

**2025-2026**

**FRANCHISE  
DISCLOSURE DOCUMENT**

**FOR**





## FRANCHISE DISCLOSURE DOCUMENT

### REPICCI'S FRANCHISING, LLC.

4009 Lennox Road  
Birmingham, Alabama 35216  
Phone: (423) 653-8106  
[www.ItalianIce.com](http://www.ItalianIce.com)  
[FDR@ItalianIce.com](mailto:FDR@ItalianIce.com)

Repicci's Franchising, LLC ("RF") offers franchises to operate a mobile business, which sells nonfat frozen Italian Ices, Italian Gelato, Sorbetto, Hot Chocolate, Imported Italian Coffee & Teas, and other savory products including Italian Sausage Hoagie, Meatball Hoagie, Pizza & Breadsticks known as "Repicci's Real Italian" to individuals at a variety of venues, within a Designated Territory.

The total investment necessary to begin operation of a "Repicci's Real Italian" Mobile Franchise is \$84,395 to \$172,814. This includes \$44,995 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Michelle Repici, CEO, at 4009 Lennox Road, Birmingham, Alabama 35216; and (423) 653-8106.

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

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

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

Issuance Date: April 29, 2025

## 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
<b>How much can I earn?</b>	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.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Repicci's business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Repicci's franchisee?</b>	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 C.

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

## Special Risks to Consider About *This Franchise*

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

- 1. Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation then arbitration only in Alabama. Out-of-state mediation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and/or arbitrate with the franchisor in Alabama than in your own state.
- 2. Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
- 3. Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted termination of your franchise, and loss of your investment.
- 4. Minimum Royalty/NMF Payment.** The franchisee must make a minimum monthly royalty / national advertising payment even if no revenue was derived. Failure to make the payment could result in termination of the franchise agreement and loss of your investment.
- 5. Inventory Control.** You must make inventory and supply purchases of at least between \$12,845 and \$26,950, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.
- 6. Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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### **EXHIBITS:**

- A Financial Statements
- B Franchise Agreement
- C State Administrators and Agents for Service of Process
- D Multi State Addendum to the Franchise Disclosure Document and Franchise Agreement
- E Operations Manual Table of Contents
- F State Effective Dates
- Last Page - Receipt

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

To simplify the language in this Franchise Disclosure Document, “we”, “us”, “our”, Repicci’s Real Italian”, “Repicci’s Real Italian Ice & Gelato”, or “RF” means Repicci’s Franchising, LLC, the Franchisor. “You” means the individual who buys the franchise, the franchisee. If the initial franchisee is an individual(s) that subsequently assigns his, her or their interest to a corporation, limited liability company, partnership or other entity, then "You" will include the entity's owners by virtue of our requirement that all of the entity owners must personally guarantee, and be personally bound by, your obligations under the Franchise Agreement and the other agreements described in this Disclosure Document. To fully understand all of your and our respective rights and obligations, you must still carefully review the actual agreements you must execute. These agreements will control if there is any dispute between you and us.

**The Franchisor, any Parents, Predecessors and Affiliates:**

Repicci’s Franchising, LLC was formed as a Florida limited liability company in August 2020 and was operated in Florida from that time until April 2023. On April 13, 2023, the company was converted to an Alabama entity and has operated since that time at our principal address of 4009 Lennox Road, Birmingham, AL 35216.

Repicci’s Franchising, LLC has no parent companies or affiliates, we do however have the following predecessors. In 1996, the Repici’s sold frozen Italian Ice treats from a neighborhood storefront in Chattanooga, Tennessee. His business grew and he began to manufacture and distribute frozen Italian Ice frozen confections throughout Tennessee. In 2004, they formed Repicci’s Franchise Group, LLC and sold franchises until 2017, when the Tennessee limited liability company was converted into a Tennessee corporation and subsequently the corporate stock was purchased by Cardiff International, Inc., a Florida entity. Mr. Repici was then employed by Cardiff as brand manager of the Repicci’s brand, but in 2020, Cardiff abandoned the Italian Ice concept, shut down the operations, released Mr. Repici from his employment relationship and ceased franchising the brand. Mr. Repici then formed Repicci’s Franchise Group, LLC, a Florida entity, in 2020 and filed for trademark protection for a new logo and he began, again, to offer franchises. In 2023, Repicci’s Franchise Group, LLC was converted into our present Alabama entity, Repicci’s Franchising, LLC. We acquired the rights to the trademark, which we are presently using, and which we license to our franchisees. We did not acquire any other assets from Repici’s Franchise Group, Inc. None of the predecessors offered franchises in any other line of business.

We do not do business under any other name. Our principal business address is 4009 Lennox Road, Birmingham, AL 35216; and phone (423) 653-8106. We also rent and operate a mixing warehouse space out of Atlanta Georgia for the distribution of product and equipment to our Franchisees. Our agent for service of process is disclosed in Exhibit C to this Franchise Disclosure Document. We have never sold any other franchise, and we have no business other than offering franchises and assisting franchisees. We are currently the only approved supplier of Italian Ices, Italian Gelato and Sorbetto to our franchisees. We have been offering franchises since August 2021.

We do not currently own or operate any Outlets, but we previously operated two Repicci's Outlets, which are similar to the franchise being offered to you. The first Outlet was in Destin Florida from March 2021 until it was sold in October 2021 to a Franchisee. The second Outlet was in Birmingham, Alabama from March 2022 until it was sold to a Franchisee in December of 2022. Both Outlets are disclosed in Item 20.

## **Description of the Franchise**

We offer and award to qualified applicants, the right to operate a Repicci's Mobile Franchise (the "Outlet") within a Designated Territory ("DT") with a population containing a minimum of 200,000 individuals in which you will operate at least (1) one Operating Unit ("OU") which can be either a Custom Food Truck ("FT"), a Large Custom Trailer ("TL") or Small Custom Trailer ("TS"). You may only operate your franchised business from one of these approved vehicles.

If we approve you as a Franchisee, you will sign a Franchise Agreement ("Franchise Agreement"), in the form attached as Exhibit B and agree to operate according to our standard business operating practices.

The Outlets operate for the purpose of selling nonfat frozen Italian Ices, Italian Gelato, Sorbetto, Imported Italian Coffee, Italian Teas, and other savory products including Italian Sausage Hoagie, Meatball Hoagie, Pizza & Breadsticks; known as "Repicci's Real Italian" to a variety of venues within a specified territory, using the System under the RF trademarks, trade names, service marks, and logos ("Marks").

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

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

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

## **The Market and Competition**

The franchise targets its services to the general public. Our Mobile concept allows you to serve a much broader area and additional venues than a typical brick and mortar location, thus minimizing the competitive impact listed below, although they will remain a factor. The market for ice cream and similar frozen desserts is well established and highly competitive. Ice cream, Gelato, Italian

Ice, Sorbetto, frozen yogurt, Italian Subs and similar products have become increasingly popular in the United States. Factors such as location, price, and service, time of year, and product quality affect your ability to compete in your market. You will experience competition from grocery stores, vending machines, and other concessions offered at, or near, the locations where your Franchise is distributing our products. You will compete with national as well as regional ice cream and frozen confection quick service restaurant ("QSR") chains, operating under well-known and recognizable service marks as well as with independent ice cream and frozen confection QSR facilities and other businesses which offer frozen confections and other food and beverages. You will also face other normal business risks that could have an adverse effect on your Franchise. These may include industry developments, such as pricing policies of competitors, and supply and demand.

## **Regulations**

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

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

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

## **ITEM 2** **BUSINESS EXPERIENCE**

### **CHIEF EXECUTIVE OFFICER: Michelle L. Repici**

Ms. Repici is currently serving as our Chief Executive Officer since our inception in August 2020 and operates from her location in Vestavia Hills, Alabama. In addition, Ms. Repici operated an Outlet in Freeport Florida from March 2021 until October 2021, as well as a corporate Outlet in Birmingham Alabama from March 2022 until December 2022. Ms. Repici served as Secretary / Treasurer of Repicci's Franchise Group, Inc. from September 2004 until January 2017. From September 2004 to January 2017, she was also the Secretary / Treasurer of Repicci's Franchise Group, LLC. From May 1998 until January 2017, she was also the Secretary / Treasurer of, FDR Enterprises, Inc. She has operated each of these positions from our prior corporate offices in Chattanooga, Tennessee & Birmingham, Alabama.

### **MARKETING MANAGER: Brandon Naughton**

Mr. Naughton has been our Marketing Manager since inception in August 2020. In addition, since 2010, Mr. Naughton has operated a mobile business similar to the Outlet offered under this Disclosure Document. He operates these positions from his location in Denver Colorado.

### **OPERATIONS MANAGER: Dodd Williams**

Mr. Williams has been our Operations Manager since inception in August 2020. In addition, since 2018, Mr. Williams has operated a mobile business similar to the Outlet offered under this Disclosure Document. From 2015 to 2018, he was a Vice-President of Equifax, located in Atlanta, GA. He operates these positions from his location in Atlanta, Georgia.

### **DIRECTOR OF FRANCHISE DEVELOPMENT: Dr. Robert Needham**

Dr. Needham has been our Director of Franchise Development since October 2021. Dr. Needham is also currently the President/CEO of SPECTRUM Advanced Markets, Inc, since July 1986 to the present and Founder of Steward Now from November 2013 to the present. In addition, Dr. Needham was Chief Systems and Software Architect for Blueprints Labs located in Waco Texas from June 2020 until July 2021. He was also the Founder/Executive of Franchise Inc! From July 2006 until December 2020. Dr. Needham operates all positions from his location in Birmingham, Alabama.

### **FOUNDER: Frank D. Repici**

Mr. Repici is currently serving as Founder and an Independent Consultant for Repicci's Franchising, LLC. Mr. Repici is the original Founder of Repicci's Franchise Group, LLC established in September 2004 and the President of FDR Enterprises, Inc. established in May of 1998. Mr. Repici operates from his location in Vestavia Hills, Alabama.

**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

**Initial Franchise Fees**

The Initial Franchise Fee for a Designated Territory (“DT”) containing a minimum population of 200,000 individuals and operating at least one (1) Operating Unit is \$36,000. The Initial Franchise Fee is due when you sign the Franchise Agreement. The Initial Franchise Fee is not refunded under any circumstances.

**Other Fees**

**Required Initial Product Purchase:** The initial inventory that you will purchase from us will be approximately \$8,995 in 147 assorted 5-Liter trays of Repicci’s Gelato and Sorbetto @ \$35 each and 70 4-gallon buckets of Italian Ice at \$55 each. The cost of your initial inventory purchase does not include freight costs and will be shipped directly to your location. You will purchase your initial and ongoing inventory from us. You may not purchase the inventory from any other source or vendor. We do not refund the Initial Product Purchase under any circumstances.

**Supplies:** You must purchase an initial supply of kid’s cups, spoons, desert cups and lids only from Us. You must purchase a minimum of \$1,000 of these supplies. You must continue to purchase these items during the term of your agreement from Us. We do not refund the Initial Supplies Purchase under any circumstances.

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

During our fiscal year ending December 31, 2024, the range of actual Initial Franchise Fees paid was \$32,155 to \$32,155. The factors that influenced our decision to adjust the Initial Franchise Fee included to stay competitive with other commissions offered within the industry and to maintain best relationship with the Franchise Consultant industry. We reserve the right to take these and other factors into consideration when offering adjustments to the Initial Franchise Fee in the future.

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**ITEM 6**  
**OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Annual Cumulative Product Purchase Quota,	Approximately #12,845 and \$26,590 or 140 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units - First Year:	Upon ordering	<p>5-Liter Trays of Italian Sorbetto &amp; Gelato is \$35 per tray and a 4-gallon bucket of Italian Ice is \$55 + FOB freight. The cost of these required product purchases may increase based on product or ingredient cost increases from our suppliers due to inflation or other market conditions and we have no control over these costs, however, the maximum increase will not be more than 20%.</p> <p>During your first calendar year of operation, you are required to purchase a minimum amount of product annually with a cumulative requirement of 140 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units (a mix of Italian Ice, Gelato, or Sorbetto by Dec 31 of your first year or pro-rata as we may agree, but the minimum amount will be the opening inventory order of 70 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units, or approximately \$8,995. The Quota will increase annually, beginning on January 1 of each year, the increase being 20% more cumulative product units purchased than the previous calendar year for each year during the term of your agreement. The Quota and any increases will remain in effect throughout the term of your Franchise Agreement. If you do not meet your Annual Cumulative Product Purchase Quota for any given year, you will be required to pay a flat Royalty Fee of \$3,600 and we may restrict or remove your rights to your Designated Territory, which may allow others, including us or another Franchisee to operate within your Designated Territory without your written permission. The cumulative amount is only for the Outlet, regardless of how many vehicles you operate within the Designated Territory.</p>
Royalty Fee	\$0 - \$3,600	If Due, payable by Jan 15 for the previous year.	No Royalty is due or charged provided you maintain your Annual Cumulative Product Purchase Quota. Failure to meet this Quota will result in an Annual Royalty Fee of \$3,600.

Type of Fee	Amount	Due Date	Remarks
Social Media, Event Services and Marketing Fee	\$50 per month	Due Monthly on the 10th for the previous calendar month.	Required. All franchises contribute equally unless otherwise agreed and disclosed.
Advertising Materials/Branding	\$100 - \$500	As incurred	Payable to Us. We provide advertising samples at no charge. Additional design & production of materials such as banners, signage or menus will be provided at our cost, plus 10% You may only obtain copy ready logo material from Us.
Cups, spoons, desert cups and lids	\$1,000 minimum prior to opening	Upon ordering	These items may only be purchased from Us. The cost to purchase after the initial order will vary based on your sales volume.
Initial Training for Additional Persons (Note 2)	None	As incurred	Initial Required Training for three persons is included in the Initial Franchise Fee for Franchises with 8 hours of classroom training to be conducted virtually. You will also receive operations training regarding your vehicle upon pick-up in Atlanta Georgia. There are no additional charges for additional persons trained. You are responsible for all travel, living, incidental and other expenses and compensation of you and your personnel attending any training program.
Additional Assistance at Your Franchise (Note 3)	\$500 per day (two day minimum) plus travel and living expenses	As incurred	Additional charges only incurred for on-site assistance beyond the initial training, other than the Post Opening Training disclosed in Item 11 or any requests that we deem excessive, or if we deem at any time during the term of your Agreement that remedial assistance is necessary.
Transfer Fee. (Note 4)	\$0 - \$5,000	Prior to acceptance of transfer	Payable at closing of the sale of your franchise.
Audit	Cost of audit plus 1.5% interest per month on understatement	30 days after billing	We pay all audit costs unless the audit shows an understatement of at least 1% of Gross Revenue (Note 2) for any month. Also payable for failure to submit required reports.
Fees for Lost Manual (s)	Up to \$250 per manual in hard copy	Upon ordering	You must replace any Manual that is lost, stolen or destroyed. The Manual remains our property whether physical or electronic version.
Interest	1.5% per month	30 days after due date	Franchisees must pay interest on late payments in the amount of 1.5% per month, or the maximum interest rate allowed by applicable law, whichever is greater.

Type of Fee	Amount	Due Date	Remarks
Conference Fees	Estimated at \$250 per person attending live, or \$100 for per person for attending virtually.	As incurred	Currently, we do not hold any mandatory periodic regional or national conferences but intend to do so beginning in 2025. All Franchisees are required to attend any mandatory conferences. Conferences may be conducted live or virtually.
Collection Costs, Attorneys' Fees and Interest	Interest on overdue amounts from the due date until paid at the lesser of 18% interest per year or the highest lawful interest rate, costs of collection, attorneys' fees and court costs	Payable on demand.	If we engage an attorney to collect any unpaid amounts (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs and collection expenses incurred by us. If you are in breach or default of any non-monetary material obligation and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs, and litigation expenses. If you institute any legal action to interpret or enforce the terms of the Franchise Agreement, and your claim in the action is denied or the action is dismissed, we may recover our reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against the same.
Liquidated Damages	Will vary under circumstances	Within 45 days of termination	If we terminate your Franchise Agreement for cause, you must pay us within 45 days after the effective date of termination liquidated damages equal to the Minimum Product Purchase Quota you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied the number of months remaining in the Agreement had it not been terminated.
Encroachment Fee	\$1,000 per day	Payable on demand	Payable if you provide service to customers located within another franchisee's Designated Territory without prior written approval by signed waiver. You must also reimburse the franchisee an amount equal to the charge for the goods and service sold.

Type of Fee	Amount	Due Date	Remarks
Indemnification	Amount of loss or damages plus costs	As incurred	You must defend, indemnify and hold us and our related parties harmless from all fines, suits, proceedings, claims, demands, obligations or actions of any kind (Including costs and reasonable attorneys' fees) arising from your ownership, operation or occupation of your franchise, performance or breach of your obligations, breach of any representation or acts or omissions of you or your employees.
Bank Charges and Administrative Costs	Actual Fees incurred by us plus a 10% administration fee	Payable on demand	We may charge fees to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid.
Franchise Renewal Fee	\$5,000 for Designated Territory Franchise programs.	120 days prior to renewal	Initial franchise term is 5 years. The renewal term is 5 years for all Franchise programs
Computer and Communications Equipment Upgrades and Maintenance	Varies, but usually no more than \$1,000 per year.	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment, including upgrades for any required proprietary software, when we or the supplier you choose requires you to do so.

