FRANCHISE DISCLOSURE DOCUMENT

Digital Doc

DIGITALDOC

Digital Doc Franchising, LLC
a Kentucky Limited Liability Company
2500 Lehigh Avenue
Glenview, IL 60026
(847) 904-9100
www DigitalDoc com
Info@DigitalDoc com

As a franchisee, You will operate a business specializing in the repair, sales, and service of cell phones, smart phones, tablets, laptops, desktop computers, and other electronic devices (as well as related service plans) under the name **Digital Doc®**

The total investment necessary to begin operation of a Digital Doc® franchise is between $128,200 and $195,500 This includes a $44,900 franchise fee that must be paid to the franchisor and between $65,000 and $85,000 that must be paid to us or our affiliate

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 this disclosure document at least 14 calendar days before You sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale **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 disclosure in different formats, contact Levi Dinkla at Digital Doc Franchising, LLC, 2500 Lehigh Avenue, Glenview, IL 60026, or phone (847) 904-9100

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

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

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

Issuance Date May 12, 2017

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit B for information about the franchisor or about franchising in Your state

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

Please consider the following RISK FACTORS before You buy this franchise

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

2 THE FRANCHISE AGREEMENT REQUIRES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 ARBITRATION WILL NOT BE USED FOR ANY DISPUTE WHICH INVOLVES A FRANCHISEE'S CONTINUED USAGE OF ANY OF THE MARKS OR ANY ISSUE INVOLVING INJUNCTIVE RELIEF AGAINST FRANCHISEE, ALL OF THESE ISSUES WILL BE SUBMITTED INITIALLY TO A COURT IN ILLINOIS THE PARTIES CONSENT TO PERSONAL JURISDICTION IN ILLINOIS OVER ANY SUCH ISSUES NOT SUBJECT TO ARBITRATION

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

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

This Disclosure Document is either not registered or registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California	____________________
Hawaii	____________________
Illinois	____________________
Indiana	____________________
Maryland	____________________
Michigan	____________________
Minnesota	____________________
New York	____________________
North Dakota	____________________
Rhode Island	____________________
South Dakota	____________________
Virginia	____________________
Washington	____________________
Wisconsin	____________________

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of May 12, 2017

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EXHIBITS

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document the words "**We**", "**Us**", or '**Our**" mean the franchisor Digital Doc Franchising, LLC '**You**" or "**Your**" means the person who buys the franchise and includes Your owners if You are a corporation, limited liability company, partnership or other business entity Bold face terms are for ease of reference only

The Franchisor

We are a Kentucky limited liability company formed on November 9 2012 to franchise a business specializing in the repair and sale of cell phones, laptops, desktop computers televisions, cameras and other small electronic devices under the name **Digital Doc®** ("**Business**") We do not do business under any other name We operate under Our corporate name and the trademarks described in this disclosure document and other designated trademarks, trade names, services marks and logos (the "**Marks**)

Our principal business address is 2500 Lehigh Avenue, Glenview, IL 60026 Our agents for service of process are listed on Exhibit B We began offering franchises in December 2012

Our Parent, Predecessors and Affiliates

We do not have any predecessor Highland Ventures, LTD, a Illinois corporation ('**HV**"), is Our Parent and also owns Our affiliate Family Video Movie Club, Inc , a Illinois corporation (the **"Company"**) The Company and Our approved suppliers will sell furniture, fixtures, signage, parts and related products and services to Our franchisees HV's and the Company's corporate offices are located at 2500 Lehigh Avenue, Glenview, IL 60026

Neither We, HV nor the Company have previously offered franchises in this or any other line of business We and Our affiliates operate corporate-owned and/or affiliate-owned businesses

Description of the Franchise

We grant franchises for Businesses operating under the Digital Doc® name and other Marks If granted a franchise, You will complete and sign a Franchise Agreement with Us (See **Exhibit A**) which will describe what You and We agree will be the location of Your Business ("**Your Territory**') The Franchise Agreement stipulates that You will purchase furniture, fixtures, signage, parts and related services and products from the Company and/or Our affiliates and will operate a Business franchised by Us under our Marks and under a marketing system prescribed by Us (the '**System**')

