, or reduction in the scope of protections, granted to Multi-Unit Developer under Section 1.2

herein for the Exclusive Area; (iii) reduction in the scope of the Exclusive Area; (iv) reduction in the number of Franchised Shoppes to be developed by Multi-Unit Developer; and/or (v) Franchisor's retention of all Multi-Unit Development Fees paid, or owed, by Multi-Unit Developer. If Franchisor exercises said right, Franchisor shall not have waived its right to, in the case of future defaults, exercise all other rights and invoke all other provisions that are provided in law and/or set out under this Agreement.

6.6 No Further Rights

Upon termination or expiration of this Agreement, Multi-Unit Developer shall have no right to establish or operate any Ritter's Frozen Custard Shoppe for which a Franchise Agreement has not been executed by Franchisor at the time of termination or expiration. Franchisor's remedies for Multi-Unit Developer's breach of this Agreement shall include, without limitation, Multi-Unit Developer's loss of its right to develop additional Franchised Shoppes under this Agreement, and Franchisor's retention of all Multi-Unit Development Fees paid or owed by Multi-Unit Developer. Upon termination or expiration, Franchisor shall be entitled to establish, and to franchise others to establish, Ritter's Frozen Custard Shoppes in the Exclusive Area, except as may be otherwise provided under any Franchise Agreement which has been executed between Franchisor and Multi-Unit Developer or, as permitted under Section 3.4.3 of this Agreement, Multi-Unit Developer's affiliates.

6.7 Cross Default

Any default by Multi-Unit Developer (or any person/company affiliated with Multi-Unit Developer) under this Agreement may be regarded as a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Multi-Unit Developer (or any affiliate of Multi-Unit Developer). Any default by Multi-Unit Developer (or any person/company affiliated with Multi-Unit Developer) under any other agreement, including, but not limited to, a franchise agreement, any lease and/or sublease, between Franchisor (or any affiliate of Franchisor) and Multi-Unit Developer (or any person/company affiliated with Multi-Unit Developer), and any default by Multi-Unit Developer (or any person/company affiliated with Multi-Unit Developer) under any obligation to Franchisor (or any affiliate of Franchisor) may be regarded as a default under this Agreement. Any default by Multi-Unit Developer (or any person/company affiliated with Multi-Unit Developer) under any lease, sublease, loan agreement, security interest or otherwise, whether with Franchisor, any affiliate of Franchisor and/or any third party may be regarded as a default under this Agreement and/or any other agreement between Franchisor (or any affiliate of Franchisor) and Multi-Unit Developer (or any affiliate of Multi-Unit Developer).

In each of the foregoing cases, Franchisor (and any affiliate of Franchisor) will have all remedies allowed at law, including termination of Multi-Unit Developer's rights (and/or those of any person/company affiliated with Multi-Unit Developer) and Franchisor's (and/or Franchisor's affiliates') obligations. No right or remedy which Franchisor may have (including termination) is exclusive of any other right or remedy provided under law or equity and Franchisor may pursue any rights and/or remedies available.

7. **TRANSFER OF INTEREST**

7.1 Franchisor's Rights to Transfer

Franchisor shall have the right to assign this Agreement and all of its attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing Franchisor's obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

Multi-Unit Developer expressly affirms and agrees that Franchisor may sell its assets, its rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, Multi-Unit Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "TRUFOODS LLC" as Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the frozen dessert business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that Franchisor exercises its right to assign its rights in this Agreement.

7.2 No Transfers Without Franchisor's Approval

Multi-Unit Developer understands and acknowledges that Franchisor has granted the rights hereunder in reliance on the business skill, financial capacity, and personal character of Multi-Unit Developer. Accordingly, Multi-Unit Developer shall not sell, assign, transfer, pledge or otherwise encumber any direct or indirect interest in the Multi-Unit Developer (including any direct or indirect interest in a corporate or partnership Multi-Unit Developer), the rights or obligations Multi-Unit Developer under this Agreement, or any material asset of the Multi-Unit Developer's business, without the prior written consent of Franchisor, which shall be subject to Sections 7.3 and 7.4 below and to all of the conditions and requirements for transfers set forth in the Franchise Agreement that Franchisor deems applicable to a proposed transfer under this Agreement.

7.3 Simultaneous Transfers

Multi-Unit Developer understands and acknowledges that any consent to a transfer of this Agreement shall, unless waived, be conditioned on, among other factors, the requirement that the proposed transfer of this Agreement is to be made in conjunction with a simultaneous transfer of all Franchise Agreements executed pursuant to this Agreement to the same approved transferee.

7.4 Transfer Fee

Multi-Unit Developer shall pay a transfer fee of Ten Thousand Dollars ($10,000) for each Ritter's Frozen Custard Shoppe Multi-Unit Developer has committed to develop to compensate Franchisor for its expenses incurred in connection with the transfer. Additionally, for any Franchise Agreements executed pursuant to this Agreement that are transferred, the transfer fee due under such Franchise Agreement(s) shall be paid to Franchisor pursuant to the terms of such Franchise Agreement(s).

Commented [CA1]: $15,000 per unit under the Multi-Unit Development Agreement on item 6

7.5 Transfer to Entity Formed by Multi-Unit Developer

Notwithstanding anything to the contrary in this Section 7, if Multi-Unit Developer is an individual and seeks to transfer this Agreement to a corporation, partnership, or limited liability company formed for the convenience of ownership, the conditions of Sections 7.4 shall not apply, and Multi-Unit Developer may undertake such transfer, provided that Multi-Unit Developer owns one hundred percent (100%) of the equity interest in the transferee entity, and the Multi-Unit Developer personally guarantees, in a written guaranty satisfactory to Franchisor, the performance of the obligations of the Multi-Unit Developer under this Agreement.

8. COVENANTS

8.1 Confidential Information

Multi-Unit Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Multi-Unit Developer by Franchisor, and shall disclose such information or materials only to such of Multi-Unit Developer's employees or agents who must have access to it in connection with their employment. Multi-Unit Developer shall not at any time, during the term of this Agreement or thereafter, without Franchisor's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. Notwithstanding the generality of the foregoing, "confidential information" shall include, but not be limited to, System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Shoppes, proprietary software (if any), the terms of this Agreement, the Manuals, graphic designs and other intellectual property, interior and exterior trade dress for the Shoppe, and décor items for the Shoppe.

8.2 During the Term

Multi-Unit Developer specifically acknowledges that, pursuant to this Agreement, Multi-Unit Developer will receive valuable specialized training and confidential information, which may include, without limitation, information regarding the operational, sales, advertising and promotional methods and techniques of Franchisor and the System. Multi-Unit Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Multi-Unit Developer shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation:

8.2.1 Divert or attempt to divert any business or customer of any Ritter's Frozen Custard Shoppe or of any unit under the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

8.2.2 Unless released in writing by the employer, employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee or multi-unit developer of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment.