Notes:

1. We or our affiliates impose all the fees in this table. You pay them to us or our affiliate(s) and we or our affiliate(s) do not refund them. The fees and costs in this Item 6 are uniformly imposed.
2. Initial Training for three persons is included in the Initial Franchise Fee with the classroom training to be conducted virtually. You will also receive operations training regarding your vehicle upon pick-up in Atlanta. There are no additional charges for additional persons trained. You are responsible for all travel, living, incidental and other expenses and compensation of you and your personnel attending any training program.
3. Ongoing assistance by telephone is included. We will charge you an Additional Assistance fee only if you require additional assistance at your Outlet after the assistance provided as part of the Initial Training unless we deem that assistance becomes excessive or we deem during the term of your Agreement that remedial training is necessary. Fees for additional assistance can be increased or decreased by us at any time in our discretion.
4. Transfer Fee. No Transfer Fee is required if the franchisee transfers his/her Outlet to an entity in which her or she is the majority stockholder or Member, or if the transfer of the Outlet is to your child, parent, sibling, or spouse. You must pay a Transfer Fee of \$2,500 if you transfer the Outlet to another franchisee of ours. In all other cases, you must pay a Transfer Fee of \$5,000.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount (Low)</b>	<b>Amount (High)</b>	<b>Method of payment</b>	<b>When due</b>	<b>To whom payment is to be made</b>
Initial Franchise Fee (Note 1)	\$36,000	\$36,000	Lump sum	Upon signing the Franchise Agreement	Us
Travel and Living Expenses	\$1,500	\$3,000	As incurred	During training	Airlines, Hotels, Restaurants, etc.
Rent or Real Estate (Note 2)	\$0	\$2,000	As determined by Lessor	Prior to opening	Lessor
Required Initial Product Purchase (Note 3)	\$8,995	\$8,995	As Incurred	Prior to opening	Us
Additional inventory (Note 4)	\$1,500	\$2,560	As Incurred	As arranged	Us, Suppliers.
Approved OU including proprietary customization. (Note 5)	\$26,000	\$105,500	As arranged with the finance company	As arranged with finance company	Approved dealership, leasing company, finance company
Tax, Title, Licensing, Freight and Delivery (Note 6)	\$2,000	\$3,000	As incurred	Prior to opening	State or local agencies
Miscellaneous Opening Costs & Contingency (Note 7)	\$2,500	\$3,000	As incurred	Prior to opening	Suppliers, Utilities, etc.
Advertising/Marketing (3 months) (Note 8)	\$150	\$150	As incurred	During first three months	Us
Insurance (3 months) (Note 9)	\$750	\$1,000	As determined by Insurance Company	Prior to opening or as arranged with Insurance Company/Agent	Insurance Company/Agent
Computer Equipment and Software/POS (Note 10)	\$0	\$1,609	As determined by Vendors	Prior to opening or as arranged with Vendors	Vendors
Additional Funds for Initial three (3) Months (Note 11)	\$5,000	\$6,000	As incurred	As incurred	Suppliers, Utilities,
<b>TOTALS</b>	<b>\$84,395</b>	<b>\$172,814</b>			

Notes: The above Chart describes the estimated initial investment in your Outlet. The foregoing expenses are merely estimates.

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

2. Rent/Real Estate: You may be required in some locations to have a Commissary Location and if so, the location must meet all local health department requirements as well as our standards and specifications. These are estimated per month costs to lease your Warehouse Location in a light industrial area. If required, the commissary location may have approximately 200 - 800 square feet, or as small as your local Health Department allows, and will be used as a commissary and/or for the storage of Repicci's Real Italian products. In many areas these commissaries are shared amongst several operators at a reduced cost. Warehouse space must have a water source and grey water disposal approved by the local health Department Agency. You should investigate the rental rates in the area where you propose to locate your Outlet. If you purchase property or a building, or both, for the Outlet, your additional costs will depend on the location and size of the land and building. Franchisees do not typically invest in the land and building for a Repicci's Outlet. We are unable to estimate these costs due to the significant variances based on location and market conditions. Office space is not required as it can be set up onsite or from a home office set up. The purchase of real estate may have additional legal expenses.

3. Opening and Ongoing Inventory. You must open with and maintain an adequate inventory of our proprietary products and other items necessary to deliver a variety of flavors of Repicci's Gelato, Sorbetto and Italian Ice frozen confections. You must purchase from RF, an initial inventory of 147 - 5 Liter Trays of Gelato / Sorbetto @ \$35 each and 70 - 4-gallon buckets of Italian Ice @ \$55 each in a combination to be determined by us but will cost approximately \$8,995 plus FOB Freight. You may only purchase these items from Us.

4. Additional Inventory: You must purchase business cards, Logo Shirts, Apron, Logo Hats, Volrath Dishers from suppliers that meet our specifications. You must purchase the kids cups, spoons, desert cups and lids only from Us. We estimate the initial cost to be a minimum of \$1,000. You may also choose, based on your local market, but are not required, to sell Hot Chocolate, Imported Italian Coffee & Teas and Italian sausage subs, Meatball Subs, Pizza, Bread Sticks. You must purchase these items only from vendors that meet our specifications. We estimate these costs to be approximately \$1,000 to \$1,860. Prices do not include FOB Freight. A wholesale price list will be provided in the Manual.

5. Custom Vehicle Purchase. These estimates are based on the purchase of one Operating Unit, either a Small (TS) or Large (TL) Custom Trailer or one Custom Food Truck (FT) prior to opening. Your costs may be more depending on your location and current rates. An OU, designed to our specifications, purchased from our designated vendor, is required to be utilized in order to operate your Outlet. The required OU will include all customization and all equipment necessary to provide you with a turn-key operation as follows: 1) The TS includes all customization and misc. supplies at a cost of approximately \$26,000. 2) the TL includes all customization and misc. supplies at a cost of approximately \$40,500. If you do not already own a suitable vehicle to tow the TS or TL, you will be required to purchase or lease a late model truck or van in good condition. We estimate the cost to be between \$20,000 to \$40,000 depending on your market area. 3) The Custom TF is equipped with all customizations and misc. supplies at a cost of approximately \$105,500. After the initial award of the franchise and your purchase of one of the required OUs, you may purchase additional OUs for use within your territory. These purchases must be made from our designated vendor. You will pay the then current price for each additional OU. We do not offer financing either directly or indirectly for any part of the initial investment. The availability and terms of financing from independent third parties depend on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders.

6. Tax, Title, Licensing, Freight and Delivery We estimate the cost of these items to be: 1) Title \$100 to \$350, 2) Licensing 0% - 25% of retail sales, and; 3) Freight and delivery 1% - 20% of the wholesale cost of the products. Prices and taxes will vary by location.

7. Includes other deposits, utility costs, telephone, Internet, any other communications costs, incorporation fees and licensing.

8. Advertising Requirements for local advertising and National Marketing Fund contributions: We do not currently require that you spend any amount of advertising locally nor have we established a National Marketing

Fund. We do require that you pay to us a Social Media, Event Services and Marketing Fee of \$50 per month, which will be used to help build the Repicci's Brand. This estimate does not include any local advertising you may perform on your own.

9. You must maintain insurance policies in amounts as specified by us periodically in the Manual. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, and all other occurrences against claims of any person, employee, customer, agent, or otherwise. You must provide us with a copy of your general liability insurance and product liability certificate of Insurance showing Repicci's Franchising, LLC. listed as an additional loss payee.

10. We do not require that you use any specific vendors for your computer, Internet, and communications equipment. We do require that you meet certain minimum standards established periodically in the Manual. You will be required to purchase or lease a POS system for the operation of your franchise. We recommend Square or Payroc. Depending on the equipment you select, we estimate the costs for one OU to be approximately \$170 to \$600 depending on the equipment you select. Additional equipment will incur additional expenses. Processing fees are estimated to be approximately 2.6% + 10 cents per transaction and depending on your system, you could pay a fee of approximately \$60 per month but can be eliminated by certain programs that the processors may present to you. We recommend that you buy and/or license Quick-Books Online to use in the operation of your Franchise. The cost of this software is estimated to be approximately \$329 annually but is subject to change according to the vendor's pricing policy. We reserve the right to implement a standardized POS system in the future, and you will be required to use said system. These prices are subject to change according to the vendor's pricing policy. You will also need a laptop or tablet in which to operate the accounting software. If you do not already have these, we estimate the costs to run between \$100 and \$500.

11. This estimates your pre-operational expenses and additional funds necessary for the first three months of your business operations. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. This item includes a variety of expenses and working capital items during your start-up phase such as: additional inventory; legal and accounting fees; insurance premiums; employee salaries and benefits; and other miscellaneous costs. However, this item excludes your salary.

We relied on our principal's 47 years of experience in the business of selling Italian Ice and related products, when preparing these figures. We do not provide financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the franchise, the cost of financing will depend on your creditworthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

## **ITEM 8** **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

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

### **Purchases from Us:**

You must purchase the proprietary products, including, but not limited to, Gelato, Sorbetto and Italian Ice, cups, spoons, and lids only from Us. You are not permitted to purchase these items from any other vendor. We will derive income from these required purchases. In the Fiscal Year ended December 31, 2024, we received \$286,006. from these required purchases, which represents 76% of our total revenues of \$374,374.

### **Designated Vendors**

You will be required to purchase your OU only from our designated supplier listed below, or from another vendor we may designate in the future. The designated supplier will be responsible for all warranty and maintenance of the OU.

Nationwide Concessions and Trailers; 2367 GA-183, Dawsonville, Georgia 30534 706-265-9215, [nationwideconcessions.us](http://nationwideconcessions.us)

### **Recommended Vendors:**

You must purchase certain operating products such as business cards, Logo Shirts, Apron, Logo Hats, Volrath Dishers Hot Chocolate, Imported Italian Coffee & Teas, and Italian Meatball & Sausage Subs, Pizza & Breadsticks. Specifications for these items will be provided in the Manual. For some of these items, we recommend the vendors below, however, you may use any vendor that meets our specifications. All Franchisees require a POS system.

Volrath Dishers: The Webstaurant Store, Inc, <https://www.webstaurantstore.com/>, 40 Citation Ln, Lititz, PA, 17543-7604, Phone: (717) 381-4840

### **POS System**

Square: 1455 Market Street, San Francisco, CA, 94103, (415) 375-3176, <https://squareup.com/signup>

PAYROC Processor, – Raymond Larson 775-600-5634

Other than Us, there are no approved suppliers in which any of our officers or affiliate(s) owns an interest.

As a franchisee, you will be solely responsible for preparing the products for use in connection with providing the approved services once those products are delivered to you. We will not be responsible for nor liable in connection with any claims involving how the products are prepared and/or used by you once they are delivered to you.

You are not permitted to purchase any Gelato, Sorbetto, Italian Ice, cups, spoons, and lids from any other vendor or supplier. We do not disclose our specifications or standards for our products.

If you wish to purchase, lease or use any products that we have not previously approved, or purchase or lease from a supplier we have not previously approved, you must submit a written request for approval or you must request the supplier to do so. We do not currently charge a fee

for our review of a potential supplier. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We have the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards. Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you in writing within 14 days after you have requested our approval whether the proposed product or supplier is, in fact, approved or disapproved. We are not required to make our criteria available to you or to any supplier for product or supplier approval. We are not obligated to approve any specific product or supplier if we believe that approval of that product or supplier is not in the best interests of the System. We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier.

We estimate that the cost of the Repicci's Real Italian Ice, Gelato & Sorbetto frozen confections, serving cups and dishers, and other branded items, such as logo shirts, caps and aprons, as well as our custom FT, TL, or TS purchased from us, our affiliates and/or designated or approved suppliers or in accordance with our specifications will represent approximately between and 74% of your total purchases in connection with the establishment of your business, and will represent from 30% to 55% of your ongoing expenses.

Annual Cumulative Product Purchase Quota and Minimum Royalty:

During your first calendar year of operation, you are required to purchase a minimum amount of product annually with a cumulative requirement of 140 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units (a mix of Italian Ice, Gelato, or Sorbetto or approximately 12,845, by Dec 31 of your first year or pro-rata as we may agree, but the minimum amount will be the opening inventory order of 70 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units, or approximately \$8,995. Current pricing of 5-Liter Trays of Italian Sorbetto & Gelato is \$35 per tray and a 4-gallon bucket of Italian Ice is \$55 + FOB freight. These costs may increase due to increase in ingredient costs and other market conditions. The chart below is based upon current pricing and on the highest price for the Italian Ice. The Quota will increase annually, beginning on January 1 of each year, the increase being 20% more cumulative product units purchased than the previous calendar year for each year during the term of your agreement and will be based on the stated first year quota, not on any pre-rata amount as may have been agreed upon during the first year of operation. The Quota and any increases will remain in effect throughout the term of your Franchise Agreement. If you do not meet your Annual Cumulative Product Purchase Quota for any given year, you will be required to pay a flat Royalty Fee of \$3,600 and we may restrict or remove your rights to your Designated Territory, which may allow others, including us or another Franchisee to operate within your Designated Territory without your written permission. The cumulative amount is only for the Outlet, regardless of how many vehicles you operate within the Designated Territory. The cost of these required product purchases may increase based on product or ingredient cost increases from our suppliers due to inflation or other market conditions and we have no control over these costs, however, the maximum increase will not be more than 20%.

Year	5-liter trays Sorbetto & Gelato	Approximate Cost	4-gallon buckets Italian Ice	Approximate Cost	Approximate Total Cost
Year 1	147	\$5,145	140	7,700	\$12,845
Year 2	176	\$6,160	168	9,240	\$15,400
Year 3	211	\$7,385	202	11,110	\$18,495
Year 4	253	\$8,855	242	13,310	\$22,165
Year 5	304	\$10,640	290	15,950	\$26,590

We do not have any purchasing or distribution cooperatives as of the date of this Disclosure Document. We may negotiate purchase arrangements with other suppliers and distributors for the benefit of our Franchisees in the future and we may receive rebates or volume discounts from our purchase of equipment and supplies that we resell to you. We may, in our sole discretion, either retain these rebates, incentives or overrides or we may use these funds to produce advertising and marketing materials.

## **Leases**

This is a mobile business. No lease is generally required, and we have no requirements if you must sign a lease for a commissary.

## **Insurance**

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

- A. If you have employees, workers' compensation insurance in amounts prescribed by law in your state or territory;
- B. Fire and lightning, extended coverage, theft, vandalism and malicious mischief, flood (if the Franchise is in a Designated Flood Hazard Area), and sprinkler leakage insurance on the Franchise and all fixtures, equipment, supplies and other property used in the operation of the Franchise, for not less than 100% of the replacement value of the same, except that an appropriate deductible clause will be permitted;
- C. Comprehensive general liability insurance and product liability insurance coverage in such amounts and upon such terms as may from time to time be customary for a Wholesale & Retail Mobile Distribution of nonfat frozen confections, Gelato, Sorbetto, Italian coffee, Italian Hot Chocolate & Italian Tea, Italian Hoagies and other products business located in your Territory, but not less than \$2,000,000. insuring both you and RF against all claims, suits, obligations, liabilities and damage, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage relating to the use or condition of the Franchise; and
- D. Such additional insurance as may be required by the terms of any lease or mortgage for the Franchise.

## Computer Requirements

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

## ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	<b>Obligation</b>	<b>Section in Agreement(s)</b>	<b>ITEM in Disclosure Document</b>
A	Site selection and acquisition/lease if any	Sections 8.02 of the Franchise Agreement	ITEM 11
B	Pre-opening purchases/leases	Sections 5 & 12 of the Franchise Agreement	ITEM 11
C	Site development and other pre-opening requirements	Sections 10 & 12 of the Franchise Agreement	ITEM 11
D	Initial and ongoing training	Section 8.04, 8.05, 8.06 & 8.07 of the Franchise Agreement	ITEM 11
E	Opening	Section 8.02 and 10.01 of the Franchise Agreement	ITEM 11
F	Fees	Sections 5, 8, 9, 13 and Attachment I of the Franchise Agreement	ITEM 5, 6, & 7
G	Compliance with standards and policies/Manual	Sections 7 and 12 of the Franchise Agreement	ITEM 11
H	Trademarks and proprietary information	Section 6 & 7 of the Franchise Agreement	ITEM 13 & 14
I	Restrictions on products and services offered	Sections 8 and 12 of the Franchise Agreement	ITEM 8 & 16
J	Warranty and customer service requirements	Not Applicable	Not Applicable
K	Territorial development and sales quotas	Section 4 and Attachment I of the Franchise Agreement	ITEM 11 & 12
L	Ongoing Product and service purchases	Sections 5 and 12 of the Franchise Agreement	ITEM 8 & 16
M	Maintenance, appearance and remodeling requirements	Sections 10 and 12 of the Franchise Agreement	Not Applicable
N	Insurance	Section 12 of the Franchise Agreement	ITEM 8
O	Advertising	Section 9 of the Franchise Agreement	ITEM 11
P	Indemnification	Section 12 of the Franchise Agreement	Not Applicable
Q	Owner's participation/management staffing	Section 12 of the Franchise Agreement	ITEM 15

	<b>Obligation</b>	<b>Section in Agreement(s)</b>	<b>ITEM in Disclosure Document</b>
R	Records and reports	Section 11 of the Franchise Agreement	Not Applicable
S	Inspection and audits	Section 11 & 12 of the Franchise Agreement	Not Applicable
T	Transfer	Section 14 of the Franchise Agreement	ITEM 17
U	Renewal	Section 3 of the Franchise Agreement	ITEM 17
V	Post-termination obligations	Section 13 of the Franchise Agreement	ITEM 17
W	Non-competition covenants	Sections 7 and, 15 & Attachment IV of the Franchise Agreement	ITEM 17
X	Dispute resolution	Section 16 of the Franchise Agreement	ITEM 17
Y	Other	Not Applicable	Not Applicable

## **ITEM 10 FINANCING**

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

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

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

### **Pre-Opening Obligations**

#### **Before you begin your Business, we will:**

1. Loan you a copy of our confidential Training Manual and Operations Manual, either by physical or digital format, which contains mandatory and suggested specifications, standards, operating procedures and rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as Exhibit E to this Franchise Disclosure Document. The Operating Manual consists of 54 pages.
2. This is a mobile business, and business will be conducted mostly from your OU or home office. However, you may be required by your state or local jurisdiction to have a commissary location. In this case, we will provide advice about selecting and analyzing a site for the commissary. The location must meet all local health department requirements as well as our standards and specifications. The commissary location will have approximately 200 - 800 square feet or as small the Health Department allows and will be used as a commissary and/or for the storage of Repicci's Real Italian frozen confections. In many areas these commissaries are shared amongst several operators at a greatly reduced cost. Commissary space must have a water source approved by the local health department agency. You should investigate the rental rates in the area where you propose to locate your Business. Franchisees do not typically invest in the land and

building for a Repicci's Outlet. Office space is not required as it can be set up from a home office location. The purchase of real estate may have additional legal expenses. The franchise agreement can be terminated for failure to begin operations within 180 days of signing the franchise agreement. Our assistance in no way constitutes a representation or warranty with respect to the property. (See Section 10.01 of the Franchise Agreement).

