

Q. What type of franchise is available?

A. Applegate, Inc. offers you the opportunity to operate an Applegate Farm® Franchised Store featuring ‘homemade’ ice cream, ice cream products and other items including ice cream toppings, candy, candy apples, confectionary items, cookies, cakes, pies, as well as frozen and un-frozen desserts.

Q. How much does the franchise cost?

A. The estimated initial investment to establish and Applegate Farm® Franchised Store ranges from \$137,650 to \$322,000, which includes a franchise fee of \$25,000

Q. How much is the fee for continuing support services?

A. The continuing services, or royalty fee, is 5% of your gross sales and is paid weekly. The fee entitles you to use of the Applegate Farm® trademark, use of our system, marketing assistance, ongoing business development and consulting, proprietary recipes and other benefits that come with being an Applegate Farm® franchise.

Q. Will I have an exclusive territory?

A. We do not grant exclusive territories, but we will not establish or franchise more than one Applegate Farm® Store per 60,000 population in the county your Franchised Store is located.

Q. What about advertising?

A. You are required to spend at least \$6,000 on grand-opening advertising during your first three months of operation. We will provide you with guidelines for your grand-opening advertising. Also, you will spend 2% of your gross sales monthly on local advertising and promotion. In addition, you will be required to contribute up to 2% of your gross sales weekly to the Applegate Farm® System wide Advertising Fund. This Fund is designed to promote the overall brand image.

Q. How much training is provided to you?

A. You are required to satisfactorily complete an initial training course of approximately 80 hours over approximately two weeks. The initial training will focus on various operational and managerial aspects of your Applegate Farm® Franchised Store and will include both classroom and on-the-job training.

Q. What form of business start-up assistance and ongoing support will I receive?

A. For approximately 40 hours over 1 week, around the time you open for business, we will furnish a representative on site for opening and operations assistance. In addition, throughout the franchise term, we will provide operational assistance and guidance in various aspects of your Applegate Farm® Franchised Store. We will also loan you a copy of the Applegate Farm® Confidential Operations Manual containing specifications, standards, and procedures.

Q. What is the term of the Applegate Farm® Store Franchise Agreement?

A. The term of the Franchise Agreement is five years from the date the Franchise agreement is signed. Subject to the provisions of the Franchise Agreement, the franchise is renewable for three additional consecutive terms of five years each.