8.2.3 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any more than a one percent (1%) interest in (as owner or otherwise) any Competitive Business (as defined below). A "**Competitive Business**" shall be consider to be retail food businesses with menu offerings consisting predominantly of frozen dessert items. Furthermore, Multi-Unit Developer acknowledges and agrees that Multi-Unit Developer shall be considered in default under this Agreement and that this Agreement will be subject to immediate termination as provided in Section 6.2 herein, in the event that a person in the immediate family (including spouse, domestic partner, parent or child) of Multi-Unit Developer (or, if Multi-Unit Developer is other than an individual, each Principal that is subject to these covenants) engages in a Competitive Business that would violate this Section 8.2.3 if such person was subject to the covenants of this Section 8.2.3.

8.3 After the Agreement and After a Transfer

Multi-Unit Developer covenants that, except as otherwise approved in writing by Franchisor, for a continuous uninterrupted period of two (2) years from the date of (a) a transfer permitted under Section 7 above; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); (d) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 8.3; or (e) any or all of the foregoing, Multi-Unit Developer shall not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, partnership, corporation, or other entity, own, maintain, operate, engage in, or have any interest in any Competitive Business, which is, or is intended to be (i) located within the Exclusive Area (other than those Franchised Shoppes provided for in the Development Schedule), or makes offers and sales into the Exclusive Area; or (ii) located within a radius of twenty-five (25) miles of any other Ritter's Frozen Custard Shoppe located anywhere. Provided, however, that this provision shall not apply to the operation by Multi-Unit Developer of any business under the System under a franchise agreement with Franchisor.

8.4 Exception for Ownership in Public Entities

Sections 8.2 and 8.3 hereof shall not apply to ownership by Multi-Unit Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "**publicly held corporation**" refers to a corporation which has outstanding securities that have been registered under the federal Securities Exchange Act of 1934.

8.5 Personal Covenants

At the request of Franchisor, Multi-Unit Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 8 (including covenants applicable upon the termination of a person's relationship with Multi-Unit Developer) and the provisions of Sections 6 and 7 of this Agreement (as modified to apply to an individual) from any or all of the following persons: (a) the Designated Principal, (b) all managers and other personnel employed by Multi-Unit Developer who have received or will receive training and/or other confidential information; and (c) all officers, directors, and Principals who have or will receive training or access to confidential information, or who are or may be involved in the operation or development of the Franchised Shoppes. Every covenant required by this Section 8.5 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

8.6 Covenants as Independent Clauses

The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 8 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 8.

8.7 Franchisor's Right to Reduce Scope of the Covenants

Multi-Unit Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 8.2 and 8.3 in this Agreement, or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof; and Multi-Unit Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 15 hereof.

8.8 Covenants Survive Claims

Multi-Unit Developer expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 8. Multi-Unit Developer agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 8.

8.9 Compliance with Laws

Multi-Unit Developer represents and warrants to Franchisor that neither Multi-Unit Developer (including, without limitation, any and all of its employees, directors, officers and other representatives) nor any of its affiliates or the funding sources for either is a person or entity designated with whom Franchisor, or any of its affiliates, are prohibited by law from transacting business.

9. **CORPORATE, LIMITED LIABILITY COMPANY, OR PARTNERSHIP MULTI-UNIT DEVELOPER**

9.1 List of Principals

If Multi-Unit Developer is a corporation, limited liability company, or partnership, each owner of beneficial interest in Multi-Unit Developer (each a "**Principal**"), and the interest of each Principal in Multi-Unit Developer, shall be identified in Attachment 3 to the Agreement. Multi-Unit Developer shall maintain a list of all Principals and immediately furnish Franchisor with an update to the information contained in Attachment 3 upon any change, which shall be made only in compliance with Section 7 above.

9.2 Corporations and Limited Liability Companies

If Multi-Unit Developer is a corporation or limited liability company, Multi-Unit Developer shall comply with the following requirements:

9.2.1 Multi-Unit Developer shall be newly organized and its governing documents shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Shoppes.

9.2.2 Multi-Unit Developer shall, upon request of Franchisor, promptly furnished to Franchisor copies of Multi-Unit Developer's articles of incorporation, bylaws, articles of organization, operating agreement and/or other governing documents, and any amendments thereto, including the resolution of the Board of Directors or members authorizing entry into this Agreement.

9.2.3 Multi-Unit Developer shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and each stock certificate or issued securities of Multi-Unit Developer shall conspicuously endorse upon its face a statement, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement; provided, however, that the requirements of this Section 9.3.3 shall not apply to a publicly held corporation.

9.3 Partnerships and Limited Liability Partnerships

If Multi-Unit Developer or any successor to or assignee of Multi-Unit Developer is a partnership or limited liability partnership, Multi-Unit Developer shall comply with the following requirements:

9.3.1 Multi-Unit Developer shall be newly organized and its partnership agreement shall at all times provide that its activities are confined exclusively to developing and operating the Franchised Shoppes.

9.3.2 Multi-Unit Developer shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto.

9.3.3 The partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

10. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery. If a notice is sent to you for Non-Compliance we will charge a fee. If Area Developer fails to accept notices transmitted in any of the above means the fee will apply.

11. PERMITS AND COMPLIANCE WITH THE LAWS

11.1 Compliance with Laws

Multi-Unit Developer shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business contemplated under this Agreement.

11.2 Notice of Actions

Multi-Unit Developer shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Multi-Unit Developer and/or any Franchised Shoppe established under this Agreement.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

12.1 No Fiduciary Relationship

Multi-Unit Developer is an independent contractor. Franchisor and Multi-Unit Developer are completely separate entities and are not fiduciaries, partners, joint venturers, or agents of the other in any sense and neither shall have the power to bind the other. No act or assistance given by either party to the other pursuant to this Agreement shall be construed to alter the relationship.

12.2 Public Notice

During the term of this Agreement, Multi-Unit Developer shall hold itself out to the public as an independent contractor operating the business pursuant to an multi-unit development agreement with Franchisor. Multi-Unit Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of the fact in a conspicuous place in Multi-Unit Developer’s offices, the content of which Franchisor reserves the right to specify.

12.3 No Assumption of Liability

Nothing in this Agreement authorizes Multi-Unit Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Multi-Unit Developer in Multi-Unit Developer's operations hereunder, or for any claim or judgment arising therefrom against Multi-Unit Developer or Franchisor.

12.4 Indemnification

Multi-Unit Developer shall indemnify and hold Franchisor, its owners and affiliates, and its officers, directors, and employees (the "**Indemnitees**") harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, damages or other expenses (including, but not limited to, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with Multi-Unit Developer's operation of the business contemplated hereunder (notwithstanding any claims that the Indemnitees are or were negligent). Multi-Unit Developer agrees that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees shall have the right, but not the obligation, to: (i) choose counsel; (ii) direct, manage and/or control the handling of the matter; and/or (iii) settle on behalf of the Indemnitees, and/or Multi-Unit Developer, any claim against the Indemnitees. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee shall be taken as prima facie evidence of Multi-Unit Developer's obligation hereunder.

13. APPROVALS AND WAIVERS

13.1 Approval Requests

Whenever this Agreement requires the prior approval or consent of Franchisor, Multi-Unit Developer shall make a timely written request to Franchisor therefor, and such approval or consent shall be in writing. Franchisor shall respond to Multi-Unit Developer's timely requests in a reasonably timely and prompt manner.