Your Business will offer various products and services related to the repair and sale of cell phones, smart phones, tablets, laptops, desktop computers, and other electronic devices approved by Us (the "**Products and Services**") Your Business will emphasize well-trained, efficient and personable employees who demonstrate their personal care about the Business and the needs of their customers

In operating your Business, You must use Our System and operate according to Our standards, specifications, operating procedures and rules (the '**System Standards**") We will provide You with marketing assistance and programs to assist You in operating Your Business and to promote Businesses on a System-wide basis

Area Development Addendum

If You want to purchase the right to open and operate more than one Business, You will be required to sign an Area Development Addendum, which is attached to the Franchise Agreement as 'Exhibit 2 Under the Area Development Addendum, we identify and assign a development territory (the "**Designated Territory**") where you, if You are a Multi-unit franchisee, must open and operate a multiple Businesses on a schedule of one Business per six (6) months We have no maximum number of Businesses You can operate under the Area Development Addendum

Under the Area Development Addendum, You will be required to sign additional Franchise Agreements for each individual Business that You open The Franchise Agreement that You sign in the future for each additional unit beyond Your first unit may be in a different form than the Franchise Agreement included in this Disclosure Document

Area Representatives

We also offer area representative franchises Area representatives help us grow our franchise system by soliciting, screening, recruiting, developing, servicing and supporting third party franchisees in their development territory The area representative franchise opportunity is offered under a separate Franchise Disclosure Document If you purchase a franchise within an area representative's territory, the area representative may provide you with certain initial and ongoing support As of the issuance date of this Disclosure Document, we have sold a total of 1 area representative franchises

Market and Competition

Your market includes the general public, but primarily consumers who are in need of repairs to various electronic devices or to purchase various electronic devices Your Business will be competing with other companies on the local and national level These may include independent and chain electronics repair and sale companies that offer and provide cell phone and electronics repair sales and related products and services, as well as other franchisees of Ours

Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, regional or national economic health, neighborhood demographic and traffic patterns, new technologies and competition that provides related products

Industry Regulation

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of Your Business You must comply with all local, state and federal laws that apply to the operation of Your Business These include laws and regulations relating to personal information and privacy, access by persons with disabilities, safety and zoning, and similar regulations These regulations may vary depending on the region in which You operate Your Business You may be required to apply for various local or state licenses based on the Products and Services You offer The Americans with Disabilities Act requires readily accessible accommodations for people with disabilities and therefore may affect some of Your operations Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses

You should investigate the applicability of these and possibly other regulations in the area in which You are interested in locating Your Business and should consider both their effect and cost of compliance

ITEM 2

BUSINESS EXPERIENCE

Levi Dinkla – President of Digital Doc Franchising, LLC

Mr Dinkla became Our President in February 2015 Previously, Mr Dinkla held numerous senior management roles with HV in Glenview, Illinois beginning in January 2001

Keith Hoogland – President of Highland Ventures, LTD

Mr Hoogland is and has been President and majority owner of Our parent (HV) in Glenview, Illinois, a position he has held since 1995

Craig Hartner – Chief Financial Officer

Mr Hartner is and has been CFO of Our parent, HV in Glenview, Illinois, since August 2001

Deanna Flynn – Director of Sales & Marketing

Ms Flynn has been the Director of Marketing & Analytics of Our parent, HV in Glenview Illinois, since March 2014 Before this, Ms Flynn was Director of Operations at Redbox Automated Retail, LLC in Oakbrook, IL from August 2010 to February 2014

McLain Hoogland - Director of Operations

Mr Hoogland has been the Director of Operations of the Company since May 2016 Between January 2010 and March 2014, Mr Hoogland was an Executive Officer with the United States Marine Corp