3. Within 60 days of your signing a Franchise Agreement, or any other time as may be mutually agreed upon, provide Initial Training to you and up to 2 other persons, generally a Manager, as indicated in the Training Section of this Item 11 below:

**During the operation of the franchised business, we will:**

1. Research new equipment, supplies, services and methods of doing business and provide you with information concerning developments of this research. (See Section 8.08 of the Franchise Agreement).

2. Offer you continuing advisory services, not to exceed 10 hours total in a 30-day period, by telephone, email, and/or other types of communication during normal business hours. Any additional advisory services you request may incur a fee. We may also provide to you visits by our field representative or require you to attend additional training at our location, but any additional consultation you request, or we deem necessary, may incur a fee. (See Sections 8.05 and 8.06 of the Franchise Agreement).

3. We will include information about your Outlet on our Web site. (See Section 8.11 of the Franchise Agreement).

4. We may provide to you a toll-free support line. While we currently do not charge a fee, we reserve the right to charge an additional fee for this service. (See Section 8.06 of the Franchise Agreement).

5. We may implement a purchasing system for you and negotiate prices and terms with suppliers. We may receive rebates from the suppliers for these purchases. We reserve the right to use these funds in our sole discretion. (See Section 8.10 of the Franchise Agreement).

6. Currently, we do not hold any mandatory periodic regional or national conferences but reserve the right to do so in the future. We expect to begin National Conferences in 2024. We may hold conferences to discuss on-going changes in the industry, operational techniques, developments, personnel training, bookkeeping, accounting, advertising programs and new product and/or service procedures. You may be required to attend these conferences. When we hold mandatory conferences, you will not be required to pay a conference fee, but you must pay all of the travel, meals, lodging for you, your designated manager, and any other employee(s) as well as any incidental or other expenses and any payroll for any other employees who attend. These conferences will be held virtually. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than \$250 per person to attend a live conference or \$100 per person to attend a virtual conference. You must pay all of the travel and living expenses for you and any other employees who attend. We will not receive any net income from these conferences. (See Section 8.05 of the Franchise Agreement).

7. Provide a reasonable amount of marketing, promotional materials, and services to you. Materials provided may include video and audiotapes, copy-ready print marketing materials, posters, banners, and miscellaneous items. If you want additional design & production of materials such as banners, signage or menus we can provide these at our cost, plus 10%. We may use both

outside advertising and marketing agencies and internal staff to create advertising. You may develop only those marketing materials approved by RF for your own use, at your own cost. We will approve, or disapprove, the marketing materials in advance and in writing within fifteen days from receipt. Any items that are disapproved will not be allowed to be used in marketing of your franchise. Any use of unauthorized materials could result in the termination of your Franchise Agreement. We reserve the right to utilize any marketing developed by you for the use of all Franchisees without any payment or other compensation to you. (See Section 9.05 of the Franchise Agreement).

8. There are no restrictions on your marketing; except that you may not advertise independently on the Internet or outside your territory and that your advertising must be approved by us prior to it being used in any way. (See Section 9.02 of the Franchise Agreement).

9. We do not have any obligation to assist you with establishing prices such as minimum or maximum prices at which you must sell products to consumers, however we do reserve the right to set maximum prices for use with multi-area marketing and special price promotions.

## **Training Programs**

We will provide to you at no charge the following training for you and up to 2 additional persons, generally a Manager, included with your Franchise Fee.

### **TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Introduction and Administration	4	None	Virtual
Marketing and Sales	4	None	Virtual
Operations / Event Training	8	None	Virtual
Equipment Training (DT only)	None	4	Atlanta, GA
Operations / Event Training	None	Minimum of 8 Hours up to Unlimited	Atlanta, GA or at another agreed upon location or virtually if delivered to your location.
<b>Total</b>	<b>16</b>	<b>12</b>	

Our training staff consists of Michelle Repici, Frank Repici, Dodd Williams, and Brandon Naughton who have 16 years combined experience in the operation of Repicci's Real Italian business and over 77 years combined experience in the Italian Ice, Gelato & Sorbetto and frozen confection industry. Individually, Michelle Repici has 24 years' experience, Frank Repici has 24 years Dodd Williams has 6 years' experience and Brandon Naughton has a minimum of 14 years' experience in the Italian Ice, Gelato & Sorbetto and frozen confection industry. Repicci's Training materials will consist of a training manual, the operations manual, videos, and hands-on training. The Initial Training program will be conducted as often as necessary to enable each franchisee to complete training prior to opening for business.

You and your designated Manager must attend Initial Training. The cost of the Initial Training for up to 3 persons is included in the Initial Franchise Fee. All classroom training will be provided virtually; however, you will generally travel to our warehouse facility in Atlanta, Georgia to take possession of your custom vehicle and will receive training on the vehicle at that time. You must complete this training to our satisfaction, or repeat this training, at no cost prior to commencing operation of your franchise. Virtual Initial classroom Training must be completed within one week of executing the Franchise Agreement and Operations and Event Training must be completed one (1) week prior to opening/initial event and will be conducted when you pick up your equipment in Atlanta or will be conducted virtually if you have your equipment delivered to your location. You are responsible for training any on-site managers or other employees to our specifications as we do not provide training to them. (See Sections 8.04 and 8.05 of the Franchise Agreement).

**Post Opening Training** – At your request, or if we deem necessary, within 30 days from the time you open, Repicci's will send training staff to your location for 1 day of field training, which will include marketing presentations and working a live event. We may continue to provide on-site assistance at your request during the term of your Agreement at which time you will pay our Additional Assistance Fee of \$500 per day (two day minimum) plus travel and living expenses.

## **Marketing Programs**

### **Local.**

At the present time, you are not required to market on a local basis as an individual Outlet or by local marketing agencies hired by you. (See Section 9.02 of the Franchise Agreement).

### **Social Media/Event Services and Marketing Fee:**

We require that you pay to Us a Social Media, Event Services and Marketing Fee of \$50 per month, which will be used to help build the Repicci's Brand. We will use this fee to promote and advertise Repicci's Brand. Company and/or affiliate owned Outlets do not contribute to the fund. We will keep these funds in a bank account of our choosing, including our general operating fund. We are not required to spend any amount on advertising in your particular territory. We will spend the contributions to these Programs at our discretion, and we have no fiduciary duty to you regarding the contributions. A statement of these funds may be provided once annually upon request. We do not use any part of these Fees to solicit new franchises. (See Section 9.03 of the Franchise Agreement). In the last fiscal year ending December 31, 2024, we received \$5,015 which is .013% of our total revenue of \$374,374.

### **National Marketing Fund / Multi Area Marketing Programs:**

No National or Multi-Area Marketing Programs are currently in effect. We reserve the right to implement either program in the future, and we reserve the right to require you to participate and contribute. Your contribution to any NMF/MAM programs will be no greater than 1% of your gross monthly revenue. (See Section 9.04 of the Franchise Agreement).

**Regional Advertising Cooperative:**

We do not have the power to require advertising cooperatives to be formed, changed, dissolved or merged.

**Other Advertising Information:**

We do not have the power to require a Franchisee Advisory Council to be formed, changed, dissolved, or merged.

**Schedule for Opening:**

You should be able to open within 180 days after you sign a Franchise Agreement. The factors that affect this time are the ability to obtain general business permits, training, financing, weather conditions, shortages, and installation of equipment, fixtures and signs, and customization of your vehicle. If you do not open your Outlet within 180 days after signing the Franchise Agreement, we may terminate the Franchise Agreement, and retain all monies received and the right to resell the territory. (See Section 8.02 of the Franchise Agreement).

**Computer Systems, Proprietary Software, and Internet Access:**

We do not currently require you to purchase any particular brand of computer hardware, to establish or operate the Outlet, nor do we specify the standards for computer and communication equipment and Internet access. You may use any brand of computer and/or tablet in the operation of your Outlet. If you do not already own this hardware, it may be obtained from any computer or electronics seller, such as Office Depot or Best Buy, and we estimate the cost is from \$100 to \$500. We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future. You must have access to the Internet, have an electronic mail address, and periodically check your electronic mailbox and the portion of our Web site devoted to franchise owners. We reserve the right to market and sell, over the Internet. (See Sections 9.02 and 12.14 of the Franchise Agreement).

We recommend that you buy and/or license Quick-Books Online to use in the operation of your Franchise. The cost of this software is estimated to be approximately \$329 annually but is subject to change according to the vendor's pricing policy. It is also recommended that you use a POS system. Currently we recommend Square and PAYROC. We estimate the cost for one OU operated within the DT to be approximately \$0 to \$600 depending on the equipment you select. Additional equipment will incur additional expenses. Processing fees are estimated to be approximately 2.6% + 10 cents per transaction and depending on your system, you could pay a fee of approximately \$60 per month. We reserve the right to implement a standardized POS system in the future, and you will be required to use said system. These prices are subject to change according to the vendor's pricing policy. We do not have independent access to any information generated and stored in any of the systems.

You may be required to upgrade your hardware and/or software in order to utilize the computerized system as technological advances require. You will be responsible for the cost of such upgrades.

You will not be required to upgrade your hardware or software more often than once a year, at a maximum cost of \$1,000.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems. (See Section 12.15 of the Franchise Agreement).

## **ITEM 12 TERRITORY**

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

You will receive a Designated Territory (“Designated Territory”) with a minimum population of 200,000 individuals, as determined by counties, or zip codes, in which you will initially operate with one (1) OU. This is a mobile business and most business will be conducted from your custom vehicle unless you are required by your state or local jurisdiction to have a commissary location. In this case, we will provide advice about selecting and analyzing a site for the Commissary. In many areas these commissaries are shared amongst several operators at a reduced cost. Office space is not required as it can be set up from a home office location, and as such, approval of the Designated Territory will be approval of the Location. Our assistance in no way constitutes a representation or warranty with respect to the property. We do not require that you obtain our approval prior to moving your Commissary location, but we do require that you notify us in writing prior to any move.

Your Franchise Agreement may be terminated if you are not operational within one hundred and eighty (180) days after signing the Franchise Agreement. Provided you are in compliance with your Franchise Agreement, we will not own, operate or license, through our current trademarks or different trademarks, a Repicci’s Outlet or grant franchises for a similar or competitive business within your Designated Territory, but we retain the right to do so anywhere outside of your Designated Territory. Once established and unless otherwise agreed to in writing, the boundaries of your Designated Territory will not be adjusted regardless of whether the population of your Designated Territory increases or decreases over time. However, we may modify or adjust your Designated Territory if you fail to meet your Annual Cumulative Product Purchase Quota. There are no other circumstances which permit us to adjust your Designated Territory.

You do not receive any rights to distribute Repicci’s Real Italian products through 5-Liter Trays of Repicci’s Gelato & Sorbetto, Repicci’s Italian Ice 4-Gallon Buckets or any other wholesale product distribution within or without your Designated Territory. You must refer, without charge, any requests for such Repicci’s Real Italian products from a business or distributor to us. (See Reserved Distribution Methods below).

With our prior written consent, you may provide authorized Repicci’s Real Italian products and service to businesses and venues located outside your Designated Territory but only if we have not

granted the area to another franchisee or reserved the area for us and if the products and services can be provided substantially in accordance with our minimum standards and specifications. We may revoke our written approval of such consent at any time for any reason, including but not limited to: if you are not in compliance with the Franchise Agreement; if we determine, in our sole discretion, to designate another supplier for a franchise; or if we establish or grant rights to establish a Repicci's franchise at any previously approved location, or in the previously approved area. You do not have the right to enter into any distribution contract with any operator or distributor on behalf of Repicci's Franchising, LLC.

#### Additional and Optional Equipment

At any time during the term of your Franchise Agreement, and after your purchase of the initial OU, you may purchase additional OUs for use within your Designated Territory, subject to our approval. You will pay the then current price for each additional OU, and you must purchase them only from our approved supplier. There is no limit to the number of custom vehicles you may purchase to operate within your DT.

#### Reserved Distribution Methods:

We reserve the right to distribute wholesale products, including, but not limited to, Gelato, Sorbetto and Italian Ice in bulk through alternative distribution methods, such as through independent contractors, fundraisers, or other individuals who may sell limited quantities of our products throughout the United States. There may be several such parties within your Designated Territory. We, therefore, reserve the right to distribute our products through other means anywhere in the United States which may include inside your Territory.

#### Reserved Accounts:

We reserve the right under the Franchise Agreement to contract with "Reserved Accounts" for the wholesale distribution of Repicci's Real Italian pre-packaged products and other products and services ("Other Items") to Reserved Account locations. "Reserved Accounts" include: (1) a single client ("National Account") that either conducts its business for its own account, or conducts business through dealers, affiliates, licensees or franchisees, in two or more states in the United States, at five or more locations; and (2) "Captive-Audience Facility Managers" which are defined as contract food service companies that manage or provide food service for at least five "Captive-Audience Facilities"; namely, facilities where people are congregating for a primary purpose other than dining, creating significant foot traffic in the facility, including airports and other transportation hubs, hospitals, cafeterias, universities and other school campuses, commissaries, convention centers, shopping malls and specialty retail centers, resorts and hotels, sports arenas, corporate campuses and institutional feeding sites. You are not entitled to any revenues from the sale of pre-packaged wholesale products within your Designated Territory by us. However, if we contract with a Reserved Account, to supply Repicci's Real Italian or other items to a non-wholesale Reserved Account location in your Territory, we will contact you and give you the opportunity to sell Repicci's Real Italian frozen confections to that location on the terms and conditions agreed to by us in the contract with the Reserved Account entity. You must respond within 15 days of being notified of a new opportunity in this regard whether you want to

distribute to the location(s) and you must comply with the terms of the contract we have negotiated. If you elect not to sell to the Reserved Account location(s) in your Territory, we or our affiliates or another franchisee will have the right to sell to the Reserved Account locations in your Territory and you will have no further rights pertaining to these locations during the term of the contract. Further, you will not be entitled to receive any compensation or proceeds from anyone's fulfillment of the contract. As of the date of this Disclosure Document, we do not have any Reserved Account locations under contract and we cannot guarantee that we will have any in the future or that if we do, you will receive any referrals in your Territory.

Annual Cumulative Product Purchase Quota and Minimum Royalty:

During your first calendar year of operation, you are required to purchase a minimum amount of product annually with a cumulative requirement of 140 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units (a mix of Italian Ice, Gelato, or Sorbetto or approximately 12,845, by Dec 31 of your first year or pro-rata as we may agree, but the minimum amount will be the opening inventory order of 70 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units, or approximately \$8,995. Current pricing of 5-Liter Trays of Italian Sorbetto & Gelato is \$35 per tray and a 4-gallon bucket of Italian Ice is \$55 + FOB freight. These costs may increase due to increase in ingredient costs and other market conditions. The chart below is based upon current pricing and on the highest price for the Italian Ice. The Quota will increase annually, beginning on January 1 of each year, the increase being 20% more cumulative product units purchased than the previous calendar year for each year during the term of your agreement and will be based on the stated first year quota, not on any pre-rata amount as may have been agreed upon during the first year of operation. The Quota and any increases will remain in effect throughout the term of your Franchise Agreement. If you do not meet your Annual Cumulative Product Purchase Quota for any given year, you will be required to pay a flat Royalty Fee of \$3,600 and we may restrict or remove your rights to your Designated Territory, which may allow others, including us or another Franchisee to operate within your Designated Territory without your written permission. The cumulative amount is only for the Outlet, regardless of how many vehicles you operate within the Designated Territory. The cost of these required product purchases may increase based on product or ingredient cost increases from our suppliers due to inflation or other market conditions and we have no control over these costs, however, the maximum increase will not be more than 20%.