13.2 Non-waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Multi-Unit Developer with any obligation or condition hereunder, and no custom or practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Multi-Unit Developer shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance, or omission of Franchisor to exercise any power or rights arising out of any breach or default by Multi-Unit Developer of any of the terms, provisions, or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Multi-Unit Developer of any terms, covenants or conditions of this Agreement.

14. SEVERABILITY AND CONSTRUCTION

14.1 Severable Parts

Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

14.2 Terms Surviving this Agreement

Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), or assignment shall survive such expiration, termination.

14.3 No Rights on Third Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Multi-Unit Developer, Franchisor, officers, directors, shareholders, agents, and employees of Franchisor, and such successors and assigns of Franchisor as may be contemplated by Section 7 hereof, any rights or remedies under or by reason of this Agreement.

14.4 Full Scope of Terms

Multi-Unit Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

14.5 Franchisor's Application of its Rights

Franchisor shall have the right to operate, develop and change the System in any manner that is not specifically precluded by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Multi-Unit Developer a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its rights, on the basis of the information readily available to Franchisor, and its judgment of what is in its best interests and/or in the best interests of the Franchisor's franchise network, at the time its decision is made, without regard to whether: (i) other reasonable or even arguably preferable alternative decisions could have been made by Franchisor; (ii) the decision or action of Franchisor will promote its financial or other individual interest; (iii) Franchisor's decision or the action it take applies differently to Multi-Unit Developer and one or more other franchisees or Franchisor's company-owed operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Multi-Unit Developer's interests. In the absence of an applicable statute, Franchisor will have no liability to Multi-Unit Developer for any such decision or action. Franchisor and Multi-Unit Developer intend that the exercise of Franchisor right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Multi-Unit Developer agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Multi-Unit Developer's rights and obligations hereunder.

14.6 Captions Only for Convenience

All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

15. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Multi-Unit Developer concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced Multi-Unit Developer to execute this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Multi-Unit Developer by Franchisor. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

16. APPLICABLE LAW AND DISPUTE RESOLUTION

16.1 Governing Law

This Agreement takes effect upon its acceptance and execution by Franchisor, and shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of New York shall prevail, without regard to, and without giving effect to, the application of New York conflict of law rules. Nothing in this Section 16.1 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of New York or of any other state to which it would not otherwise be subject.

16.2 Dispute Resolution

IN THE EVENT ANY PARTY IS REQUIRED TO EMPLOY LEGAL COUNSEL OR TO INCUR OTHER REASONABLE EXPENSES TO ENFORCE ANY OBLIGATION OF ANOTHER PARTY HEREUNDER, OR TO DEFEND AGAINST ANY CLAIM, DEMAND, ACTION, OR PROCEEDING BY REASON OF ANOTHER PARTY'S FAILURE TO PERFORM ANY OBLIGATION IMPOSED UPON SUCH PARTY BY THIS AGREEMENT, AND PROVIDED THAT LEGAL ACTION IS FILED BY OR AGAINST THE FIRST PARTY AND SUCH ACTION OR THE SETTLEMENT THEREOF ESTABLISHES THE OTHER PARTY'S DEFAULT HEREUNDER, THEN THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY THE AMOUNT OF ALL REASONABLE ATTORNEYS' FEES OF SUCH COUNSEL AND ALL OTHER EXPENSES REASONABLY INCURRED IN ENFORCING SUCH OBLIGATION OR IN DEFENDING AGAINST SUCH CLAIM, DEMAND, ACTION, OR PROCEEDING, WHETHER INCURRED PRIOR TO OR IN PREPARATION FOR OR CONTEMPLATION OF THE FILING OF SUCH ACTION OR THEREAFTER.

EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE PARTIES AGREE THAT ALL DISPUTES THAT CANNOT BE AMICABLY SETTLED SHALL BE DETERMINED SOLELY AND EXCLUSIVELY BY A COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK.

NOTHING HEREIN CONTAINED SHALL BAR THE RIGHT OF EITHER PARTY TO SEEK AND OBTAIN TEMPORARY AND PERMANENT INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION IN ACCORDANCE WITH APPLICABLE LAW AGAINST THREATENED CONDUCT THAT WILL IN ALL PROBABILITY CAUSE LOSS OR DAMAGE TO MULTI-UNIT DEVELOPER OR FRANCHISOR.

MULTI-UNIT DEVELOPER SHALL NOT ASSERT ANY CLAIM OR CAUSE OF ACTION AGAINST FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR AFFILIATES AFTER ONE (1) YEAR FOLLOWING THE EVENT GIVING RISE TO SUCH CLAIM OR CAUSE OF ACTION.

16.3 Third Party Signatories

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

16.4 No Rights Exclusive of Other Rights

No right or remedy conferred upon or reserved to Franchisor or Multi-Unit Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy provided herein or permitted by law or equity, but each shall be cumulative of every other right or remedy.

16.5 Waiver of Jury Trial

Franchisor and Multi-Unit Developer irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Multi-Unit Developer and Franchisor, or Multi-Unit Developer's activities under this Agreement, brought by either party hereto against the other, whether in mediation, or a legal action, shall be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

16.6 Waiver of Punitive Damages

Franchisor and Multi-Unit Developer hereby waive to the fullest extent permitted by law any right to or claim of any punitive or exemplary damages against the other.

16.7 Injunctive Relief

Nothing herein contained shall bar the right of Franchisor to obtain injunctive relief against threatened conduct that will cause it loss or damages under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

17. **ACKNOWLEDGMENTS**

17.1 Multi-Unit Developer's Investigation of the Business Possibilities

Multi-Unit Developer acknowledges that it has conducted an independent investigation of the business of developing and operating Ritter's Frozen Custard Shoppes, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Multi-Unit Developer (or, if Multi-Unit Developer is a corporation, partnership or limited liability company, the ability of its principals) as (an) independent businessperson(s). Franchisor expressly disclaims the making of, and Multi-Unit Developer acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

17.2 Receipt of Disclosure Document

Multi-Unit Developer acknowledges that it received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment by Multi-Unit Developer for the rights granted under this Agreement.

17.3 Multi-Unit Developer Read the Agreement and Consulted

Multi-Unit Developer acknowledges that it has read and understood this Agreement, the attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Multi-Unit Developer ample time and opportunity to consult with advisors of Multi-Unit Developer's own choosing about the potential benefits and risks of entering into this Agreement.

17.4 No Conflicting Obligations

Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

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

TRUFOODS, LLC Franchisor	________________________________ Multi-Unit Developer
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________
Address for Notices:	Address for Notices:
56 Columbine Cicle, Newtown, Pennsylvania 18940 Attn: Robert Bagnell Telephone: (516) 220-8942 Fax: (212) 359-3601	____________________________ _______________________________ _______________________________ Telephone:_______________________ Fax:____________________________ Attn:___________________________

TRUFOODS, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT 1

CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as Multi-Unit Developer does hereby certify that he/she has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he/she has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated “Ritter’s Frozen Custard” Restaurants, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Multi-Unit Developer. The undersigned further certifies that he/she understands the risks involved in this investment and TRUFOODS, LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his/her investment.

The undersigned has signed, sealed and delivered this Certificate this day of __________________ ____________________.