Shanna Hubert – Director, Personnel & Recruitment

Ms Hubert has been the Director of Personnel and Recruitment since February 2014 Between April 2012 and February 2014, Ms Hubert was the Director of Retail Clothing and Accessories Division of XSport Fitness in Aurora, Illinois

Sarah Barton – Franchise Development

Ms Barton has been in Franchise Development with Us since February 2015 Before this, Ms Barton was the Leasing Administrator for our parent, HV in Glenview, Illinois Between June 2012 and February 2014, Ms Barton was Store Manager for Family Video Movie Club in Rowlett, Texas Between May 2011 and June 2012 Ms Barton was a student intern at the law firm of Heyl, Royster, Voelker & Allen in Urbana, Illinois

ITEM 3

LITIGATION

No litigation information is required to be disclosed in this item

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay Us an initial franchise fee of $44,900 (the **"Initial Franchise Fee"**) in a lump sum when You sign the Franchise Agreement We fully earn the Initial Franchise Fee when paid, and it is not refundable under any circumstances

For each subsequent Digital Doc Business you purchase after the first one, your Initial Franchise Fee will be $29,000 unless you sign an Area Development Addendum in which case the Initial Franchise Fee is the one stated in that document

Build-Out Assist Package

You will pay Us between $65,000 and $85,000 in a lump sum amount The specific amount will depend on the location of Your Business, the square footage of the space You will lease, and the other options You select We will be responsible for certain aspects of the design, layout, and equipping of Your Business Specifically, We will

- Design Your store and its layout
- Manufacture, deliver and install Your fixtures
- Assemble and install Your POS system and related computer equipment
- Order and install Your interior signage
- Order deliver, and install an equipment package and office supplies
- Order enter into Your POS System, and organize Your initial inventory order

You will be responsible for all other items relating to Your build-out These include (but are not limited to) securing and paying for Your real estate, paying for and obtaining architectural drawings, designing and paying for leasehold improvements

Area Development Addendum

If You sign Our Area Development Addendum (Exhibit 2 to the Franchise Agreement), You will pay Us a fee based on the number of Businesses within the Designated Territory Specifically, You will pay Us $44,900 for the first franchise, and $22 500 for each additional franchise after the first one There is no minimum or maximum number of Businesses You must commit to under the Area Development Addendum This fee is not refundable under any circumstances

These initial fees are uniformly imposed on all new franchise owners except that We reserve the right to reduce the Initial Franchise Fee for new franchisees on a case-by-case basis as We deem appropriate Also, We may grant franchises to Our owners and employees and their family members with reduced or no Initial Franchise Fee

ITEM 6

OTHER FEES

NAME OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Franchise Royalty Fee	7% of Gross Revenue (2)	5th day of Month or the next business day if the 5th is not a business day (3)	Based on your Gross Revenue during the previous week
Brand Development Fee	1% of Gross Revenue (2)	Payable at the same time and in the same manner as the Franchise Royalty Fee	Currently We do not collect this Brand Development Fee You will receive written notice from Us prior to Us collecting the Brand Development Fee
Local Marketing Payment (4)	The difference between the amount You spent on local advertising each month and your required local advertising expenditure (3% of Your Gross Revenue)	At Your discretion over the course of the month	You are required to pay Us the difference if Your actual local advertising expenditures are less than the required amount of Your actual Gross Revenue
Uniforms	$0 - $500	Upon Invoice	You must purchase new uniforms if You add employees or as existing uniforms are worn out
Transfer Fee (5)	$12 000 plus expenses associated with the transfer	Before transfer is completed	
Renewal Fee	$10 000	Upon invoice	You must sign Our then current Franchise Agreement The Renewal Fee will be waived if Gross Revenues from Your Business exceed $240 000 over immediately preceding 12 month period
Relocation Fee	You will reimburse Us for Our reasonable out-of-pocket expenses relating to Your relocation	Before relocation	