Year	5-liter trays Sorbetto & Gelato	Approximate Cost	4-gallon buckets Italian Ice	Approximate Cost	Approximate Total Cost
Year 1	147	\$5,145	140	7,700	\$12,845
Year 2	176	\$6,160	168	9,240	\$15,400
Year 3	211	\$7,385	202	11,110	\$18,495
Year 4	253	\$8,855	242	13,310	\$22,165
Year 5	304	\$10,640	290	15,950	\$26,590

Royalty Fee:

No Royalty is due or charged provided you maintain your Annual Cumulative Product Purchase Quota. if you fail to meet the Annual Cumulative Product Purchase Quota you will be required to pay a Royalty Fee of \$3,600, due on January 15 for the previous calendar year. Failure to pay the royalties is a material breach of the Franchise Agreement and may result in termination.

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

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

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

Reservation of Rights.

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

1. to own, franchise, and/or operate franchises at any location outside of your Designated Territory, regardless of the proximity to your franchise.
2. To use the Marks and the System to sell any products or services, or supplies similar to those which you will sell, through any alternative channels of distribution outside of your Territory. This includes, but is not limited to, other channels of distribution such as such as the Internet, catalog sales, telemarketing, or other direct marketing, television, mail order, and wholesale sales to unrelated franchises. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce,
3. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located.
4. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere; Franchisee will still have the option of servicing any customer within its Designated Territory. Franchisor also reserves the right to issue mandatory policies and pricing to coordinate such multi-area marketing programs.

5. To own, franchise, license, or otherwise operate retail locations at any location inside or outside of your Territory, which may offer products similar to those which you will sell.

6. To distribute pre-packaged items within your Designated Territory, including but not limited to, 5-liter trays of Gelato and Sorbetto and 4-gallon buckets of Italian Ice through alternative distribution methods, such as independent contractors, fundraisers, or other individuals, or Reserved Accounts who may sell limited quantities of our products throughout the United States. There may be several such parties within your Territory. Franchisor, therefore, reserves the right to distribute some of our products through other means anywhere in the United States, which may include your Territory.

The Franchise Agreement does not provide for options, rights-of-first-refusal or similar rights. Under the Franchise Agreement, we grant you the right to operate one Repicci's Real Italian Outlet within your Designated Territory.

### **ITEM 13 TRADEMARKS**

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

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

<b>Description of Mark</b>	<b>Registration Date</b>	<b>Registration Number</b>	<b>Principal or Supplemental Register of the United States Patent and Trademark Office</b>
Repicci's Real Italian Ice 	December 14, 2021	6586125	Principal

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

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

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

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

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

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

## **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

### **Patents and Copyrights:**

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

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

infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in any state.

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

**Proprietary Information:**

You may never - during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated - reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize.

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

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

You are allowed to operate your Repicci's Real Italian Franchise through a Designated Manager and on-site Managers who meet all of our then-current training and any other requirements as identified in the Manual. Only You and the Designated Manager must attend our Initial and any ongoing training requirements. You are responsible for training any on-site managers or other employees to our specifications as we do not provide training to them. Absentee ownership exposes you to a greater risk of failure than if you are personally involved, on a full-time basis, in the daily management of your Repicci's Real Italian Outlet. You must keep us advised of the identities of each of your on-premises supervisors of your Repicci's Real Italian Outlet, and we will have the right to deal with such supervisors on matters pertaining to day-to-day operations of, and reporting requirements for your Repicci's Real Italian Franchise. You, or anyone you designate, must hire all employees of your Repicci's Real Italian Outlet and are solely responsible for their supervision, possible termination, terms of employment, compensation, and proper training.

Neither you nor your designated Manager nor any on-site Managers may have an interest or business relationship with any of our business competitors. If you are an entity, we do not require that your designated Manager, nor any on-site Managers own an equity interest in such an entity. However, your designated Manager, any on-site Managers and each of your officers, directors, partners, shareholders or members, as applicable, must execute our standard Confidentiality and Covenant not To Compete Agreement, a copy of which is attached to the Franchise Agreement as Attachment IV. Other than the above, we make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

If your interest is subsequently assigned to a business entity, each of the entity's officers, directors, shareholders, partners, and members, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also assume and agree to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

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

You must purchase Repicci's Real Italian Ice, Gelato & Sorbetto frozen confections, cups, spoons, and lids from us. You may also choose, based on your local market, but are not required, to sell Hot Chocolate, Imported Italian Coffee & Teas and Italian sausage subs, Meatball Subs, Pizza, Bread Sticks. You must purchase these items only from vendors that meet our specifications. We reserve the right in the future to designate alternate vendors from whom you will purchase these items. (See Section 4 of the FA for restrictions regarding to whom you may sell).

## **ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

### **THE FRANCHISE RELATIONSHIP**

	<b>Provision</b>	<b>Section in Agreement(s)</b>	<b>Summary for Franchise Agreement</b>
A	Length of the franchise term	Section 3 of the Franchise Agreement	5 years from signing the Franchise Agreement.
B	Renewal or extension of term	Section 3 of the Franchise Agreement	If you are in good standing you can renew for one additional term of 5 years.
C	Requirements for Franchisee to renew or extend	Section 3 of the Franchise Agreement.	Sign new agreement, be current in payments, pay the Renewal Fee. You may be required to sign a new Franchise Agreement with terms and conditions that are materially different from your original Agreement; however, the boundaries of your territory will remain the same, and the continuing Royalty on renewal will be no greater than Royalties that we impose on similarly situated renewing franchisees.

	<b>Provision</b>	<b>Section in Agreement(s)</b>	<b>Summary for Franchise Agreement</b>
D	Termination by Franchisee	Section 13 of the Franchise Agreement	Default by us.
E	Termination by Franchisor without cause	Not Applicable	Not Applicable
F	Termination by Franchisor with cause	Section 13 of the Franchise Agreement	We can terminate if you commit any one of several violations with a written 90-day notice.
G	“Cause” defined - curable defaults	Section 13 of the Franchise Agreement.	You have 30 days to cure, including failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations.
H	“Cause” defined - non-curable defaults	Section 13 of the Franchise Agreement.	Non-curable defaults include misrepresentation by you, failure to complete initial training, bankruptcy, insolvency, or appointment of receiver, abandonment, trademark misuses and unapproved transfers. (Termination upon bankruptcy may not be enforceable under U.S. Bankruptcy Law.) If, you or your owner is convicted of a crime, or you are bankrupt or you abandon your business.
I	Franchisee’s obligations on termination/nonrenewal	Sections 13 of the Franchise Agreement.	Obligations include complete de-identification, non-competition and payment of amounts due.
J	Assignment of contract by Franchisor	Section 14 of the Franchise Agreement.	No restriction on our right to reassign.
K	“Transfer” by franchisee - definition	Section 14 of the Franchise Agreement.	Includes transfer of contract or assets or ownership change.
L	Franchisor approval of transfer by Franchisee	Section 14 of the Franchise Agreement.	We have the right to approve all transfers but will not unreasonably withhold approval.
M	Conditions of approval of transfer	Section 14 of the Franchise Agreement.	New Franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new Franchisee.
N	Franchisor’s right of first refusal to acquire Franchisee’s Business.	Section 14 of the Franchise Agreement	We can match any offer for your Business.
O	Franchisor’s option to purchase franchisee’s Business	Section 14 of the Franchise Agreement	We may purchase Business if Franchise is terminated for any reason by Right of First Refusal.
P	Death or disability of Franchisee	Section 14 of the Franchise Agreement	Franchise must be assigned by estate to approved transferee within 120 days.
Q	Non-competition covenants during the term of franchise	Section 15 & Attachment IV of the Franchise Agreement	No involvement in competing business anywhere in U.S.
R	Non-competition covenants after the franchise is terminated or expires	Section 15 & Attachment IV of the Franchise Agreement	No competing business for 2 years within 50 miles from the boundary of your Designated Territory or from another Repicci’s franchise, company-owned Franchise, or on the Internet (including after assignment).

	<b>Provision</b>	<b>Section in Agreement(s)</b>	<b>Summary for Franchise Agreement</b>
S	Modification of agreement	Sections 7, 8 & 18 of the Franchise Agreement	No modifications generally, but our Manuals are subject to change.
T	Integration/merger clause	Section 18 of the Franchise Agreement.	Only the terms of the Franchise Agreement and/or the Multi-Unit Developer Agreement are binding (subject to state law). All representations and promises made outside the disclosure document and franchise agreement may not be enforceable. Nothing in this agreement or in any related agreement is intended to disclaim any of the representations made in the disclosure document.
U	Dispute resolution by arbitration or mediation	Section 16 of the Franchise Agreement	Except for certain claims, all disputes must be arbitrated. (Subject to state law) Must be Mediated
V	Choice of forum	Section 16 of the Franchise Agreement.	Arbitration, mediation and actions for injunctive relief, claims based on the Marks, or on covenants not to compete must be in the State of Alabama. (Subject to state law)
W	Choice of law	Section 16 of the Franchise Agreement.	Alabama law applies. (Subject to state law)

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

## **ITEM 18 PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Michelle Repici, CEO, at 4009 Lennox Road, Birmingham, Alabama 35216; and (423) 653-8106 and the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System Wide Outlet Summary**  
**For years 2022 to 2024 (As of December 31 of each year)**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2022	2	10	+8
	2023	10	21	+11
	2024	21	26	+5
Company- Owned	2022	1	0	-1
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	3	10	+7
	2023	10	21	+11
	2024	21	26	+5

**Table No. 2**  
**Transfers of outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2022 to 2024 (As of December 31 of each year)**

STATE	YEAR	NUMBER OF TRANSFERS
Total Outlets	2022	0
	2023	0
	2024	0

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2022 to 2024 (As of December 31 of each year)**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS- OTHER REASONS	OUTLETS AT END OF THE YEAR
Alabama	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Florida	2022	1	2	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Kentucky	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Louisiana	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Michigan	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
	2024	1	0	0	0	0	0	1
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	5	0	0	0	0	6
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	3	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Texas	2022	0	3	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Total Outlets	2022	2	8	0	0	0	0	10
	2023	10	11	0	0	0	0	21
	2024	21	5	0	0	0	0	26

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For years 2022 to 2024 (As of December 31 of each year)**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
Alabama	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Total Outlets	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

**TABLE NO. 5**  
**PROJECTED OPENINGS AS OF DECEMBER 31, 2023**

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the current Fiscal Year
Colorado	0	1	0
Connecticut	0	1	0
Florida	0	3	0
Georgia	0	2	0
Louisiana	0	2	0
Mississippi	2	2	0
Tennessee	0	2	0
Texas	0	2	0
<b>TOTALS</b>	<b>2</b>	<b>15</b>	<b>0</b>

### Lists of Current and Former Franchises:

Below lists the names of all current franchises and the addresses and telephone numbers of their outlets as of December 31, 2024:

Name	Street Address	City	State	Phone or email
Jarad Tompkins	15974 Lock 9 Road	Foster	AL	601-529-9417
Twedrick Nettles	7017 Inverness Court	Mobile	AL	251-680-5374
Ryan Ohly	117 Tortuga Court	Davenport	FL	863-221-9276
AMW, LLC	4332 Commons	Destin	FL	850-585-8498
Cathy Couch	8340 Merchants Gate Dr	Jacksonville	FL	904-228-8915
Kyle Pollifrone	792 SW Nichols Terrace	Port Saint Lucie	FL	772-241-4790
Keith & Nicole Robinson	660 Osborne Road	Dry Ridge	KY	636-578-0413
Urina Holt	8021 Hobbs Drive	Shreveport	LA	318-489-1957
Katina Thomas	757 Kingstowne Place	Shreveport	LA	318-200-4282
Jeff Balcom	69589 South River Road	White Pigeon	MI	269-535-1965
Keith Saucier	7048 US Highway 49North	Hattiesburg	MS	601-408-6747
Keith Saucier	1858 Evelyn Gandy Pkwy	Hattiesburg	MS	601-408-6747
Keith Saucier	5170 West 4 <sup>th</sup> Street	Hattiesburg	MS	601-408-6747
Keith Saucier	7292 Hwy 63 South	Lucedale	MS	601-408-6747
Keith Saucier	21000 Highway 613	Moss Point	MS	601-408-6747
Keith Saucier	3333 Hwy 49	Wiggins	MS	601-408-6747
Bill Kittle	100 Bexley Ct.	Waxhaw	NC	704-685-2005
Casey Jackson	331 High Top Lane	Decherd	TN	931-308-7919
Steve Huggins	83 Joe Hickerson Road	Manchester	TN	731-514-4274
Davilla & Family	5141 E. Calgary Rd	Murfreesboro	TN	615-424-1350
Andrew Klaehn	8892 McKenzie Farm Dr.	Ooltewah	TN	423-432-6757
Lisa Petros	4017 Bay Springs Court	Arlington	TX	817-994-7079
Kevin Gagnon	209 Doeskin Drive	Boerne	TX	830-431-4184
Tracy Augustine	3010 Hartsville	Houston	TX	832-881-0029
Danita Carey	3511 Naples Point Lane	Missouri City	TX	504-931-4347
Les Pugh	6703 Mossy Bluff Court	Spring	TX	713-447-7194

Below lists the names of outlets purchased but not open as of December 31, 2024

Name	Street Address	City	State	Phone or email
Keith Saucier	2675 Hwy 15	Bay Springs	MS	601-408-6747
Keith Saucier	3030 Hwy 49	Collins	MS	601-408-6747

Below lists the names of all company and affiliate owned franchises and the addresses and telephone numbers of their outlets as of December 31, 2024: None

Below lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system: None.

**Confidentiality Agreements:**

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

**Associations and/or Organizations:**

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

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

**ITEM 21**  
**FINANCIAL STATEMENTS**

Attached to the Disclosure Document as Exhibit A are our audited financial statements as of December 31, 2024, December 31, 2023, and December 31, 2022.

Also attached to the Disclosure Document as Exhibit A-1 are our unaudited financial statements for the period January 1, 2025 through March 31, 2025

Our fiscal year end is December 31<sup>st</sup>.

**ITEM 22**  
**CONTRACTS**

Attached to this Disclosure Document are the following contracts:

**Exhibit B Franchise Agreement**

- Attachment I Fee, Premises and Territory Addendum
- Attachment II Electronic Payment Authorization
- Attachment III Proposed Trade Name and Delegation of Authority
- Attachment IV Confidentiality and Covenant Not To Compete Agreement
- Attachment V Full and Final Mutual Release
- Attachment VI Americans with Disabilities Act Certificate
- Attachment VII Assignment of Agreement to an Entity

**ITEM 23**  
**RECEIPT**

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

**EXHIBIT A**

**Repicci's Franchising, LLC**

**AUDITED FINANCIAL REPORTS**

**for the Fiscal Years ending December 31, 2024, December 31, 2023, and  
December 31, 2022**



**Repicci's Franchising LLC  
Audited Financial Statements**

**For the Year Ended December, 31, 2024**

**Repicci's Franchising LLC**  
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**December 31, 2024**

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8219 West Atlantic Boulevard  
Coral Springs, FL 33071  
(954) 768-6620

**Independent Auditor's Report**

To the members and owners of  
Repicci's Franchising LLC  
4009 Lennox Road  
Vestavia Hills, AL 35216

**Opinion**

We have audited the accompanying financial statements of Repicci's Franchising LLC (a privately held company), which comprise the balance sheets as of December 31, 2024, and the related statement of income, changes in shareholders equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Repicci's Franchising LLC as of December 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Repicci's Franchising LLC in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Repicci's Franchising LLC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KMS Financial Consulting*  
Coral Springs, Florida  
April 21, 2025

**REPICCI'S FRANCHISING LLC**  
**Balance Sheet**  
**As of December 31, 2024**

	<u>2024</u>
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 10,839
Accounts receivable	49,554
Due from partner	784
<b>Total current assets</b>	<u>61,177</u>
<b>Noncurrent assets</b>	
Property, plant and equipment	35,227
Accumulated depreciation	(1,174)
<b>Total other assets</b>	<u>34,053</u>
<b>Total assets</b>	<u><u>95,230</u></u>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Accounts payable	3,650
Accrued expenses	3,983
<b>Total liabilities</b>	<u>7,633</u>
<b>Noncurrent Liabilities</b>	
Line of credit	25,000
Due to RFG	31,704
<b>Total Noncurrent Liabilities</b>	<u>56,704</u>
<b>Equity</b>	
<b>Total equity</b>	<u><u>30,893</u></u>
	<u><u>\$ 95,230</u></u>

See accompanying notes to financial statements.