____
Name:____________________________

____
Name:____________________________

____
Name:____________________________

TRUFOODS, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT 2
DATA SHEET

1. Development Schedule (see Section 1.1): Multi-Unit Developer shall execute Franchise Agreements for the development and operation of __________ (___) Franchised Shoppes, within the Exclusive Area in accordance with the following Development Schedule:

Minimum Cumulative Number of Franchise Agreements for Franchised Shoppes to be located and Operating Within the Exclusive Area	By this Date
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________

Total: _______

2. Exclusive Area (see Section 1.1): The Exclusive Area shall be the following

3. Multi-Unit Development Fee (see Section 4.1): The Multi-Unit Development Fee shall be $______________.

APPROVED:
MULTI-UNIT DEVELOPER:

____
Name:__________________________

FRANCHISOR:
TRUFOODS, LLC

By:____________________________
Name:__________________________
Title:__________________________

TRUFOODS, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT 3
STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE

Name	Percentage of Ownership

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EXHIBIT E TO THE DISCLOSURE DOCUMENT

FRANCHISED OUTLETS
(as of December 31, 2025)

Franchisees

Florida	
Edgar Ortiz OM Florida Group, LLC 2560 East Highway 50, STE 114 Clermont, FL 34711 (352) 536-2979	
GEORGIA	
Rambaimataji Inc 1328 Boone Avenue Kingsland, GA 31548 912-510-9021	
Indiana	
Brant Stockamp SB FUSE ONE, LLC 4840 West 57th Street Indianapolis, IN 46254 (317) 293-1417	Bob Jaques Jaques LLC 3921 N. Main Street Mishawaka, IN 46545 (574) 255-8000
Pete and Connie Rentschler 2203 N. Lafayette Ave Terre Haute, IN 47805 (812) 460-1929	Jerry Gowan and David Gowan Glacier Food, LLC 4949 E. Stop 11 Road Indianapolis, IN 46237 (317) 889-1468
Brant Stockamp Franklin Custard, LLC 351 North Morton Road Franklin, IN 46142 (317) 293-1417	Brant Stockamp Greenwood Custard, LLC 32`9 West Country Line Road Greenwood, IN 46142 (317) 293-1417
Brant Stockamp 3845 Lake City Highway Warsaw, IN 46580 (317) 293-1417	Brant Stockamp Brownsburg Custard, LLC 1521 North Green Street, Suite D Brownsburg, IN 46112 (317) 293-1417
Michigan	

Brent and Sue Goings Meridian Custard, LLC 5962 Meridian Boulevard Brighton, MI 48116 (810) 229-6992	Brant Stockamp Portage Custard, LLC 217 Romence Road Portage, MI 49024 (269) 321-8800 (Transferred LAM and Company)
Hikmat Salamey Tommy's Ice Cream Shop LLC 31227 Eight Mile Road Livonia, MI 48152 (248) 476-4571	
Ohio	
Beth and Kyle Rogers ICreeks Investments, LLC 2531 Dayton-Xenia Road Beavercreek, OH 45434 (937) 320-0772	Stephen and Kendall Koehler 1393 Ambridge Road Centerville, Ohio 45459 937-284-1513
Texas	
Thomas, Michael and Mette Miller Millers Frozen Custard, LLC 3427 North Fry Road Katy, TX 77449 (281) 646-1211	

Multi-Unit Developers

None

FRANCHISED OUTLETS SIGNED BUT NOT YET OPENED
(as of December 31, 2025)

None.

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AND MULTI-UNIT DEVELOPERS WHO HAVE LEFT THE SYSTEM
(as of December 31, 2025)

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

FRANCHISEES:

Florida	
John and Renee Dame Ritter's of Florida, LLC 4629 S. Clyde Morris Blvd Port Orange, FL 32129 (386) 760-1082	Pradip Patel and Nilam Patel Ritter's of Gainesville, Inc. 6815 West Newberry Road Gainesville, FL 32605 (352) 745-6935
Michigan	
Brent and Sue Goings Merri-Eight Land, LLC 31227 Eight Mile Road Livonia, MI 48152 (248) 476-4571 *transfer*	

MULTI-UNIT DEVELOPERS:

NONE

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

TRUFOODS, LLC

Consolidated Financial Statements

Years ended December 31, 2025 and 2024

LEHMAN FLYNN VOLLARO PLLC

CERTIFIED PUBLIC ACCOUNTANTS

TRUFOODS, LLC
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December 31, 2025 and 2024

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LEHMAN FLYNN VOLLARO PLLC
CERTIFIED PUBLIC ACCOUNTANTS
534 BROADHOLLOW ROAD • SUITE 302
MELVILLE, NY 11747

MARTIN M. LEHMAN, CPA
SCOTT P. FLYNN, CPA
LAWRENCE A. VOLLARO, CPA
MATHEW H. PERETZ, CPA
MATTHEW P. GEYER

TEL: (212) 736-2220
FAX: (212) 736-8018
WEB: www.LNFcpa.com
Members:
American Institute of CPA's
New York State Society of CPA's

Report of Independent Auditors

To Management of TRUFOODS, LLC

Opinion

We have audited the accompanying consolidated financial statements of TRUFOODS, LLC (a New Jersey LLC), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of income, changes member's equity and cash flows for the years then ended and the related notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TRUFOODS, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Lehman Flynn Vollaro CPA's PLLC

Melville, NY
February 9, 2026

TRUFOODS, LLC
Consolidated Balance Sheets
December 31,

	2025	2024
Current assets		
Cash and cash equivalents	$ 739,448	$ 650,791
Accounts receivable	5,378	9,282
License fees receivable	17,114	30,840
Prepaid expenses	3,542	3,542
Total current assets	765,482	694,455
Total assets	$ 765,482	$ 694,455

Liabilities and Member's Equity

	2025	2024
Current liabilities		
Accounts payable and accrued expenses	$ 20,428	$ 20,306
Deferred revenue - current	4,511	4,567
Brand development liabilities	138,457	99,367
Total current liabilities	163,396	124,240
Deferred revenue - net of current	24,515	28,026
Total liabilities	187,911	152,266
Member's equity	577,571	542,189
Total liabilities and member's equity	$ 765,482	$ 694,455

TRUFOODS, LLC

Consolidated Statements of Income and Changes in Member's Equity

Years Ended December 31,

	2025	2024
Franchise revenues		
Franchise royalties	$ 569,089	$ 604,062
License fees	144,230	180,807
Franchise fees	23,567	11,567
Interest income	6,597	3,490
Total revenue	743,483	799,926
Expenses		
Selling, general and administrative	706,392	739,255
Total expenses	706,392	739,255
Net income	37,091	60,671
Member's equity, beginning of year	542,189	984,253
Less: distributions	(1,709)	(502,735)
Member's equity, end of year	$ 577,571	$ 542,189

See notes to consolidated financial statements

TRUFOODS, LLC
Consolidated Statements of Cash Flows
Years Ended December 31,

	2025	2024
Cash flows from operating activities		
Net income	$ 37,091	$ 60,671
Changes in operating assets and liabilities		
Accounts receivable	3,904	20,390
License fees receivable	13,726	(18,683)
Prepaid expenses	-	1,054
Accounts payable and accrued expenses	122	(21,770)
Deferred revenue	(3,567)	8,433
Brand development liabilities	39,090	(11,062)
Net cash from operating activities	90,366	39,033
Cash flows from financing activities		
Distributions to member	(1,709)	(502,735)
Net cash used for financing activities	(1,709)	(502,735)
Net change in cash and cash equivalents	88,657	(463,702)
Cash and cash equivalents, beginning of year	650,791	1,114,493
Cash and cash equivalents, end of year	$ 739,448	$ 650,791
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ -	$ -
Income taxes	-	-

Note 1 - Nature of organization

TRUFOODS, LLC and its wholly owned subsidiaries, Ritter's LLC, FATP, LLC, and WS Deli, LLC (collectively, TF, we, us, our), are franchisor/licensors of Ritter's Frozen Custard, Arthur Treacher's Fish & Chips, Pudgie's Naked Chicken and Wall Street Deli restaurants throughout the continental United States. TF has a total of 21 and 23 franchise units as of December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, 3 franchise locations were closed, and 1 franchise location was opened. During the year ended December 31, 2024 2 franchise locations were closed, and no franchise locations were opened.

