

then any part of the outstanding reservation deposit fee not applied to related franchise agreement(s) is nonrefundable, except that we reserve the right to cancel the deposit agreement and refund all money paid before the first franchise agreement is signed if we believe it is in the best interests of our System and franchise network to do so.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee [†]	6% of Gross Sales, or \$500 per week, whichever is greater.	Weekly	The \$500 weekly minimum does not start until four weeks after your C.R.E.A.M. business opens. See Section 3.02 of Franchise Agreement (FA).
Network Marketing Fee [†]	2% of Gross Sales.	Weekly	Only payable if we decide to implement this advertising fund
Late Payment Charge [†]	Payment due plus 10% of the overdue amount.	On receipt of past due invoice	Only payable if a payment you owe us is late and cannot exceed maximum allowed by law. See Section 3.05 of FA.
Repeat Training or New Manager Training Fee [†]	Then-current training fee which is \$7,500 as of the date of this FDD.	Payable before the training starts	Only payable if you (or your trainees) do not pass all segments of our training program, or you ask us to train a new manager, or your new manager is not adequately trained. See FA Sections 3.06, 4.01 and 4.02.
Transfer & Training Fee [†]	Then-current transfer and training fee, which is \$5,000 as of the date of this FDD.	At least 30 days before transfer	Only payable if you sell your franchise to a third party. See Section 6.01 of FA.
Consulting Fee [†]	Then-current hourly amount, which is \$50 per hour with a 4-hour minimum, plus travel expenses (airfare, meals, lodging) as of the date of this FDD.	On receipt of invoice.	Only payable if you request additional support or on site assistance. See Section 4.02 of FA.
Management Fees [†]	Impossible to estimate.	Weekly from ongoing sales.	Only payable if you die or are disabled to the point someone is needed to run the business temporarily. See Section 6.02 of FA.
Audit Expenses [†]	Cost of our C.P.A. fees and expenses of our employees connected with the audit.	On receipt of invoice	Only payable if we audit you and the audit shows a 5% or more understatement in any fees due us. See Section 3.15 of FA.
Renewal Fee [†]	\$1	Upon signing the Renewal	Payable before you renew your franchise

Type of Fee	Amount	Due Date	Remarks
		Franchise Agreement.	
Indemnification†	Impossible to estimate. Could range from a nominal amount to a cost greater than your initial investment.	On receipt of invoice.	Only payable if a third party brings a claim against us and you are responsible See Section 3.12 of FA
Approved Supplier, etc. Evaluation & Testing Fee†	Cost of our evaluation and testing; currently \$50 per hour as of the date of this FDD. An advance retainer will be required	As incurred	Payable only if you want us to add a new supplier to our approved supplier list or you want to offer unapproved services or products. See Section 3.06 of FA
System Improvements†	Impossible to estimate. Could range from a nominal amount to a more substantial cost.	On receipt of invoice.	Payable only if a network-wide improvement is adopted and implemented. Could be payable to us or a third party vendor. See Section 3.08 of FA.
Website Orders	Currently 15% of order.	On receipt of invoice	Payable to defer administrative costs only if a catering, etc order for your territory originates and is placed through our website.

† The table above shows fees that are (or under certain circumstances, may be) payable to us or our designated service providers. Unless otherwise noted, all fees are uniformly imposed by and are payable to us per our pricing schedules described in the table and in our Operations Manual. None of the fees are refundable. Read the Franchise Agreement for full details.

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\$4,000, representing 2% percent or less of the cost to establish your franchise. On a periodic basis, you will order new inventory of the proprietary products. It is difficult, if not impossible to estimate your annual cost of these orders or your annual operating costs, but the dough, ice cream and cup, bags, etc. orders would likely represent 20% to 40% of ongoing annual operating costs. We will derive revenue from purchases of our proprietary products based on a percentage of your purchases paid to us by these suppliers, which is currently 15%. As of the date of our most recent audited financial statement we have not derived any revenue from sales of our proprietary products.

Although not required to do so, as the franchise network grows, we may attempt to use volume purchasing arrangements with suppliers to enable you to purchase items at prices lower than you could obtain individually. In the event you decide to participate in any voluntary purchasing programs offered by us, we may derive revenue from the sale of these items. We do not provide material benefits or inducements to you based on your use of a designated or approved source and we do not currently have any purchasing or distribution cooperatives

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 Franchise Disclosure Document.

Obligation	Section in Franchise Agreement (or Deposit Agreement = DA)	Disclosure Document Item
a. Site selection and acquisition/ lease	3.03	6, 7, 11
b. Pre-opening purchase/ leases	3.03, 3.06	7, 8
c. Site development and other pre-opening requirements	3.03, 3.06	6, 7, 11
d. Initial and ongoing training	3.06, 4.01, 4.02	6, 7, 11, 15
e. Opening	3.03, 3.06	11
f. Fees	2.03, 3.01, 3.02, 3.05 - 3.06, 3.08, 3.10 - 3.14, 4.02, 5.03, 6.01, 6.02, 7.11 (DA 2.2, 2.4)	5, 6, 7, 8, 11, 17
g. Compliance with standards and policies/ operating manuals	1.02, 1.03, 2.01, 3.06, 3.08, 3.09, 3.14, 3.15, 3.16, 5.02, 6.01, 6.03-6.05	1, 6, 8, 11, 12, 14, 15, 16, 17
h. Trademarks and proprietary information	1.02, 1.03, 2.01, 2.02, 3.04, 3.06, 3.07-3.09, 5.02, 5.03, 7.01, 7.09	1, 6, 8, 13, 14, 17
i. Restrictions on products/ services offered	1.03, 2.02, 3.04, 3.06-3.09, 3.15, 3.16, 5.02	6, 8, 16
j. Warranty and customer service requirements	3.06	not applicable
k. Territorial development and sales	3.06 (DA 2.1, 2.3)	1, 5, 11, 12, 17

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