**REPICCI'S FRANCHISING LLC**  
**Income Statement**  
**For the period January through December, 2024**

	2024
<b>Operating Revenues</b>	
Franchise fees	\$ 32,155
Royalties	304,868
Other income	37,352
<b>Total Revenues</b>	<b>374,375</b>
<b>Costs of franchise services</b>	<b>208,050</b>
<b>Gross Profit</b>	<b>166,325</b>
<b>Operating Expenses</b>	
Advertising	51,869
Business licenses and fees	234
Depreciation	1,174
Fuel	291
Independent Contractors	40,491
Insurance	779
Meals	950
Miscellaneous	372
Office expenses	6,265
Other business expenses	1,679
Payment Processing Fees	3,795
Shipping, Freight & Delivery	51,586
Professional fees	7,415
Salaries	20,000
Supplies	43
Travel	1,145
<b>Total Operating Expenses</b>	<b>188,088</b>
<b>Net Income</b>	<b>\$ (21,763)</b>

See accompanying notes to financial statements

**REPICCI'S FRANCHISING LLC**  
**Statement of Cash Flows**  
**For the year ended December 31, 2024**

	2024
<b>Cash flows from operating activities</b>	
Reconciliation of net income to net cash provided by operating activities	
Net Income	\$ (21,763)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,174
Accounts receivable	(6,968)
Accounts payable	2,650
Accrued expenses	14,081
Due to partner	(12,000)
<b>Net cash provided by operating activities</b>	<b>(22,826)</b>
<b>Cash flows from investing activities</b>	
Acquisition of vehicle	(3,523)
<b>Net cash used for investing activities</b>	<b>(3,523)</b>
<b>Cash flows from financing activities</b>	
Partners equity	(22,981)
Line of credit	25,000
Due to RFG	(3,522)
<b>Net cash used for financing activities</b>	<b>(1,503)</b>
<b>Net change in cash</b>	<b>(27,852)</b>
<b>Cash, beginning of year</b>	<b>38,691</b>
<b>Cash, end of year</b>	<b>\$ 10,839</b>

See accompanying notes to financial statements

**Repicci's Franchising LLC**  
**Notes to Financial Statements**  
**December 31, 2024**

**NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS**

Repicci's Franchising LLC, (the Organization) is a privately held company engaged in the franchising of delicious real Italian ice, gelato, Italian-roasted coffee and hot chocolate. The Organization's revenues are derived from franchise fees and royalty income from agreements with franchisees. It was founded in Florida in 2020.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting:** The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The financial statements include the operations, assets, and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

**Use of Estimates:** The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the period in which they are determined to be necessary.

**Cash and Cash Equivalents:** Cash and cash equivalents include cash on hand and in banks.

**Revenue Recognition:** Revenue is recognized when services are performed, and the Organization has satisfied its performance obligation under its customer agreements.

**Income Tax:** The Organization does not incur income taxes; instead, its earnings are included in the partners' personal income tax returns and taxed depending on their personal tax situations. The financial statements, therefore, do not include a provision for income taxes.

**NOTE 3 – CASH AND CASH EQUIVALENT**

As of December 31, 2024, the Organization maintained cash balances of \$10,839 in U.S. bank accounts.

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following as of December 31, 2024:

	<u>December 31, 2024</u>
Accounts receivable	<u>49,554</u>

**Repicci's Franchising LLC**  
**Notes to Financial Statements**  
**December 31, 2024**

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT:**

Property, plant, and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Repair and maintenance charges are expensed as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any related gain or loss is reflected in income for the period.

<b>Assets</b>	<b>December 31, 2024</b>
Vehicles	35,227
Accumulated depreciation and amortization	(1,174)
<b>Net property, plant and equipment</b>	<b>34,053</b>

Depreciation expense related to property, plant, and equipment was \$1,174 in 2024.

**NOTE 6 – LINE OF CREDIT**

In 2024, the organization entered into a \$70,000 line of credit (LOC) agreement with JP Morgan Chase Bank N.A. (Chase). In November 2024 the organization withdrew \$25,000 from the LOC which converted into a loan. The loan has an annual interest rate of 3.75 %, and monthly scheduled payments of \$490.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Organization has incurred a \$35,227 loan during the year by engaging in a transaction with Repicci's Franchising Group Inc., a related party which is controlled by the owners of Repicci's Franchising LLC. Management believes that these transactions were conducted at arm's length terms.

**NOTE 8 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 21, 2025, which is the date these financial statements were available to be issued. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the accompanying financial statements.

## **EXHIBIT A-I**

### **Un-Audited Financial Statements for the Period January 1, 2025, through March 31, 2025**

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

## Repiccis Franchising LLC

### Balance Sheet

As of March 31, 2025

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase Checking	907.84
Checking (5978)	0.00
United Community (5978)	1,106.93
<b>Total Bank Accounts</b>	<b>\$2,014.77</b>
Accounts Receivable	
Accounts Receivable (A/R)	65,882.63
<b>Total Accounts Receivable</b>	<b>\$65,882.63</b>
Other Current Assets	
Due from Mitzi	784.00
Due from RFG LLC	0.00
Undeposited Funds	1,778.60
<b>Total Other Current Assets</b>	<b>\$2,562.60</b>
<b>Total Current Assets</b>	<b>\$70,460.00</b>
Fixed Assets	
Accumulated Depreciation	-21,841.00
Mercedes-Benz Sprinter 3500	35,227.00
<b>Total Fixed Assets</b>	<b>\$13,386.00</b>
<b>TOTAL ASSETS</b>	<b>\$83,846.00</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	0.00
<b>Total Accounts Payable</b>	<b>\$0.00</b>
Credit Cards	
Chase Credit Card	1,373.08
Line of Credit	42,268.15
<b>Total Credit Cards</b>	<b>\$43,641.23</b>
Other Current Liabilities	
Due to Partner -Mitzi	0.00
Due to Partner Mitzi RFG	0.00
<b>Total Other Current Liabilities</b>	<b>\$0.00</b>
<b>Total Current Liabilities</b>	<b>\$43,641.23</b>
Long-Term Liabilities	
RFG Loan for MB Sprinter 3500	26,420.10
<b>Total Long-Term Liabilities</b>	<b>\$26,420.10</b>
<b>Total Liabilities</b>	<b>\$70,061.33</b>

---

## Repiccis Franchising LLC

### Balance Sheet

As of March 31, 2025

	TOTAL
Equity	
Opening Balance Equity	0.00
Owner's Investment	-13,364.28
Retained Earnings	27,239.04
Net Income	-90.09
<b>Total Equity</b>	<b>\$13,784.67</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$83,846.00</b>

## Repiccis Franchising LLC

### Profit and Loss

January - March, 2025

	TOTAL
<b>Income</b>	
Billable Expense Income	276.06
Sales of Product Income	37,729.50
Sales of Supplies Income	1,545.18
Shipping Income	4,868.29
<b>Total Income</b>	<b>\$44,419.03</b>
<b>Cost of Goods Sold</b>	
Cost of Goods Sold - Product	16,734.90
Cost of Goods Sold - Supplies	81.90
<b>Total Cost of Goods Sold</b>	<b>\$16,816.80</b>
<b>GROSS PROFIT</b>	<b>\$27,602.23</b>
<b>Expenses</b>	
Advertising & Marketing	5,067.76
Contractors	9,000.00
Fuel	34.42
Insurance	944.76
Interest Paid	701.39
Legal & Professional Services	3,075.00
Meals & Entertainment	442.58
Office Supplies & Software	687.12
Other Business Expenses	241.62
QuickBooks Payments Fees	427.96
Reimbursable Expenses	-18.36
Repairs & Maintenance	2,680.20
Shipping, Freight & Delivery	3,790.79
Taxes & Licenses	419.18
Travel	189.28
<b>Total Expenses</b>	<b>\$27,683.70</b>
<b>NET OPERATING INCOME</b>	<b>\$ -81.47</b>
<b>Other Expenses</b>	
Other Miscellaneous Expense	8.62
<b>Total Other Expenses</b>	<b>\$8.62</b>
<b>NET OTHER INCOME</b>	<b>\$ -8.62</b>
<b>NET INCOME</b>	<b>\$ -90.09</b>

**EXHIBIT B**

**FRANCHISE AGREEMENT**



**Repicci's Franchising, LLC**

**FRANCHISE AGREEMENT**

**Franchisee:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
**Territory:** \_\_\_\_\_

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## **FRANCHISE AGREEMENT**

This Franchise Agreement (the “Agreement”) is entered into by and between Repicci’s Franchising, LLC., an Alabama, Limited Liability Company located at 4009 Lennox Road, Birmingham, Alabama 35216 (“Franchisor”), and \_\_\_\_\_, (“Franchisee”), an individual(s) residing at \_\_\_\_\_. This Agreement shall commence on the Effective Date, as defined herein.

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

### **1. DEFINITIONS**

1.01 “Annual Cumulative Product Purchase Quota” means the amount of product purchase that must be made by Franchisee.

1.02 “Assets” means the Outlet, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items.

1.03 “Business” means the right which is granted to Franchisee to operate an Outlet as set forth in this Agreement.

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

1.05 “Confidential Information” means all methods for establishing, operating and promoting the Business pursuant to the Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Franchisor and such other information as may be further developed periodically by the Franchisor.

1.06 “FT” means the Custom Food Truck which will be operated within the boundaries of the Designated Territory.

1.07 “DT” see Designated Territory below.

1.08 “Designated Territory” means the territory described in Attachment I to this Agreement, subject to any reservations or exceptions contained in this Agreement, in which Franchisee will operate a FT or TL and will have a population of approximately 200,000 individuals.

1.09 “Effective Date” means the date that the Franchisor signs the Agreement, as indicated in its signature block.

1.10 “Franchise” and/or “Franchised Business” means the Repicci’s Real Italian Outlet which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.11 “Manual” means Franchisor’s operations manual and other written materials, including information posted on Franchisor’s Web site and information sent to or accessed by Franchisee in

print or electronic form, manuals, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.12 “Marks” means Franchisor’s trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the Outlet, whether or not they are registered, including, but not limited to, “Repicci’s Real Italian”, “Repicci’s Real Italian Ice”, ‘Repicci’s’, and ‘Repicci’s Italian Ice, Gelato & Sorbetto.”

1.13 “Minimum Royalty” means the minimum amount to be paid annually if Franchisee fails to meet the Annual Cumulative Product Purchase Quota.

1.14 “Operating Unit” means the OU or one of the required customized vehicles, either a FT, TL or TS, which is to be operated in the DT.

1.15 “OU”. See Operating Unit above.

1.16 “Outlet” means the Franchised Business. It may refer to the business operated with an OU in a Designated Territory.

1.17 “Premises” means the business address, home office, storage unit or commissary of the Franchisee.

1.18 “System” means, collectively, Franchisor’s valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, sources and specifications, software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the Outlet, as modified by Franchisor at any time.

1.19 “TL” means the Large Custom Trailer which will be operated within the boundaries of the Designated Territory.

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

1.21 “Transfer” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the Outlet, substantial assets of the Outlet, or of this Agreement.

1.22 “TS” means the Small Custom Trailer which will be operated within the boundaries of the Designated Territory

## **2. GRANT OF FRANCHISE**

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee the right to operate the Outlet as designated in Attachment I to this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.02 Modification of System. Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System. Franchisee must promptly accept and

comply with any change to the System and make any reasonable expenditure as necessary to comply. Franchisor will not alter these basic rights and obligations of the parties arising under this Agreement through changes in the Manual.

**2.03 Ownership and Principal Contact of Franchisee** If Franchisee assigns this Agreement to a business entity, each of the officers, directors, and/or members of the entity, plus any individual who owns, directly or indirectly, a 5% or greater interest in the entity must also sign the Confidentiality and Covenant Not to Compete Agreement (Attachment IV) and the Assignment of Agreement to an Entity (Attachment VII).

Franchisee shall also provide to Franchisor a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the Business. This principal contact must be a managing member, general partner or controlling shareholder. Such representative shall have the sole authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the Business. (Attachment III).

### **3. TERM AND RENEWALS**

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

**3.02 Rights Upon Expiration** At the end of the term of this Agreement, a Designated Territory Franchisee may renew its license for one successive period of five (5) years, provided Franchisor does not exercise its rights of refusal as set forth below. A CR Franchisee does not have the right to renew its Franchise Agreement but will need to re-apply if he / she so desires.

**3.03 Right of Refusal to Renew** Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's Agreement if Franchisee:

- a) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice;
- b) has committed two (2) or more material breaches of this Agreement in the preceding twenty-four (24) months prior to expiration, and said breaches have not been remedied;
- c) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement. Failure to give timely notice will be considered an election not to renew this Agreement; or
- d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire.
- e) After we have received from you all executed Renewal Franchise Documents and the renewal fee, we shall inspect your Outlet to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Outlet in order to bring the Outlet up to our then-current image and standards for new Repicci's Real Italian Outlet. We will provide notice to you of the modifications you shall be required to make, and you shall have six (6) months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications in any material respect, we shall have the right to terminate the Renewal Franchise Documents.

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

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

3.05 Renewal Fee. Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee but will be required to pay the then-current renewal fee.

#### **4. TERRITORY**

4.01 Franchise. Franchisee will operate at least one OU (but may operate more than one) within the boundaries of the DT as designated in Attachment I to this Agreement. There is currently no limit to the number of OUs you may operate within the DT. The business address, home office or storage unit of the Franchisee accepted by us as the Outlet location shall be set forth in Attachment I when such location is determined. This Agreement does not grant you the right or license to operate the Outlet or to offer or sell any products or services described under this Agreement at or from any location other than within the Designated Territory

4.02 Designated Territory. During the term of this Agreement and any extensions, and subject to other provisions contained in this Agreement, Franchisor will not own, operate or license another franchisee to operate a Repicci's franchise or a similar or competitive business within the Designated Territory as assigned in Attachment I to this Agreement, but it has the right to do so anywhere outside the Territory. Once established, and unless otherwise agreed in writing, the boundaries of Franchisee's Designated Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Designated Territory increases or decreases over time. Franchisor may, however, terminate Designated Territory rights or your Franchise Agreement for failure to meet your Annual Cumulative Purchase Quota for any year of operation within the Agreement.

4.03 Soliciting Outside the Designated Territory. Subject to the requirements of Sections 9, a Designated Territory Franchisee may not solicit or advertise to potential customers who reside outside the Designated Territory without the express written permission of Franchisor. Franchisee must refer, without charge, requests for Repicci's Real Italian products or services within the Territory of another Repicci's Real Italian franchisee to that other franchisee or to us, if applicable.

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

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

**4.05 Reservation of Rights.** Franchisor reserves the rights, among others:

- a) to own, franchise, and/or operate franchises at any location outside of your Territory, regardless of the proximity to your franchise;
- b) To use the Marks and the System to sell any products or services, or supplies similar to those which you will sell, through any alternative channels of distribution outside of your Territory. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale sale to unrelated franchises, or over the Internet. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
- c) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your Franchise, wherever located;
- d) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere; Franchisee will still have the option of servicing any non-wholesale customer within its Designated Territory. Franchisor also reserves the right to issue mandatory policies and pricing to coordinate such multi-area marketing programs.
- e) To own, franchise, license, or otherwise operate retail outlets at any location inside or outside of your Territory, which may offer products similar to those which you will sell
- f) To distribute pre-packaged items, including 5-liter trays of Gelato and Sorbetto and 4-gallon buckets of Italian Ice through alternative distribution methods, such as independent contractors, fundraisers, or other individuals or Reserved Accounts who may sell limited quantities of our products throughout the United States. There may be several such parties within your Territory. Franchisor, therefore, reserves the right to distribute some of our products through other means anywhere in the United States, which may include your Territory.

**5. FEES AND ROYALTIES**

**5.01 Payment of Fees and Royalties.** All payments required under this Section are imposed by and payable to Franchisor and are non-refundable except as expressly provided below. All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance. Franchisee must sign an Authorization for

Electronic Withdrawal, set forth as Attachment II, and Franchisor may require Franchisee to submit any payments electronically. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed. Franchisor will not require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent, except to secure a loan or financing arrangement by Franchisor.

**5.02 Initial Franchise Fee.** Franchisee must pay an Initial Franchise Fee ("Initial Franchise Fee") upon the signing of this Agreement as set forth in Attachment I. The Initial Franchise Fee for a Designated Territory (200,000 population) is \$36,000. The Initial Franchise Fee is fully earned upon payment and is non-refundable under any circumstances.

**5.03 Initial Product Purchase.** All Franchisees are required to purchase from us a minimum amount of 147 five-liter Trays of Italian Sorbetto & Gelato and 70 four-gallon buckets of Italian Ice the combination of which is determined by us, and which will cost approximately \$8,500 + FOB freight.

**5.04 Annual Cumulative Product Purchase Quota.** During your first calendar year of operation, you are required to purchase a minimum amount of product annually with a cumulative requirement of 140 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units (a mix of Italian Ice, Gelato, or Sorbetto or approximately \$12,845 by Dec 31 of your first year or pro-rata as we may agree, but the minimum amount will be the opening inventory order of 70 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units, or approximately \$8,995. Current pricing of 5-Liter Trays of Italian Sorbetto & Gelato is \$35 per tray and a 4-gallon bucket of Italian Ice is \$55 + FOB freight. These costs may increase due to increase in ingredient costs and other market conditions. The chart below is based upon current pricing. The Quota will increase annually, beginning on January 1 of each year, the increase being 20% more cumulative product units purchased than the previous calendar year for each year during the term of your agreement and will be based on the quota, not on any pre-rata amount as may have been agreed upon during the first year of operation. The Quota and any increases will remain in effect throughout the term of your Franchise Agreement. If you do not meet your Annual Cumulative Product Purchase Quota for any given year, you will be required to pay a flat Royalty Fee of \$3,600 and we may restrict or remove your rights to your Designated Territory, which may allow others, including us or another Franchisee to operate within your Designated Territory without your written permission. The cumulative amount is only for the Outlet, regardless of how many vehicles you operate within the Designated Territory. The cost of these required product purchases may increase based on product or ingredient cost increases from our suppliers due to inflation or other market conditions and we have no control over these costs, however, the maximum increase will not be more than 20%.