TRUFOODS, LLC (TF, we, us, our) is a New Jersey limited liability company organized on October 25, 2005. The limited liability company agreements specify, among other things, the term of the limited liability company, which is unlimited, the rights and powers of the members, capital contribution and cash distribution criteria and profit and loss allocations. As a limited liability company, each members' liability is generally limited to the amount in their respective capital accounts.

Note 2 - Significant accounting policies

Basis of presentation

The financial statements are prepared on the accrual basis of accounting on conformity with accounting principles generally accepted in the United States of America.

Principles of consolidation

The accompany consolidated financial statements include the accounts of TRUFOODS, LLC, Ritter's LLC, FATP, LLC, and WS Deli, LLC. All intercompany transactions and accounts have been eliminated in consolidation.

Cash and cash equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. TF maintains its cash in bank deposit accounts which at times may exceed federally insured limits, those funds that exceed the FDIC insurance limits would be considered a concentration of credit risk. Amounts exceeded FDIC insurance limits by approximately $499,000 and $405,000 at December 31, 2025 and 2024 respectively.

Accounts receivable

Accounts receivable consist of royalties and advertising fees from franchises recorded at original invoice amount. Trade credit is generally extended on a short-term basis, thus trade receivables do not bear interest, although a finance charge may be applied to receivables that are past due. Trade receivables are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Changes in the estimated collectability of trade receivables are recorded in the results of operations for the period in which the estimate is revised. TF generally does not require collateral for the trade receivables.

License fees receivable

License fees receivables consist of rebates due from vendors based on volume of merchandise purchased by the franchisees. Monies are collected on a monthly to annual basis depending on the vendor. Management evaluates the collectability based on past history with vendors and their current financial condition. Changes in the estimated collectability are recorded in the results of operations for the period in which the estimate is revised.

Property and equipment

Property and equipment are carried at cost less accumulate depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years for equipment. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease. Expenditures for repairs are charged to operations as incurred.

Asset Recoverability

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Intangible assets

Intangible assets consist of franchise contracts arising from the purchase of various franchises and/or licenses. Franchise contracts are amortized over the estimated life of the franchises, which range from 3 to 17 years using the straight-line method. All intangible assets have been fully amortized. TF performs an assessment of the recoverability of its franchise contracts whenever changes in facts and circumstances indicate that a particular franchise contract may be impaired. For the years ended December 31, 2025 and 2024 no amounts were impaired.

Deferred revenue

Amounts in deferred revenue represent franchise fees that are related to the long term agreement and amortized over the life of the franchise agreement.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial instruments and credit risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with Financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and license fee receivable is considered to be limited due to high historical collection rates from the franchisees and vendors.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported members equity.

Compensated absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. Our policy is to recognize these costs when actually paid.

Subsequent events

We have evaluated subsequent events through February 9, 2026, the date the consolidated financial statements were available to be issued.

Note 3 - Prepaid expenses

Prepaid expenses consists of the following at December 31:

	2025	2024
Insurance	$ 3,542	$ 3,542
	$ 3,542	$ 3,542

Note 4 - Deferred revenue

TF issued various franchise agreements and ownership transfer agreements during 2025 and 2024. The revenues from those agreements are recognized in two parts; the first part is in the initial year for the amount related to the training and other services only provided in the first year and the second part over the life of the contract for the remaining value of the contract. The balance of deferred revenues is as follows:

January 1, 2024	$ 24,160
Additions	20,000
Revenue recognized	(11,567)
December 31, 2024	32,593
Additions	20,000
Revenue recognized	(23,567)
December 31, 2025	$ 29,026

Note 5 - Revenue Recognition

Our revenues primarily consist of franchise royalties, license fees, franchise fees, and miscellaneous income.

1. Franchise royalties is revenue received weekly based on a percentage of sales at each franchise location reported on a weekly basis. This is recognized as revenue on a weekly basis when they are invoiced.
2. License fees is revenue received from vendors that TF contracts with to provide goods to the franchisees. A percentage of the purchase are paid to TF based on the amount of purchases the franchisees make from the vendors. This amount is recorded as revenue on a monthly basis based on the estimated amount to be received and is reconciled each time a payment is received from a vendor.
3. Franchise fees is revenue received by franchisees to either enter a new franchise agreement, assign a franchise agreement to a new operator, cancel a franchise agreement or otherwise modify a franchise agreement. The revenue is partially recorded on initially signing the agreement for the amounts related to training and other startup costs. The remaining fees are amortized over the life of the franchise agreement.
4. Interest income is income earned on certificate of deposit accounts and is recognized monthly.

Below is a summary of our revenues by segment:

	2025	2024
Franchise royalties	$ 569,089	$ 604,062
License fees	144,230	180,807
Franchise fees	23,567	11,567
Interest income	6,597	3,490
	$ 743,483	$ 799,926

Note 6 - Provision for income taxes

TF is a single-member limited liability company. Accordingly, there is no provision for federal, state or local income taxes. The taxable income or loss of the Company will be included in the individual income tax returns of the member. TF is no longer subject to federal, state and local tax examinations by tax authorities for years before 2021.

Note 7 - Employee Benefits

TF maintains a 401(k) Plan for the benefit of its eligible employees. TF provides a matching contribution equal to 100% of the employee's deferral contributions not to exceed 3% of their compensation and 50% of the employee's deferral contributions that exceed 3% of their compensation not to exceed 5%. TF's contribution was $8,944 and $7,831 for the years ended December 31, 2025 and 2024.