**5.05 Royalties.** Franchisor does not charge a Royalty Fee provided Franchisee maintains their respective Annual Cumulative Product Purchase Quota as described in Section 5.04. If Franchisee fails to meet the Annual Cumulative Minimum Product Purchase Quota, Franchisor will impose a Royalty Fee in the amount of \$3,600 and we may restrict or remove your rights to your Designated Territory, which may allow others, including us or another Franchisee to operate within your Designated Territory without your written permission. The cumulative amount is only for the Outlet, regardless of how many vehicles you operate within the Designated Territory. Royalties must be reported in a form specified by Franchisor.

5.06 Social Media/Event Services and Marketing Fee: Franchisee will pay a Social Media/Event Services and Marketing Fee in the amount of \$50 per month. This Fee is payable Monthly by electronic withdrawal. The Social Media/Event Services and Marketing Fee is due to Franchisor, without notice from Franchisor, on the 10th day of each month.

5.07 Advertising Material Fees: Franchisor will provide some advertising samples at no charge. Additional copies or materials are supplied at our cost, plus 10%

5.08 Late Charges and Other Fees. Unless otherwise stated, Franchisee must pay interest at the rate of one- and one-half percent (1.5%) per month for any late payments due under this Agreement, or the maximum interest rate allowed by applicable law, whichever is less. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees Franchisor incurs in connection with Franchisee's failure to make any required payments.

5.09 Encroachment Fees. \$1,000 per day, per occurrence. Payable if you provide service to customers located within another franchisee's Designated Territory without prior written approval. You must also reimburse the franchisee an amount equal to the charge for the goods and service sold.

5.10 Bank Charges and Administrative Costs. You will pay the actual cost of any bank fees plus 10% incurred by Franchisor to cover bank charges and administration costs if an electronic funds transfer attempt is unsuccessful or you close your operating account, or any check or other payment is returned not paid.

5.11 Liquidated Damages: Franchisee will promptly pay us within 45 days after the effective date of termination liquidated damages equal to the Minimum Product Purchase Quota you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated.

5.12 Additional Assistance Fee: If Franchisee requires or Franchise determines additional on-site assistance is needed at Franchisees location beyond the Initial Training, Franchisee will pay an Additional Assistance Fee of \$500 per day, 2-day minimum plus travel, lodging and food expenses for the trainer sent to the location.

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

## 6. MARKS

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

6.02 Authorized Marks. Franchisee shall use no trademarks other than "Repicci's Real Italian or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Business. If Franchisee cannot lawfully use the Marks in the Designated

Territory, Franchisee must obtain Franchisor's written approval to use other marks. Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual and which approval may not be unreasonably withheld, conditioned or delayed. Franchisor will indemnify Franchisee for any claims against misuse or infringement of Marks.

6.03 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee's sole expense unless Franchisor does not control the Marks in which case Franchisor shall bear cost of the Franchisee changing of the Marks.

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

- a) as part of any entity or business name;
- b) in conjunction with any documents, contracts, licenses, permits and other official documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;
- c) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;
- d) in connection with the performance or sale of any unauthorized services or products; or
- e) in any other manner not expressly authorized by Franchisor.

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

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

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

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

6.09 Signage. As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a franchise and indicating that the Business is independently owned and operated as an Outlet. All signage must remain current with the System's standards that

Franchisor may periodically modify. If Franchisor, in its sole discretion, determines that your vehicle wrap needs to be replaced, you must promptly comply with such request.

## **7. MANUAL AND CONFIDENTIAL INFORMATION**

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

- a) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the Confidential Information as confidential;
- b) disclose such information to its employees only to the extent necessary to market and for the operation of the Outlet in accordance with this Agreement;
- c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and
- d) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

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

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

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

7.05 Confidentiality and Covenant Not to Compete Agreement. Franchisee and, in the event of a subsequent transfer to an entity, the entity, its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, and principal employees, as applicable

shall execute Franchisor's standard Confidentiality and Covenant Not to Compete Agreement (Attachment IV) before performing any work at the Business or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution.

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

## **8. FRANCHISOR'S DUTIES**

**8.01 Services Provided by Franchisor.** Franchisor will provide initial and continuing services as it deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Provision of services by Franchisor, either initial or continuing, is independent from the payment of the Initial Franchise Fee or the continuing Royalty Fees. Notwithstanding the foregoing, Franchisor will provide the services listed below on a continuing basis.

**8.02 Site Selection.** This is a mobile business and as such, you will operate the Outlet from your mobile venue unless you are required by your state or local jurisdiction to have a commissary location. You are solely responsible for locating a site for the Commissary and negotiating a lease for the property, if required. Upon request, Franchisor will provide assistance to Franchisee in analyzing a site and in negotiating a lease. Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. Office space is not required as it can be set up from a home office location, and as such, approval of the Designated Territory will be approval of the Location. The franchise agreement can be terminated for failure to begin operations within 180 days from the date of signing the franchise agreement.

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

**8.04 Required Initial Training.** Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate. Franchisor will provide the classroom portion of the Initial Classroom Training program virtually, and this portion of the training lasts approximately eighteen (16) hours and must be completed within one (1) week of signing this Agreement. Franchisee and one on-site supervisor must attend this Initial Classroom Training (up to 3 persons may attend at no charge.). Franchisor will provide additional hands-on Initial Training in Atlanta Georgia upon pick up of the OU, or Virtually if you have your OU

equipment delivered to your location. This training will last approximately twelve (12) hours and must be completed at least one (1) week prior to opening / initial event. You must complete this training to our satisfaction, or repeat this training, at no cost prior to commencing operation of your franchise. Franchisee is responsible for personal travel, accommodation, and other costs of its employees including Payroll while attending training. Franchisor does not charge an additional fee if more than the Franchisee and the on-site supervisor attend training.

**8.05 Post Opening Training** – At your request, or if we deem necessary, within 60 days from the time you open Repicci's will send training staff to your location for 1 day of field training, which will include marketing presentations and working a live event. There is no charge to you for this training. We may continue to provide on-site assistance at your request during the term of your Agreement at no charge, unless we deem your requests to be excessive or we determine that remedial training is necessary, at which time you will pay our Additional Assistance Fee of \$500 per day (two day minimum) plus travel and living expenses.

**8.06 Ongoing Training Conferences**. Currently, we do not hold any mandatory periodic regional or national conferences but reserve the right to do so in the future. We may hold conferences to discuss on-going changes in the industry, operational techniques, developments, personnel training, bookkeeping, accounting, advertising programs and new product and/or service procedures. You may be required to attend these conferences. When we hold mandatory conferences, you will not be required to pay a conference fee, but you must pay all of the travel, meals, lodging for you, your designated Manager and any other employee(s) as well as any incidental or other expenses and any Payroll for any other employees who attend. These conferences will be held virtually. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference, but we estimate this cost to be no more than \$250 per person to attend a live conference or \$100 per person to attend a virtual conference. You must pay all of the travel and living expenses for you and any other employees who attend. We will not receive any net income from these conferences.

**8.06 Opening and Continuing Assistance**. Franchisor will provide reasonable ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours.

**8.07 Advertising and Promotional Programs**. Franchisor will provide advertising and promotional programs as set forth in Section 9.

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

**8.09 Modification of System**. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

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

8.11 Web Site. Franchisor will provide information regarding Franchisee's Business on its Web site, as set forth in Section.

## **9. SOLICITATION AND ADVERTISING**

9.01 Except as stated in Section 4.04 and this Section 9, Franchisee does not have the right to directly market to or solicit customers who reside outside the Designated Territory. Franchisee will have the exclusive right to service customers within the Designated Territory except through (a) the internet generated by Multi-Area Marketing Programs and (b) Sections 4.05 and 4.06 of this Agreement.

9.02 Franchisee Advertising Franchisee is not required to market on a local basis as an individual Franchise or by using local marketing agencies, but such advertising is highly recommended.

9.03 Social Media/Event /Marketing Fee. Franchisee is required to pay to us a fee in the amount of \$50 per month We will use this fee to promote and advertise the Repicci's Brand. Company and/or affiliate owned Outlets are not required to pay this fee. We will keep these funds in a bank account of our choosing, including our general operating fund. We are not required to spend any amount on advertising in your particular territory. We will spend the contributions to this Programs in our discretion, and we have no fiduciary duty to you regarding the contributions. A statement of these funds may be provided once annually upon request. We do not use any part of these Fees to solicit new franchises. (See Section 9.03 of the Franchise Agreement

9.04 National Marketing Fund / Multi Area Marketing Programs: No National or Multi-Area Marketing Programs are in effect. We reserve the right to implement a program in the future, and we reserve the right to require you participate and contribute. Your contribution to any NMF/MAM programs will be no greater than 1% of your gross monthly revenue.

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

## **10. OPENING AND MAINTENANCE OF FRANCHISE**

10.01 Schedule for Opening. Franchisee should be able to open within 180 days after signing a Franchise Agreement. The factors that affect this time are the ability to obtain general business permits, training, financing, weather conditions, shortages, and installation of equipment, fixtures, and customization of your vehicle. If Franchisee does not open the Outlet within 180 days after

signing the Franchise Agreement, Franchisor may terminate the Franchise Agreement, and retain all monies received and the right to resell the territory.

10.02 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the Franchise's Outlet, including the layout and artwork as well as any equipment. Franchisee must remodel or upgrade Equipment at its own cost in accordance with Franchisor's reasonable standards and requests.

## 11. RECORDS AND REPORTS

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

- a) tax returns;
- b) daily reports;
- c) statements of Gross Revenues and expenses, to be prepared each month for the preceding month;
- d) profit and loss statements, to be prepared at least quarterly and by an independent Certified Public Accountant annually; and
- e) balance sheets, to be prepared at least annually by an independent Certified Public Accountant.

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

11.02 Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be compiled by an independent Certified Public Accountant and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.03 Audits. Franchisee must provide Franchisor, or its agents access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time without notice. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Revenue by one percent (1%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one- and one-half

percent (1.5%) per month. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

## **12. FRANCHISEE'S DUTIES**

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

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

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

12.04 Operations. Franchisee must operate the Outlet in accordance with the System and Manual, as amended by us in our discretion. Franchisee or a fully trained and qualified manager ("Manager") approved by Franchisor must participate personally and full-time in the Business.

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

12.06 Purchase of OU. Franchisee may only purchase the OUs (custom vehicle) to be used in the operation of the Outlet from Franchisor's designated supplier. No other vehicles (except an approved pick-up truck to pull the trailers) are permitted to be used in the operation of the franchise. An OU is either a Custom Food Truck (TF), Small Trailer (TS) or Large Trailer (TL). Franchisee may purchase additional OUs for operation within the DT.

12.07 Annual Cumulative Product Purchase Quota: In accordance with Sections 5.03 and 5.04 of this agreement, during your first calendar year of operation, you are required to purchase a

minimum amount of product annually with a cumulative requirement of 140 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units (a mix of Italian Ice, Gelato, or Sorbetto by Dec 31 of each year or pro-rata as we may agree, but the minimum amount will be the opening inventory order of 70 Four Gallon Buckets of Italian Ice and 147 trays of Gelato / Sorbetto Product Units. These costs may increase due to increase in ingredient costs and other market conditions. The Quota will increase annually, beginning on January 1 of each year, the increase being 20% more cumulative product units purchased than the previous calendar year for each year during the term of your agreement and will be based on the quota, not on any pre-rata amount as may have been agreed upon during the first year of operation. The Quota and any increases will remain in effect throughout the term of your Franchise Agreement. If you do not meet your Annual Cumulative Product Purchase Quota for any given year, you will be required to pay a flat Royalty Fee of \$3,600 and we may restrict or remove your rights to your Designated Territory, which may allow others, including us or another Franchisee to operate within your Designated Territory without your written permission. The cumulative amount is only for the Outlet, regardless of how many vehicles you operate within the Designated Territory.

**12.08 Restrictions on Services and Products.** Franchisee is prohibited from offering for sale any products and services not authorized by Franchisor as being a part of the System. Franchisee shall purchase specified items required for the operation of the Business from the Franchisor, its affiliates or suppliers designated or approved by Franchisor. However, if Franchisee proposes to offer, conduct or utilize any products, materials, forms, items, supplies or services for use in connection with the Outlet which are not previously approved by Franchisor as meeting its specifications, Franchisee shall first request approval in writing from Franchisor. Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, Franchisor may require submission of design specifications, information of such equipment and supplies. Franchisor will advise Franchisee within a reasonable time whether such equipment and supplies meet its specifications. Approved equipment descriptions and supplier contact information are prescribed in the Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the Outlet.

**12.09 Reserved Accounts:** We reserve the right under the Franchise Agreement to contract with "Reserved Accounts" for the wholesale distribution of Repicci's Real Italian products and other products and services ("Other Items") to Reserved Account locations. "Reserved Accounts" include: (1) a single client ("National Account") that either conducts its business for its own account, or conducts business through dealers, affiliates, licensees or franchisees, in two or more states in the United States, at five or more locations; and (2) "Captive-Audience Facility Managers" which are defined as contract food service companies that manage or provide food service for at least five "Captive-Audience Facilities"; namely, facilities where people are congregating for a primary purpose other than dining, creating significant foot traffic in the facility, including airports and other transportation hubs, hospitals, cafeterias, universities and other school campuses, commissaries, convention centers, shopping malls and specialty retail centers, resorts and hotels, sports arenas, corporate campuses and institutional feeding sites. You are not entitled to any revenues from the sale of wholesale products within your Designated

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

**12.10 Limitations on Supply Obligations.** Nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular product, nor shall any provision herein imply or establish an obligation on the part of Franchisor to sell equipment and supplies to Franchisee if Franchisee is in arrears on any payment to Franchisor or otherwise in default under this Agreement. If Franchisee fails to pay in advance in full for each shipment of equipment and supplies purchased, Franchisor shall not be obligated to sell equipment and supplies to Franchisee. In addition, Franchisor may impose interest on any late payments on the terms described in Section 5.04.

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

**12.12 Appearance and Customer Service.** Franchisee and its employees shall (i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the Business in strict compliance with the policies, practices and procedures contained in the Manual so as to preserve, maintain and enhance the reputation and goodwill of

the System. Franchisee may not alter, change, or modify the System, including the Outlet, in any way without the prior written consent and approval of Franchisor.

12.13 Signs. All signs to be used on or in connection with the Outlet must be approved in writing by Franchisor prior to their use by Franchisee.

12.14 Training. Franchisee or its designated Manager must complete Franchisor's initial training program described in Section 8.04 above. Franchisee shall train its employees according to standards and procedures established by Franchisor.

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

12.16 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee shall not however, be liable for claims arising as a result of Franchisor's intentional or fraudulent acts, omissions or negligence.

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

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

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

## **13. DEFAULT AND TERMINATION**

13.01 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to remedy or fails to make substantial progress toward curing the violation within ninety (90) days after receiving an initial written notice from Franchisee detailing the alleged default. Termination by Franchisee shall be effective ten (10) days after Franchisor receives a subsequent written notice of termination following the referenced ninety (90) days only if Franchisor has not cured the violation or made substantial progress toward curing the violation. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth in Section 13.03.

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

- a) With Notice of 30 Days. This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that:
  - i) Franchisee fails or refuses to maintain and operate the Outlet in compliance with this Agreement, the System, or the Manual;
  - ii) Franchisee fails to pay Franchisor or suppliers for obligations under this Agreement;
  - iii) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Outlet; or
  - iv) Franchisee is in breach of any other term, condition, provision or Attachment of this Agreement, or any other Agreement or Attachment executed by Franchisee and relevant to the nature of this transaction.
- b) Without Notice. This Agreement and license will immediately terminate without notice in the event that:
  - i) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;
  - ii) Franchisee fails to complete the required initial training or has failed to designate an acceptable site pursuant to Section 10;
  - iii) Franchisee incurs three (3) insufficient funds fees within any twelve (12) month period;

- iv) A permanent or temporary receiver or trustee for the Franchise or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on the Franchise for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing;
- v) Franchisee loses possession or the right of possession of all or a significant part of the Franchise through condemnation, casualty, lease termination or mortgage default/foreclosure and the Franchise is not relocated or reopened;
- vi) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding;
- vii) Franchisee makes an unauthorized Transfer;
- viii) Franchisee is a business entity, and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent.
- ix) Franchisee voluntarily abandons or ceases operation of the Business for more than five (5) consecutive days; or
- x) The Franchisee or any owner of greater than five percent (5%) of an assigned Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Repicci's System, Marks, goodwill or reputation.

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

- a) pay us within 45 days after the effective date of termination liquidated damages equal to the Minimum Product Purchase Quota you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated;
- b) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;
- c) cancel or assign within five (5) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion. Franchisee must notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System. The Franchisee hereby irrevocably

appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing;

- d) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a Repicci's franchisee;
- e) allow Franchisor or representatives access to the Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;
- f) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts; and
- g) abide by the terms of the required noncompetition covenant.
- h) In the event that Franchisee terminates this Agreement for cause as set forth in Section 13.01, Franchisee is not required to abide by the noncompetition covenants.

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

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

## **14. TRANSFER**

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

14.02 Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer and may transfer free of any responsibility or liability whatsoever to the Franchisee, provided the transferee assumes the Franchisor's material obligations. Franchisor may also:

- a) sell or issue its stock, other ownership interests, or assets, whether privately or publicly;
- b) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or
- c) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.03 Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor. Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee which requires Franchisor's consent under Section 14.02 of the Franchise Agreement.

14.04 Conditions for Transfer or Assignment. No Transfer of this Agreement for a Designated Territory Franchisee will be approved by Franchisor or be effective unless and until:

- a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;
- b) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal;
- c) the proposed transferee pays Franchisor a fee to transfer the Business (the "Transfer Fee") in the amount of \$5,000.00 unless the transferee is:
  - i) a corporation of which Franchisee is the majority stockholder, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or
  - ii) another franchisee of ours in which case the Transfer Fee will be \$2,500.00;
- d) the proposed transferee executes a separate franchise agreement with Franchisor, using the then-current form of franchise agreement;
- e) the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless:
  - i) the transferee is a current franchisee in good standing in the System, or
  - ii) the transferee is and has been a Manager for a period of one year or more of a Franchise in good standing;
- f) the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations;
- g) the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the Outlet, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted;

14.05 Transfer to an Entity. Notwithstanding the preceding sub-section, if the initial Franchisee(s) is comprised of one or more individuals and after obtaining Franchisor's written consent, the franchise granted hereunder may be assigned by the initial franchisee(s) without charge, once only, to a newly formed corporate entity (such as a corporation, limited partnership or limited liability company) which shall conduct no business other than the franchise granted hereunder, and which is actively managed by the initial franchisee(s) and in which all of the principal individuals shall own and control the same percentage ownership interests as they held as individual franchisees. Franchisor shall be provided with a copy of the entity's organizational

documents, and the initial franchise(s) and the entity shall execute an “Assignment of Agreement to an Entity” in our standard form, wherein each of the principals shall execute guarantees in our favor.

In the event of such an assignment by you of the franchise granted hereunder to a corporate entity which you control, you agree, as a condition of being permitted to make such assignment, forthwith to cause the entity and its directors/managers and owners to acknowledge this Agreement and to agree in writing to be bound by the provisions hereof, cause the entity in its articles of organization to provide in effect that its object or business is confined exclusively to the operation of Repicci’s Outlet as provided in this Agreement, and cause the entity to restrict the issue of, and its directors/managers and owners to restrict the transfer of, ownership interests of the entity.

**14.06 Death of Franchisee.** Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee’s legal representatives will within one hundred twenty (120) calendar days of Franchisee’s death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee’s rights under this Agreement. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees.

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

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

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

## **15. GENERAL PROVISIONS**

**15.01 Covenants Not to Compete.** During the term of this Agreement and for two (2) years after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor persons associated with Franchisee, including owners, managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the ice cream and similar frozen desserts the same as, similar to, or competitive with the System. This covenant not to compete applies:

- a) during the term of the Agreement, within any state in which Franchisor, or franchisees do business; and after termination within a fifty (50) mile radius from the boundary of Franchisee's Designated Territory, and from any franchised, Franchisor-owned or affiliated company-owned premises;
- b) on the Internet; and
- c) on any other Multi-Area Marketing channels used by Franchisor.

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

15.03 Stock Ownership. Nothing in this Section will prevent the Franchisee, a member of Franchisee's family or a principal in an assigned entity either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

## 16. DISPUTE RESOLUTION

For purposes of this Section 16, "you" includes all of your owners, Affiliates and their respective employees, and "we" includes all of the "Franchisor-Related Persons/Entities."

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

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

- a) injunctive relief and any related incidental damages;
- b) an action for disputes or claims related to or based on the Marks; and
- c) enforcement of a covenant not to compete.

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

16.04 Applicability. This dispute resolution section applies to claims by and against all parties and their successors, owners, managers, officers, directors, employees, agents, and representatives,

as to claims arising out of or relating to this Agreement, except as stated above. This dispute resolution clause shall survive the termination or expiration of this Agreement.

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

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

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

## **17. RELATIONSHIP OF THE PARTIES**

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

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

## **18. MISCELLANEOUS**

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

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

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

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

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

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

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

18.08 Obligations. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

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

18.10 Delivery. All notices and other communications required by this Agreement must be in writing and must be delivered in person, sent by Federal Express or U.S. Mail overnight delivery,

or by registered or certified mail, return receipt requested, or in any other manner Franchisor may designate. Communications sent to Franchisor must be sent to the attention of the Chief Executive Officer at Franchisor's address or at any other address Franchisor designates in writing. Communications to Franchisee will be sent to Franchisee at Franchisee's last known business address, or at any other address Franchisee designates in writing. Any notice is considered given and received, when delivered in person, or on the third business day following the mailing, if mailed.

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

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

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

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

## **19. ACKNOWLEDGEMENT**

### **BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:**

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

19.02 UNDER APPLICABLE U.S. LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "ORDER"), FRANCHISOR IS PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN ACTS OF TERRORISM AS DEFINED IN THE ORDER. ACCORDINGLY, FRANCHISEE DOES NOT AND HEREAFTER WILL NOT, ENGAGE IN ANY TERRORIST ACTIVITY. IN ADDITION, FRANCHISEE IS NOT AFFILIATED WITH AND DOES NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY

**SIGNATURE PAGE FOLLOWS**

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

**FRANCHISOR:**

**Repicci's Franchising, LLC**

By:

---

Michelle Repici, CEO

Date signed: \_\_\_\_\_

**FRANCHISEE:**

---

Signature

---

[Printed name]

Date signed: \_\_\_\_\_

---

Signature

---

[Printed Name]

Date signed: \_\_\_\_\_

**ATTACHMENT I to the FRANCHISE AGREEMENT**  
**FEE AND DESIGNATED TERRITORY ADDENDUM**

**THIS ADDENDUM** to that one certain Repicci's Franchising LLC. Franchise Agreement ("Agreement") between Repicci's Franchising, LLC. ("Franchisor") and \_\_\_\_\_ ("Franchisee") and is made effective as of the date of the Franchise Agreement.

1. Initial Franchise Fee Due. Upon signing, the Franchisee shall pay \$ \_\_\_\_\_ as the Initial Franchise Fee due for this Outlet, pursuant to (i) Section 5.02 of the Franchise Agreement.
2. Principal Office Address. Franchisee's principal office address is:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Designated Territory. Franchisee's Designated Territory, shall be the area described as:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FRANCHISOR:**

**Repicci's Franchising, LLC**  
By:

\_\_\_\_\_  
Michelle Repici, CEO

Date Signed: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name  
Date Signed: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name  
Date Signed: \_\_\_\_\_

## ATTACHMENT II to the FRANCHISE AGREEMENT

### ELECTRONIC PAYMENT AUTHORIZATION

Franchisee(s), whether the original Franchisee or the assigned Entity Franchisee, the present owner of the financial account referenced below, hereby authorizes and requests Repicci's Franchising, LLC., (the "Franchisor") to obtain payment for all royalty amounts, National Marketing Fund amounts and any other amounts agreed to in the Franchise Agreement, or any other payment authorized by franchisee, that Franchisee owes to the Franchisor pursuant to the Franchise Agreement between Franchisor and the Original Franchisee, as those amounts become due by initiating a payment entry to Franchisee's financial account. The account number, name of financial institution, payment amount and date (if known) on or immediately after which payment should be deducted from the account are identified below or will be provided to the named Financial Institution.

In addition, Franchisee authorizes and requests Financial Institution to accept the payment entries, presented to the Financial Institution by Franchisor, and to deduct said payments from Assignee Franchisee's account without responsibility for the correctness of these payments.

Franchisee also agrees to maintain the designated account as "open" to prevent rejected or returned entries. Assignee Franchisee understands that items returned or rejected by the Financial Institution will be subject to additional fees as stated in the Franchise Agreement

ORIGINAL FRANCHISEE: \_\_\_\_\_

ENTITY FRANCHISEE (if so assigned) \_\_\_\_\_

BUSINESS ACCOUNT

Bank, Financial Institution: \_\_\_\_\_

Account Number: \_\_\_\_\_ Routing Number: \_\_\_\_\_

Please attach a check marked 'void' if this is a business checking account.

CREDIT CARD OPTION: If Assignee Franchisee prefers to use a credit card to pay the funds please complete the following and please update the card information as applicable (Expiration Date, etc.).

Name on Card: \_\_\_\_\_ Card Number: \_\_\_\_\_

Expires: \_\_\_\_\_ Sec Code: \_\_\_\_\_ Billing Address: \_\_\_\_\_

A 3% (or amount as determined by current rates) charge will apply to all payments made by credit card.

**Approved and Authorized:**

Your Name(s): \_\_\_\_\_  
(please print) \_\_\_\_\_

Signature(s): \_\_\_\_\_

(please print) \_\_\_\_\_

Date Signed: \_\_\_\_\_  
Title: \_\_\_\_\_

Title: \_\_\_\_\_

Note: This Authorization Form must be properly signed and submitted to Franchisor prior to the commencement of business..

## ATTACHMENT III to the FRANCHISE AGREEMENT

### **PROPOSED TRADE NAME and DELEGATION OF AUTHORITY**

1. Franchisee shall not commence operation of the franchise, unless and until the Franchisor approves: (a) the name of franchisee's operating entity; and, (b) the assumed name under which Franchisee will operate the business. The name of Franchisee's operating entity shall not include the word(s): "Repicci's". The assumed name (DBA) under which Franchisee will present itself to the public shall include the word(s): "Repicci's".

Franchise's proposed name of its operating entity: \_\_\_\_\_

Franchisee's proposed assumed (DBA) name: \_\_\_\_\_

The proposed name of Franchisee's entity and the proposed assumed name (DBA) under which Franchisee will present itself to the public are approved by the Franchisor.

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Approved

2. If the franchisee is comprised of two or more individuals, (example: a partnership, LLC, Inc or a husband and wife), Franchisor requires that we designate the name of the one individual, that has final and ultimate authority to represent and make binding decisions on behalf of the other individual(s) to/with the Franchisor.

In compliance with the above sentence, we hereby designate \_\_\_\_\_ as the sole individual who has authority to act on our behalf.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Date signed: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

Date signed: \_\_\_\_\_

## ATTACHMENT IV to the FRANCHISE AGREEMENT

### **CONFIDENTIALITY and COVENANT NOT TO COMPETE AGREEMENT**

*Instructions:*

*This "Confidentiality and Covenant Not to Compete Agreement" must be completed and signed by the spouse of the Franchisee, every manager of the Franchisee, each Guarantor of the Franchisee, and each key employee having access to the Franchisor's confidential information. This is an ongoing requirement that continues beyond the execution of the Franchise Agreement. The signed original(s) of this Agreement must be delivered to the Franchisor by the Franchisee no later than 10 days following execution of the Franchise Agreement or no later than 10 days following the commencement of the relationship with the Affiliate.*

This Agreement is made and entered into between \_\_\_\_\_ ("Franchisee"), and \_\_\_\_\_ ("Franchisee Affiliate") and is intended to benefit both the Franchisee and Repicci's Franchising, LLC ("Franchisor"),

#### *Recitals*

*Whereas, Franchisor has developed a unique system (the "System") and is engaged in the business of offering, selling or granting franchises or licenses for the operation of a mobile-based business that distributes and sells nonfat frozen Italian Ices, Italian gelato, Italian Hot Chocolate, Italian Tea, and other products known as "Repicci's Real Italian" to individuals at a variety of venues designed by RF under the trade name RF; and,*

*Whereas, Franchisor has granted to Franchisee the limited right to develop a RF Business using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement ("Franchise Agreement"), by and between Franchisor and Franchisee; and,*

*Whereas, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin ("Licensed Marks"), including, but not limited to, the Marks and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service and distinctive marketing, uniform standards, specifications and procedures for performing services, merchandising, management and financial control; operations; quality and uniformity of services offered; training and assistance; and advertising, marketing and promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time and are used by Franchisor in connection with the operation of the System ("Trade Secrets"); and,*

*Whereas, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by, Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and,*

*Whereas, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and,*

*Whereas*, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and,

*Whereas*, It will be necessary for employees, agents and independent contractors of Franchisee, or any entity having an interest in Franchisee ("Franchisee Affiliates") to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee's RF Business using the System; and,

*Whereas*, Franchisee has agreed to obtain from those Franchisee Affiliates written agreements protecting the Trade Secrets and the System against unfair competition; and,

*Whereas*, Franchisee Affiliate desires or will become associated with or be employed by Franchisee; to remain in such employment, or is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Company ("Franchisee"), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information; and,

*Whereas*, Franchisee Affiliate desires and needs to receive and use the Trade Secrets in the course of his employment or association in order to effectively perform the services for Franchisee; and,

*Whereas*, Franchisee Affiliate acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Franchisee Affiliate herein;

*Now Therefore*, in consideration of the mutual covenant and obligations contained herein, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

## **CONFIDENTIALITY AGREEMENT**

1. Franchisor and/or Franchisee may disclose to Franchisee Affiliate some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, marketing techniques, specifications, techniques, and compilations of data that Franchisor provides to Franchisee and/or Franchisee Affiliate shall be deemed confidential Trade Secrets for the purposes of this Agreement.

2. Franchisee Affiliate shall receive the Trade Secrets in confidence and shall, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of a RF Business for so long as Franchisee is licensed by Franchisor to use the System.

3. Franchisee Affiliate shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor's express written permission.

4. Franchisee Affiliate shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a RF Business.

5. Franchisee Affiliate shall surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which such information or material may have been furnished to Franchisee Affiliate.

6. Franchisee Affiliate shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Licensed Marks, the Trade Secrets or the System.

7. All manuals are loaned by Franchisor to Franchisee for limited purposes only and remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

## **COVENANTS NOT TO COMPETE**

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Franchisee Affiliate of the Trade Secrets, Franchisee Affiliate further agrees and covenants that Franchisee Affiliate will not without the prior written consent of Franchisor:

- a. Have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, except with Franchisor's approval;
- b. Perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business wherever operating except with Franchisor's approval;
- c. Employ, or seek to employ, any person who is at the time or was within the preceding 180 days employed by Franchisor, any of its affiliates or any of its franchisees, or otherwise directly or indirectly induce such person to leave that person's employment; or
- d. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the RF Business to any competitor;
- e. Make any disparaging remarks, or otherwise take any action or do anything that could reasonably be anticipated to cause loss or damage to the business or business opportunities, affairs, reputation and goodwill of, or otherwise negatively reflect upon, Franchisor, the System or the Licensed Marks; and
- f. The term "Competitive Business" as used in this Agreement means any business (other than a RF Business operated under a franchise agreement with Franchisor) the primary activity of which is to operate a mobile-based business that distributes and sells nonfat frozen Italian Ices, Italian gelato, Italian Hot Chocolate, Italian Tea, and other products known as "Repicci's Real Italian" to individuals at a variety of venues, the offering of any product or service offered by Franchisor or by Franchisor's approved vendors.

2. This Covenant Not to Compete shall apply:

- a. during the term of Franchisee Affiliate's relationship, association with or employment by Franchisee anywhere within the United States; and,
- b. for the two years following the termination of Franchisee Affiliate's association with or employment by Franchisee:
  - (1) within Franchisee's Designated Territory or any area serviced by Franchisee;
  - (2) within counties adjacent to Franchisee's Designated Territory or within a Territory then operated by or under development by Franchisor or another franchisee of Franchisor;
  - (3) within a fifty mile radius from the boundary of Franchisee's Designated Territory or from any other franchised or company-owned RF, or

(4) on the Internet or on any other Multi-Area Marketing channels used by Franchisor. The restrictions of this Section will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Franchisee Affiliate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

## **MISCELLANEOUS**

1. Franchisee shall make all commercially reasonable efforts to ensure that Franchisee Affiliate acts as required by this Agreement.
2. Franchisee and Franchisee Affiliate agree 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, Franchisor shall be entitled 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, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and/or 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. Franchisee and Franchisee Affiliate agree that Franchisee's and/or Franchisee Affiliate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Franchisee and by Franchisee Affiliate.
3. Franchisee Affiliate agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.
4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Franchisee Affiliate shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Franchisee Affiliate.
5. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA. FRANCHISEE AFFILIATE HEREBY IRREVOCABLY SUBMITS HIMSELF/HERSELF TO THE JURISDICTION OF THE STATE COURTS OF JEFFERSON COUNTY ALABAMA OR THE U. S. DISTRICT COURT FOR THE DISTRICT OF ALABAMA. FRANCHISEE AFFILIATE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISEE AFFILIATE HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY ALABAMA OR FEDERAL LAW. FRANCHISEE AFFILIATE FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN JEFFERSON COUNTY, ALABAMA; 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.**

6. 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. 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 Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Franchisee Affiliate expressly agrees to be bound by any lesser covenant embraced within the terms of such covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

7. 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.

8. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Franchisee Affiliate hereunder may not be assigned by Franchisee or Franchisee Affiliate without the prior written consent of Franchisor.

9. The waiver by Franchisor of any breach of any provision of this Agreement by Franchisee or Franchisee Affiliate shall not operate or be construed as a waiver of any subsequent breach thereof.

10. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

11. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Repicci's Franchising, LLC.  
4009 Lennox Road  
Birmingham, Alabama 35216  
Attention: Legal Department  
Email: [FDR@ItalianIce.com](mailto:FDR@ItalianIce.com)

If directed to Franchisee, the notice shall be addressed to:

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If directed to Franchisee Affiliate, the notice shall be addressed to:

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Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days' written notice of such change to the other parties. A "business day" for the purpose of this Agreement excludes Saturday, Sunday and national holidays.

The effective date of Agreement shall be \_\_\_\_\_.