TRUFOODS, LLC

Consolidated Financial Statements

Years ended December 31, 2024 and 2023

LEHMAN FLYNN VOLLARO PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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LEHMAN FLYNN VOLLARO PLLC
CERTIFIED PUBLIC ACCOUNTANTS
534 BROADHOLLOW ROAD • SUITE 302
MELVILLE, NY 11747

MARTIN M. LEHMAN, CPA
SCOTT P. FLYNN, CPA
LAWRENCE A. VOLLARO, CPA
MATHEW H. PERETZ, CPA
MATTHEW P. GEYER

TEL: (212) 736-2220
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Report of Independent Auditors

To Management of TRUFOODS, LLC

Opinion

We have audited the accompanying consolidated financial statements of TRUFOODS, LLC (a New Jersey LLC), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income, changes member's equity and cash flows for the years then ended and the related notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TRUFOODS, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Lehman Flynn Vollaro CPA's PLLC

Melville, NY
February 10, 2025

TRUFOODS, LLC
Consolidated Balance Sheets
December 31,

Assets

	2024	2023
Current assets		
Cash and cash equivalents	$ 650,791	$ 1,114,493
Accounts receivable	9,282	29,672
License fees receivable	30,840	12,157
Prepaid expenses	3,542	4,596
Total current assets	694,455	1,160,918
Total assets	$ 694,455	$ 1,160,918

Liabilities and Member's Equity

	2024	2023
Current liabilities		
Accounts payable and accrued expenses	$ 20,306	$ 42,076
Deferred revenue - current	4,567	3,267
Brand development liabilities	99,367	110,429
Total current liabilities	124,240	155,772
Deferred revenue - net of current	28,026	20,893
Total liabilities	152,266	176,665
Member's equity	542,189	984,253
Total liabilities and member's equity	$ 694,455	$ 1,160,918

TRUFOODS, LLC

Consolidated Statements of Income and Changes in Member's Equity

Years Ended December 31,

	2024	2023
Franchise revenues		
Franchise royalties	$ 604,062	$ 628,375
License fees	180,807	204,529
Franchise fees	11,567	3,240
Interest income	3,490	-
Other	-	75,000
Total revenue	799,926	911,144
Expenses		
Selling, general and administrative	739,255	719,436
Total expenses	739,255	719,436
Net income	60,671	191,708
Member's equity, beginning of year	984,253	794,617
Less: distributions	(502,735)	(2,072)
Member's equity, end of year	$ 542,189	$ 984,253

See notes to financial statements

TRUFOODS, LLC
Consolidated Statements of Cash Flows
Years Ended December 31,

	2024	2023
Cash flows from operating activities		
Net income	$ 60,671	$ 191,708
Changes in operating assets and liabilities		
Accounts receivable	20,390	11,528
License fees receivable	(18,683)	3,831
Prepaid expenses	1,054	708
Accounts payable and accrued expenses	(21,770)	25,468
Deferred revenue	8,433	(3,240)
Brand development liabilities	(11,062)	(94,043)
Net cash from operating activities	39,033	135,960
Cash flows from financing activities		
Distributions to member	(502,735)	(2,072)
Net cash used for financing activities	(502,735)	(2,072)
Net change in cash and cash equivalents	(463,702)	133,888
Cash and cash equivalents, beginning of year	1,114,493	980,605
Cash and cash equivalents, end of year	$ 650,791	$ 1,114,493
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ -	$ -
Income taxes	-	-

Note 1 - Nature of organization

TRUFOODS, LLC and its wholly owned subsidiaries, Ritter's LLC, FATP, LLC, and WS Deli, LLC (collectively, TF, we, us, our), are franchisor/licensors of Ritter's Frozen Custard, Arthur Treacher's Fish & Chips, Pudgie's Naked Chicken and Wall Street Deli restaurants throughout the continental United States. TF has a total of 23 and 25 franchise units as of December 31, 2024 and 2023, respectively. During the year ended December 31, 2024, 2 franchise locations were closed, and no franchise locations were opened. During the year ended December 31, 2023 no franchise locations were closed, and no franchise locations were opened.

TRUFOODS, LLC (TF, we, us, our) is a New Jersey limited liability company organized on October 25, 2005. The limited liability company agreements specify, among other things, the term of the limited liability company, which is unlimited, the rights and powers of the members, capital contribution and cash distribution criteria and profit and loss allocations. As a limited liability company, each members' liability is generally limited to the amount in their respective capital accounts.

Note 2 - Significant accounting policies

Basis of presentation

The financial statements are prepared on the accrual basis of accounting on conformity with accounting principles generally accepted in the United States of America.

Principles of consolidation

The accompany consolidated financial statements include the accounts of TRUFOODS, LLC, Ritter's LLC, FATP, LLC, and WS Deli, LLC. All intercompany transactions and accounts have been eliminated in consolidation.

Cash and cash equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. TF maintains its cash in bank deposit accounts which at times may exceed federally insured limits, those funds that exceed the FDIC insurance limits would be considered a concentration of credit risk. Amounts exceeded FDIC insurance limits by approximately $405,000 and $876,000 at December 31, 2024 and 2023 respectively.

Accounts receivable

Accounts receivable consist of royalties and advertising fees from franchises recorded at original invoice amount. Trade credit is generally extended on a short-term basis, thus trade receivables do not bear interest, although a finance charge may be applied to receivables that are past due. Trade receivables are periodically evaluated for collectability based on past credit history with customers and their current financial condition. Changes in the estimated collectability of trade receivables are recorded in the results of operations for the period in which the estimate is revised. TF generally does not require collateral for the trade receivables.

License fees receivable

License fees receivables consist of rebates due from vendors based on volume of merchandise purchased by the franchisees. Monies are collected on a monthly to annual basis depending on the vendor. Management evaluates the collectability based on past history with vendors and their current financial condition. Changes in the estimated collectability are recorded in the results of operations for the period in which the estimate is revised.

Property and equipment

Property and equipment are carried at cost less accumulate depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years for equipment. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the term of the lease. Expenditures for repairs are charged to operations as incurred.

Asset Recoverability

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Intangible assets

Intangible assets consist of franchise contracts arising from the purchase of various franchises and/or licenses. Franchise contracts are amortized over the estimated life of the franchises, which range from 3 to 17 years using the straight-line method. All intangible assets have been fully amortized. TF performs an assessment of the recoverability of its franchise contracts whenever changes in facts and circumstances indicate that a particular franchise contract may be impaired. For the years ended December 31, 2024 and 2023 no amounts were impaired.

Deferred revenue

Amounts in deferred revenue represent franchise fees that are related to the long term agreement and amortized over the life of the franchise agreement.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial instruments and credit risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with Financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and license fee receivable is considered to be limited due to high historical collection rates from the franchisees and vendors.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying Consolidated Financial Statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported retained earnings.

Compensated absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. Our policy is to recognize these costs when actually paid.

Subsequent events

We have evaluated subsequent events through February 10, 2025, the date the consolidated financial statements were available to be issued.

Note 3 - Prepaid expenses

Prepaid expenses consists of the following at December 31:

	2024	2023
Insurance	$ 3,542	$ 3,542
Equipment	-	1,054
	$ 3,542	$ 4,596

Note 4 - Deferred revenue

TF issued various franchise agreements and ownership transfer agreements during 2024 and 2023. The revenues from those agreements are recognized in two parts; the first part is in the initial year for the amount related to the training and other services only provided in the first year and the second part over the life of the contract for the remaining value of the contract. The balance of deferred revenues is as follows:

January 1, 2023	$ 27,400
Additions	-
Revenue recognized	(3,240)
December 31, 2023	24,160
Additions	20,000
Revenue recognized	(11,567)
December 31, 2024	$ 32,593

Note 5 - Revenue Recognition

Our revenues primarily consist of franchise royalties, license fees, franchise fees, and miscellaneous income.

1. Franchise royalties is revenue received weekly based on a percentage of sales at each franchise location reported on a weekly basis.
2. License fees is revenue received from vendors that TF contracts with to provide goods to the franchisees. A percentage of the purchase are paid to TF based on the amount of purchases the franchisees make. This amount is recorded on a monthly basis based on the estimated amount to be received and is reconciled each time a payment is received from a vendor.
3. Franchise fees is revenue received by franchisees to either enter a new franchise agreement, assign a franchise agreement to a new operator, cancel a franchise agreement or otherwise modify a franchise agreement. The revenue is partially recorded on initially signing the agreement for the amounts related to training and other startup costs. The remaining fees are amortized over the life of the franchise agreement.
4. Interest income is income earned on certificate of deposit accounts and is recognized monthly.
5. Other income is various other sources of income that TF receives and is recorded based on the terms of the revenue received. For 2023 this income is related to the sale of the Pudgie’s trademark; see footnote 6 for further information.

Below is a summary of our revenues by segment:

	2024	2023
Franchise royalties	$ 604,062	$ 628,375
License fees	180,807	204,529
Franchise fees	11,567	3,240
Interest income	3,490	-
Other	-	75,000
	$ 799,926	$ 911,144

Note 6 - Sale of Pudgie's trademark

On August 21, 2023 TF sold the trademark Pudgie's for a lump sum payment of $75,000. In conjunction with this transaction the purchaser of the trademark licensed the trademark to TF on a non-exclusive and perpetual basis in connection with restaurant services and carry out restaurant services and development, expansion and administration of such services.

Note 7 - Provision for income taxes

TF is a single-member limited liability company. Accordingly, there is no provision for federal, state or local income taxes. The taxable income or loss of the company will be included in the individual income tax returns of the member. TF is no longer subject to federal, state and local tax examinations by tax authorities for years before 2020.

Note 8 - Employee Benefits

TF maintains a 401(k) Plan for the benefit of its eligible employees. TF provides a matching contribution equal to 100% of the employee's deferral contributions not to exceed 3% of their compensation and 50% of the employee's deferral contributions that exceed 3% of their compensation not to exceed 5%. TF's contribution was $7,831 and $8,154 for the years ended December 31, 2024 and 2023.

EXHIBIT H TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE

____ ("Franchisee") and its principal(s):

____

____

____

____

(a) Franchisee and Franchisee's Principal(s) do, for themselves and their successors and assigns, hereby release and forever discharge generally Franchisor and any affiliate, wholly owned or controlled limited liability company, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, agent, executor, administrator, estate, trustee or heir of any of them (the "Released Franchisor Party"), from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Franchisee or Franchisee's Principal(s) may now have, or may hereafter claim to have or to have acquired of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Franchise Agreement or this General Release, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against any Released Franchisor Party, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this General Release. In the event Franchisee or Franchisee's Principal(s) breaches any of the promises, covenants, or undertakings made herein by any act or omission, Franchisee and Franchisee's Principal(s) shall pay, by way of indemnification, all costs and expenses of any Released Franchisor Party caused by the act or omission, including reasonable attorneys' fees and costs.

(b) Franchisee and Franchisee's Principal(s) represent and warrant that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Franchisee or Franchisee's Principal(s) to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand, or suit shall be made or institute against any Released Franchisor Party because of any such purported assignment, transfer or subrogation, Franchisee and Franchisee's Principal(s) agree to indemnify and hold such Released Franchisor Party free and harmless from and against any such claim, demand, or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

(c) THIS RELEASE IS A GENERAL RELEASE AND THE PARTIES INTEND AND AGREE THAT IT SHALL BE INTERPRETED, CONSTRUED AND ENFORCED AS SUCH.

(d) Franchisee and Franchisee's Principal(s) acknowledge, warrant, and represent that no promises, representations, or inducements, except as set forth in this General Release, have been offered or made by any Franchisor Released Party to secure the execution of this General Release, and that this General Release is executed without reliance on any statements or any representations not contained herein. Franchisee and Franchisee's Principal(s) knowingly waive (1) any claim that this General Release was induced by any misrepresentation or nondisclosure, and (2) any right to rescind or avoid this General Release based upon presently existing facts, known or unknown.

FRANCHISEE AND FRANCHISEE'S PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF

WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. Franchisee and Franchisee's Principal(s) also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Released Franchisor Party with respect to any Franchisee Released Claim, and Franchisee and Franchisee's Principal(s) shall defend, indemnify, and hold harmless each of Franchisor Releasees against same.

Executed as of __________________, 20___.

FRANCHISEE:

____

By:_________________________________

______________________,______________
(Print Name, Title)

PRINCIPAL:

____
____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

EXHIBIT I TO THE DISCLOSURE DOCUMENT

DEPOSIT AGREEMENT

This Deposit Agreement (the "Agreement") is made and entered into on _________________, (the "Effective Date") by and between TRUFOODS, LLC, a New Jersey limited liability company with its principal place of business at , 56 Columbine Circle, Newtown, Pennsylvania 18940 ("Franchisor") and ______________________, a _______________ with an address at ______________________________ ("Depositor").

RECITALS

WHEREAS, Franchisor is in the business of developing and operating a system consisting of franchised and company-operated "Ritter's Frozen Custard" shoppes under Franchisor's trademarks, service marks, and system ("Shoppe");

WHEREAS, Depositor wishes to apply to become a franchisee under Franchisor's system pursuant to a franchise agreement, which, if entered into by Depositor and Franchisor, would confer upon Depositor the right and obligation to open a Shoppe at a location that has been approved by Franchisor;

WHEREAS, Franchisor must expend considerable time, effort, and cost during the period (the "Evaluation Period") needed to evaluate the applicant's qualifications and suitability to become a franchisee and to evaluate the proposed marketing area;

WHEREAS, Depositor wishes to place a deposit with Franchisor as evidence of Depositor's good faith during the Evaluation Period.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. The Deposit. Upon execution of this Agreement, Depositor shall pay Franchisor the sum of _______________________ Thousand Dollars ($_____) as a non-interest bearing deposit (the "Deposit").

2. Refundability. The Deposit shall be partially refundable to Depositor only if Franchisor terminates this Agreement as provided for in Section 8(a) below; otherwise, the Deposit is non-refundable.

3. Credit. Unless Franchisor terminates this Agreement as provided in Section 8, the full amount of the Deposit shall be credited by Franchisor toward payment of the initial franchise fee due under the franchise agreement entered into by the parties.

4. Deposit Area. During the Evaluation Period, Franchisor and Depositor shall explore the prospect of entering into a franchise agreement for one (1) Shoppe within the following area: ____ (the "Deposit Area"). The only purpose of the Deposit Area is to describe the area within which they will focus their attention during the Evaluation Period. Nothing in this Agreement (except for Section 6 below) shall prevent Franchisor or Depositor from entering into any agreement, conducting business, or taking any action within the Deposit Area or elsewhere. By entering into this Agreement, neither party shall be bound to enter into a franchise agreement with the other.