FRANCHISEE:

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Signature

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Printed Name

FRANCHISEE AFFILIATE:

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Signature

---

Printed Name

Relationship of Franchisee Affiliate to the Franchisee: \_\_\_\_\_

## ATTACHMENT V to the TO FRANCHISE AGREEMENT

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

### **FULL AND FINAL MUTUAL RELEASE**

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

1. The undersigned Repicci's Franchising, LLC ("the Franchisor"), does hereby release and forever discharge \_\_\_\_\_ ("the Franchisee"), its officers, directors, successors, shareholders, agents, assigns, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, arising out of, related to or in any way connected with the Franchise Agreement dated \_\_\_\_\_ and specifically including but not limited to, any and all claims or demands which may have been alleged or any other future claims related to the above Franchise Agreement.
2. The undersigned \_\_\_\_\_ (the "Franchisee") and its shareholders, officers, and directors does hereby release and forever discharge Repicci's Franchising, LLC ("the Franchisor"), its, successors, agents, assigns, officers, directors, shareholders, employees, representatives, and any and all other persons, firms and corporations whatsoever, from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, breach of contract, defamation, and any claims whatsoever. This Full, Final and Absolute Mutual Release (the "Release") shall apply to all agreements or contracts existing or entered into by and between \_\_\_\_\_ ("the Franchisee") and Repicci's Franchising, LLC.
3. It is understood and agreed that the settlement evidenced by this Release is a compromise of all claims herein specified, whether past, present or future, that such claims are doubtful and disputed, and that execution of this Release is not to be construed as an admission of liability on the part of any party. Rather, liability is expressly denied.
4. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. No representations as to damages or liability have been made. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned rites never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.
5. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all prior negotiations or proposed agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital. Since the purpose of this Release is to end this matter forever, should it develop that there are any errors, mistakes

or any omissions in this instrument, whether legal or factual and whether mutual or unilateral, which would cause the release of the parties herein released to be defective or less than complete, then the undersigned will sign any and all documents and do any and all things necessary to effectuate a full, final and absolute release of said party.

6. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.
7. The terms of this Release arose from negotiations and discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.
8. This Release shall be governed by and construed pursuant to the laws of the State of Alabama.
9. This Release may be executed in two copies, each of which shall be deemed an original.

**WITNESS OUR SIGNATURES**

**FRANCHISOR:**

**Repicci's Franchising, LLC**

By:

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Michelle Repici, CEO

Date signed: \_\_\_\_\_

**FRANCHISEE:**

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Signature

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[Printed name]

Date signed: \_\_\_\_\_

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Signature

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[Printed Name]

Date signed: \_\_\_\_\_

## ATTACHMENT VI to the FRANCHISE AGREEMENT

### **AMERICANS WITH DISABILITIES ACT CERTIFICATION**

This Acknowledgement is an Attachment to that one certain Repicci's Franchising, LLC Franchise Agreement ("Agreement") between Repicci's Franchising, LLC ("Franchisor") and \_\_\_\_\_ ("Franchisee") regarding the operation of a Repicci's Outlet at \_\_\_\_\_ (the "Approved Location").

NOW THEREFORE, Franchisee stipulates that:

In accordance with Section 10.05 of the Franchise Agreement, Franchisee certifies to Franchisor that, to the best of Franchisee's knowledge, the Approved Location 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 Outlet.

Franchisee acknowledges that Franchisor has relied on the information contained in this certification.

Furthermore, Franchisee acknowledges 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 part(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:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Date Signed: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Date Signed: \_\_\_\_\_

## ATTACHMENT VII to the FRANCHISE AGREEMENT

### **ASSIGNMENT OF AGREEMENT TO AN ENTITY AND GUARANTY**

The initial Franchisee(s), named below, as Assignor, hereby assign(s) that one certain Franchise Agreement, dated \_\_\_\_\_ between REPICCI'S FRANCHISING, LLC ("Franchisor") to Assignee: \_\_\_\_\_ an entity (LLC or INC) duly organized in the state of \_\_\_\_\_. This assignment shall be effective as of the date executed by the Franchisor, below.

*WHEREAS*, the Franchise Agreement was executed by Franchisee (whether comprised of one or more individuals); and,

*WHEREAS*, Franchisee desires to assign all of Franchisee's rights under the Agreement(s) to a corporation or limited liability company, wholly owned and/or controlled by said Franchisee;

*NOW THEREFORE*, Franchisee (Assignor) and the Officer(s), Director(s) or the Managers(s), of the respective entity (Assignee), who together with the initial Franchisee(s) constitute all of the partners, Shareholders of corporation, or the Members of the limited liability company, who in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the entity in accordance with the provisions of Article 14.03 of the Franchise Agreement, jointly and severally hereby agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement. All of the undersigned Officers, Directors and Shareholders of the corporation, or the Manager(s) and Member(s) of the limited liability company, intending to be fully legally bound hereby agree, jointly and severally, to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 15 of the Franchise Agreement thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they hereby jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Franchise Agreement.

2. The undersigned Officer(s), Director(s) and Owner(s) of a majority of the issued and outstanding voting stock of the corporation hereby agree not to transfer any stock in the corporation or, as appropriate, the Manager(s) and Member(s) of the limited liability company hereby agree not to transfer any interest in the company without the prior written approval of the Franchisor and further agree that all stock certificates representing shares in the corporation, or all certificates representing membership interests in the company shall bear the appropriate legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated \_\_\_\_\_ between initial Franchisee(s) and REPICCI'S FRANCHISING, LLC".

*Or*

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated \_\_\_\_\_ between Franchisee and REPICCI'S FRANCHISING, LLC".

3.a. The initial Franchisee(s), whether one or more, signing in his or her individual capacity hereby consent to the assignment:

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Signature

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[Printed name]

Date Signed: \_\_\_\_\_

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Signature

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[Printed name]

Date signed: \_\_\_\_\_

3.b. The Assignee Entity hereby consents to the Assignment as approved by the entity's authorized representative(s).

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Signature

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[Printed name]

---

Title

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Date Signed

3.c. The following individuals, being all of the officers, directors and shareholders of the corporation or, as appropriate, the members of the limited liability company, hereby execute this Assignment, to be effective as of the date signed by the Franchisor, below:

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Signed

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Date

---

Printed Name

---

Signed

---

Date

---

Printed Name

In consideration of the execution of the above Agreement by the named individuals and named entity, REPICCI'S FRANCHISING, LLC hereby consents to the above assignment.

REPICCI'S FRANCHISING, LLC:  
By:

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Michelle Repici, CEO

---

Date Signed

## EXHIBIT C

### Repicci's Franchising, LLC

#### LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
<b>CALIFORNIA</b>	<p>Department of Financial Protection and Innovation (DFPI)</p> <p><u>Sacramento Main Office:</u> 2101 Arena Boulevard Sacramento, CA 95834</p> <p><u>San Francisco:</u> One Sansome Street, Suite 600 San Francisco, CA 94105</p> <p><u>Los Angeles:</u> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344</p> <p>(866)-275-2677 <a href="http://www.dfp.ca.gov">www.dfp.ca.gov</a></p>	<p>Commissioner of Financial Protection and Innovation 2101 Arena Blvd Sacramento, CA 95814 1-866-275-2677 <a href="http://www.dfp.ca.gov">www.dfp.ca.gov</a></p>
<b>CONNECTICUT</b>	<p>Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06106 (203) 240-8299</p>	<p>Connecticut Banking Commissioner Same Address</p>
<b>FLORIDA</b>	<p>Department of Agriculture &amp; Consumer Services P.O. Box 6700 Tallahassee, FL 32399-6700 (800) 435-7352</p>	<p>Same</p>
<b>GEORGIA</b>	<p>Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 (404) 656-3790</p>	<p>Same</p>
<b>HAWAII</b>	<p>Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P. O. Box 40 Honolulu, Hawaii 96810 (808) 586-2722</p>	<p>Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant St., Room 205 Honolulu, HI 96810</p>

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division Room E 111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 (515) 281-5705	Same
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 (502) 696-5300	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 (504) 342-7013 (gen. info.) (504) 342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 (207) 298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-7044	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020
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 Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101 (651) 296-4026	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 P.O. Box 95006 Lincoln, NE 68509-5006 (402) 471-3445	Director of the Department of Banking and Finance Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 (603) 271-3641	Same
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State of New York 99 Washington Street Albany, New York 12231
NORTH CAROLINA	Secretary of State's Office Securities Division Legislative Annex Building 300 Salisbury Street Raleigh, NC 27602 (919) 733-3924	Secretary of State Secretary of State's Office 300 Salisbury Street Raleigh, NC 27602
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capital, 5th Floor, Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 15th Floor 30 East Broad Street Columbus, OH 43215 (614) 466-8831 or (800) 282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 (405) 521-2451	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 (503) 378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Ave., Building 69-1 Cranston, RI 02910 (401) 462-9588
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 (803) 734-2166	Same
SOUTH DAKOTA	Department of Labor and Regulation Securities Regulation 124 S. Euclid Suite 104 Pierre, SD 57501 (605) 773-4823	Director of South Dakota Division of Securities Same Address
TEXAS	Attorney General's Office Consumer Protection Division P.O. Box 12548 Austin, TX 78711 (512) 463-2070	Same
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South P.O. Box 45804 Salt Lake City, UT 84145-0804 (801) 530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23218-1197 (804) 371-9051	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street, 1ST Floor Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	State of Washington Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd. SW Tumwater, WA 98501
WISCONSIN	Commission of Securities P.O. Box 1768 Madison, WI 53701-1768 (608) 266-1365	Wisconsin Commissioner of Securities Same Address

## **EXHIBIT D**

### **Repicci's Franchising, LLC**

#### **MULTI-STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT**

The following modifications are to the Repicci's Franchising, LLC Franchise Disclosure Document and Franchise Agreement and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated April 29, 2025.

## CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.
2. Neither the franchisor, nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
4. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.)
5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
7. Under Current California Law, the highest interest rate allowed is 10% per annum. Item 6 of the Franchise Disclosure Document and Section 5.4 of the Franchise Agreement are amended accordingly.
8. The franchise agreement requires binding arbitration. The arbitration will occur in Alabama with the costs being borne by both parties.
9. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
10. The franchise agreement requires application of the laws of Alabama. This provision may not be enforceable under California law.
11. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
12. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
13. OUR WEBSITE, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION at [www.dfp.ca.gov](http://www.dfp.ca.gov).
14. No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our

behalf. This provision supersedes any other term of any document executed in connection with the franchise.

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

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Signature

**FRANCHISEE:**

---

[Printed Name]

---

Signature

---

[Printed Name]

---

Signature

## ILLINOIS

Item 17(v) of the Franchise Disclosure Document, Section 16.06 of the Franchise Agreement are amended to state that any provision that designates jurisdiction or venue in a forum outside the State of Illinois will not be enforceable and is amended to the extent required by Illinois law.

The governing law or choice of law clause that allows for jurisdiction or venue other than Illinois will not be enforceable under Illinois law. This governing law clause shall not be construed to negate the application of the Illinois Franchise Disclosure Act in all situations to which it is applicable. Therefore, Item 17(v)(w) of the Franchise Disclosure Document, Section 16.06 of the Franchise Agreement are amended accordingly.

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

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

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

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

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

SIGNATURE PAGE FOLLOWS

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

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Signature

**FRANCHISEE:**

---

[Printed Name]

---

Signature

---

[Printed Name]

---

Signature

## INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, both the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of the Repicci's.

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

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

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

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

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

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

---

Signature

**FRANCHISEE:**

---

[Printed Name]

---

Signature

---

[Printed Name]

---

Signature

**MARYLAND****The following amends the Franchise Disclosure Document and the Franchise Agreement:**

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreements.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.). Item 17H of the Franchise Disclosure Document and Section 5.05 of the Franchise Agreement are amended to add this provision.

Item 17M of the Franchise Disclosure Document, Section 14.04(b) of the Franchise Agreement is amended to state that The general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 W of the Franchise Disclosure Document is amended to state; A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 17 V of the Franchise Disclosure Document is amended to state: Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

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Signature

**FRANCHISEE:**

---

[Printed Name]

---

Signature

---

[Printed Name]

---

Signature

## NOTICE 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.**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that 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 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 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 location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to: (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards. (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor. (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations. (iv) The failure of the franchisee or proposed transferee to

pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise Unit  
G. Mennen Williams Building  
525 W. Ottawa Street  
P.O. Box 30212  
Lansing, Michigan 48909  
Telephone Number: (517) 335-7622

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

## MINNESOTA

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

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In accordance with Minnesota Rule 2860.4400J, to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we can not require you to waive your rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

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

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extent required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to this section more than three years after the cause of action accrues.

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

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

---

Signature

**FRANCHISEE:**

---

[Printed Name]

---

Signature

---

[Printed Name]

---

Signature

## NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity

as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

6. The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

7. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee 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.

8. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

---

Signature

**FRANCHISEE:**

---

[Printed Name]

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Signature

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[Printed Name]

---

Signature

## **NORTH DAKOTA**

Item 17(c) Disclosure Document, Section 1.2 of the Franchise Agreement requiring you to sign a general release upon renewal of the franchise may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(i) of the Disclosure Document requiring you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(r) of the Disclosure Document restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17(u) of the Franchise Disclosure Document requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law. The site of arbitration or mediation must be agreeable to all parties.

Item 17(w) of the Franchise Disclosure Document and Section 18.06 of the Franchise Agreement and Section VIII of the Multi-Unit Developer Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document, Section 18.16 of the Franchise Agreement and Section VIII of the Multi-Unit Developer Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Item 17 of the Franchise Disclosure Document requiring the franchisee to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law.

Section 18.16 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are amended accordingly to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

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

**SIGNATURE PAGE FOLLOWS**

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

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Signature

**FRANCHISEE:**

---

[Printed Name]

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Signature

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[Printed Name]

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Signature

## OHIO

### Sec. 1334.05-CANCELLATION

In addition to any right otherwise to revoke an offer, a purchaser has the right to cancel an agreement selling or leasing to him a business opportunity plan until midnight of the fifth business day after the day on which the purchaser signs the agreement. Cancellation is evidenced by the purchaser giving written notice of cancellation to the seller at the address stated in the agreement. The purchaser may deliver the notice by mail, telegram, manual delivery or other personal delivery.

### Sec. 1334.13. [Compliance with FTC Rule; FDD]

Franchisor claims exemption from the Ohio Business Opportunity Statutes as provided by:

Except for Division (H) of Section 133.03 and Section 1334.04 of the Revised Code, Sections 1334.01 to 1334.15 of the Revised Code does not apply to:

(A) Any transaction that complies in all material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning franchising," 16 C.F.R. 436.1 et seq., as may be amended from time to time, that is in effect on the date of the transaction

(B) Any transaction that complies in all material respects with the trade regulation rule of the federal trade commission, "disclosure requirements and prohibitions concerning business opportunities," 16 C.F.R. 437.1 et seq., as may be amended from time to time, that is in effect on the date of the transaction.

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

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

**Repicci's Franchising, LLC**  
By: Michelle Repici, CEO

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Signature

### FRANCHISEE:

---

[Printed Name]

---

Signature

---

[Printed Name]

---

Signature

**RHODE ISLAND**

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.”

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

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

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Signature

**FRANCHISEE:**

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[Printed Name]

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Signature

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[Printed Name]

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Signature

## **VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document, Franchise Agreement for Repicci's Franchising, LLC. for use in the Commonwealth of Virginia shall be amended as follows:

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

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

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

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

**Repicci's Franchising, LLC**

By: Michelle Repici, CEO

---

Signature

**FRANCHISEE:**

---

[Printed Name]

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Signature

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[Printed Name]

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Signature

## WASHINGTON

### WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, THE MULTI-UNIT DEVELOPMENT AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

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Signature of Franchisor Representative

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Signature of Franchisee Representative

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Title of Franchisor Representative

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Title of Franchisee Representative

## EXHIBIT E

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## EXHIBIT F

### Repicci's Franchising, LLC

#### STATE EFFECTIVE DATES

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

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

STATE	EFFECTIVE DATE	AMENDMENT DATE
Illinois	Pending	
Florida	August 30, 2024	
Virginia	October 15, 2024	

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.

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Repicci's Franchising, LLC offers you a franchise, offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that Repicci's Franchising, LLC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale.

Michigan requires that Repicci's Franchising, LLC give you this Disclosure Document at least 10 business days before the execution of the franchise or other agreement or the payment of any consideration, whichever occurs first.

If Repicci's Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington, D.C. 20580 and the state agency listed on Exhibit C for your state.

Date of Issuance: April 29, 2025

The franchise seller for this offering is Michelle Repici, CEO, at Repicci's Franchising, LLC, 4009 Lennox Road, Birmingham, Alabama 35216; and Phone: (423) 593-4141.

See Exhibit C for our registered agents authorized to receive service of process.

I have received a disclosure document on \_\_\_\_\_, that included the following Exhibits:

- A Financial Statements
- B Franchise Agreement
- C State Administrators and Agents for Service of Process
- D Multi State Addendum to the Franchise Disclosure Document and Franchise Agreement
- E Operations Manual Table of Contents
- F State Effective Dates

Last Page - Receipt

PROSPECTIVE FRANCHISEE:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Date Signed)

Please sign this copy of the receipt, date your signature, and retain it for your records.

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(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Date Signed)

Please sign this copy of the receipt, date your signature, and return it to Repicci's Franchising, LLC.