Depositor shall, during the Evaluation Period (defined in Section 7 below), be solely responsible for identifying, submitting for Franchisor's approval, and securing a site for its Shoppe. The following terms and conditions shall apply to the Shoppe: Depositor shall submit to Franchisor, in a form specified by Franchisor, a completed site approval package, which shall include a site approval form prescribed by Franchisor, an option contract, letter of intent, or other evidence satisfactory to Franchisor which describes Depositor's favorable prospects for obtaining such site, photographs of the site, demographic statistics, and such other information or materials as Franchisor may reasonably require (collectively, the "**Site Approval Package**"). Franchisor shall have thirty (30) days after receipt of the Site Approval Package from Depositor to approve or disapprove, in its sole discretion, the proposed site for the Shoppe. In the event Franchisor does not approve a proposed site by written notice to Depositor within said thirty (30) days, such site shall be deemed disapproved by Franchisor. No site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

5. Application. Depositor agrees to make all applications and provide all information reasonably requested by Franchisor to evaluate Depositor's qualification and suitability to enter into a franchise agreement with Franchisor.

6. Confidentiality. During the Evaluation Period, certain confidential information about Franchisor and its system will be disclosed or otherwise made known to Depositor ("Confidential Information"). Depositor agrees to respect and maintain the confidential nature of such Confidential Information, and not in any way disclose the Confidential Information to anyone else, nor in any way use the Confidential Information in the operation of any business (excluding a Shoppe operated pursuant to a franchise agreement). It is agreed that Depositor's obligations under this Section 6 shall not expire upon termination of this Agreement.

7. Evaluation Period. The parties agree that the Evaluation Period shall last for ninety (90) days from the Effective Date, unless the parties otherwise agree in writing.

8. Termination.

a. Franchisor shall have the right to terminate this Agreement at any time, with or without cause, by providing written notice to Depositor. If Franchisor terminates this Agreement, Franchisor shall refund fifty percent (50%) of the Deposit as provided in Section 2 above.

b. This Agreement shall terminate at the earlier of: (i) notice from Franchisor to Depositor that either party is exercising its rights under Section 8(a) above; (ii) the parties' entry into the franchise agreement; or (iii) the end of the Evaluation Period; provided, however, that if Depositor wishes to extend the Evaluation Period it may apply in writing to do so, and such request must be approved by Franchisor. Depositor understands and acknowledges, however, that upon expiration of the original Evaluation Period, and whether or not any extension is granted by Franchisor, the Deposit shall no longer be refundable.

9. No Franchise Rights. This Agreement is not a franchise and does not grant Depositor any right whatsoever to use the "Ritter's Frozen Custard" marks and/or system, which rights can only be granted under a franchise agreement entered into by Depositor and Franchisor. Depositor shall not use the "Ritter's Frozen Custard" marks or system, nor shall Depositor make any representation or commitment on Franchisor's behalf.

10. Acknowledgment. Depositor acknowledges receipt of Franchisor's Disclosure Document at least fourteen (14) calendar days before the Effective Date or payment of any money to Franchisor.

11. Full Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. This Agreement shall be interpreted under the laws of the State of New York without regard to its conflict of laws principles.

The parties hereto have executed this Deposit Agreement as of the Effective Date.

FRANCHISOR:	DEPOSITOR:
TRUFOODS, LLC	______________________________
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________

EXHIBIT J TO DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

ADDENDUM TO TRUFOODS, LLC DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

   There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Sections 27.1 and 27.2 of the Franchise Agreement, Sections 16.1 and 16.2 of the Multi-Unit Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

(a) A prohibition on the right of a franchisee to join an association of franchises.

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

THE FACT 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

***NOT FOR USE IN CALIFORNIA**

EXHIBIT K TO THE DISCLOSURE DOCUMENT

ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1. Franchisee (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

______
Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

______
Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

______
Initial

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement (or Multi-Unit Development Agreement) that are contrary to the terms of the Franchise Agreement (or Multi-Unit Development Agreement) or the documents incorporated herein. Franchisee (or Developer) acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) represents, as an inducement to Franchisor's

entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement (or Multi-Unit Development Agreement).

______
Initial

5. Franchisor expressly disclaims the making of, and Franchisee (or Developer) acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement (or Multi-Unit Development Agreement).

______
Initial

6. Franchisee (or Developer) acknowledges that Franchisor's approval or acceptance of Franchisee's (or Developer's) Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

______
Initial

7. Franchisee (or Developer) acknowledges that it has received the Trufoods, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement (and Multi-Unit Development Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi-Unit Development Agreement) was executed. Franchisee (or Developer) further acknowledges that Franchisee (or Developer) has read such Franchise Disclosure Document and understands its contents.

______
Initial

8. Franchisee (or Developer) acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee (or Developer) with respect to the Franchise Agreement (or Multi-Unit Development Agreement) or the relationship thereby created.

______
Initial

9. Franchisee (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement (or Multi-Unit Development Agreement).

______
Initial

10. Franchisee (or Developer) is aware of the fact that other present or future franchisees (or developers) of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

______
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's (or Developer's) Territory by others who may have purchased such products from Franchisor.

_____
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S (OR DEVELOPER'S) AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE TRUFOODS, LLC, AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

_____
Initial

FRANCHISEE:	PRINCIPAL:
______________________________	______________________________
By:___________________________	______________________________ (Print Name)
_____________,_____________ (Print Name, Title)	Date: ________________________
Date:_________________________	
	PRINCIPAL:
	______________________________
	______________________________ (Print Name)
	Date: ________________________

State Effective Dates

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

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

State	Effective Date
Indiana	Pending
Michigan	Pending

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

EXHIBIT L

RECEIPT

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

If Trufoods, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Trufoods, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Robert Bagnell 56 Columbine Circle Newtown, Pennsylvania 18940 (516) 220-8942		

Issuance Date: February 12, 2026

I received a Disclosure Document dated February 12, 2026, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement
EXHIBIT C: Multi-Unit Development Agreement
EXHIBIT D: Operations Manual Table of Contents
EXHIBIT E: Franchised Outlets
EXHIBIT F: List of Franchisees and Multi-Unit Developers Who Have Left the System
EXHIBIT G: Financial Statements
EXHIBIT H: General Release
EXHIBIT I: Deposit Agreement
EXHIBIT J: State Specific Addenda
EXHIBIT K: Acknowledgment Statement
State Effective Dates
EXHIBIT L: Receipt

Date Received: ________________________ DATE:____
(If other than date signed)

____
(Signature of recipient)

____
(Printed name of recipient)

____

____
Legal residence address

Please return signed receipt to Trufoods, LLC,
56 Columbine Circle,
Newtown, PA 18940

EXHIBIT L

RECEIPT

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

If Trufoods, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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If Trufoods, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

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

Robert Bagnell 56 Columbine Circle Newtown, Pennsylvania 18940 (212) 359-3600		

Issuance Date: February 12, 2026

I received a Disclosure Document dated February 12, 2026, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement
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EXHIBIT H: General Release
EXHIBIT I: Deposit Agreement
EXHIBIT J: State Specific Addenda
EXHIBIT K: Acknowledgment Statement
State Effective Dates
EXHIBIT L: Receipt

Date Received: ________________________ DATE:____
(If other than date signed)

____
(Signature of recipient)

____
(Printed name of recipient)
____

____
Legal residence address

KEEP FOR YOUR RECORDS