Step In Right Expenses	Our personnel and administrative and travel costs related to operating your business plus 15% to cover our overhead expenses	As incurred	Payable only if we exercise our step in rights
Late Payment Fees	$10 per day plus interest on late amounts at 18% or highest legal rate	Upon invoice if incurred	The $10 per day late fee applies each time a payment is late to Us or our affiliate In addition interest will accrue on any unpaid amount from the original due date until payment is received in full
Declined Payment Fee	$50 per unsuccessful attempt to process a payment made by You	As incurred	If we attempt a draw or other process that is returned unsatisfied for any reason we may charge you this fee for each unsatisfied attempt
Attorney Fees	Reasonable amount to prevailing party in any legal proceeding	Upon conclusion of the legal proceeding	
Audit	Actual cost of audit fees (anticipated to be $1 000 to $5 000) plus the underreported fees late charges on those fees and interest on the fees You did not pay at 1 5% per month	Upon Invoice	If an audit of Your books reveals an understatement of 2% or more of Gross Sales or any payment due to Us
Dispute Resolution	Costs and attorney fees as incurred	Upon determination of the prevailing party	
Insurance	Reimbursement of Our costs	Upon demand if incurred	If You fail to maintain the required insurance We may but are not obligated to obtain insurance on Your behalf
Indemnification	Amount of claim and costs incurred	Upon Demand	You must indemnify Us Our affiliates and Our officers and employees related to Your operation of Your Business

FOOTNOTES

(1) You must pay all of these payments to Us except as otherwise noted in the above chart None of the fees You pay to Us are refundable for any reason Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers You may, at Your option also pay Us or the Company for additional services You select All ongoing fees are imposed uniformly on all franchisees purchasing a franchise under this Franchise Disclosure Document, except that We have the right (in Our discretion) to negotiate certain financial terms with franchisees depending on a variety of factors specific or unique to them You are solely responsible for determining and paying all taxes required to be paid as a result of Your payment to Us of initial or ongoing fees

(2) "**Gross Revenue**" includes all receipts generated by Your Business from any source including sales, exchanges, services, labor service charges, etc Credit sales will be calculated as of the date of sale without deduction for uncollected credit accounts "Gross Revenue" does not include bonafide credits for returns of merchandise, promotional discounts or the amounts collected and paid to appropriate governmental authorities under the provisions of any Sales Tax, Retailer's Occupation, or similar Act The proceeds from any business interruption insurance or eminent domain recovery You receive are included in Gross Revenue

(3) The Brand Standards Manual may designate a different due date You must pay all such Fees to Us and/or Our affiliates each month by direct transfer of funds ("**EFT**") or other method of payment designated by Us You must submit each month a report of Gross Revenue, in the form We designate, and You must make sure that Your bank account has sufficient funds for the transfer of payments to Us and/or the Company

(4) You are required to pay Us the difference if Your actual local advertising expenditures are less than the required amount of Your actual Gross Revenue We reserve the right to debit Your EFT account for this amount and spend it in Your local market

(5) The Transfer Fee will be paid by You delivering to Us (1) a deposit equal to $6,000 accompanied with Your written request for Our approval of the proposed purchaser If We do not approve the transfer We will refund the deposit less Our reasonable costs incurred, and (2) the balance of the transfer fee ($6,000 plus any out-of-pocket expenses incurred by Us) on the closing date of the transfer

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee	$44 900	Lump sum via Check or Wire	Upon Signing the Franchise Agreement	Us
Build out assist Package (5)	$65,000 to $85,000	Lump sum via Check or Wire	Upon Signing the Lease	Us
Real Estate/Rent (1)	$800 to $3,000	As Incurred	Before Beginning Operations	Lessor
Utility Deposits	$0 to $500	As Incurred	Before Beginning Operations	Utilities
Leasehold Improvements	$1 500 to $15,500	As Incurred	Before Beginning Operations	Contractors Suppliers
Insurance (4)	$500 to $1 500	As Incurred	Before Beginning Operations	Insurance Companies
Exterior Signage	$2,900 to $6,900	As Incurred	Before Beginning Operations	Us and/or Suppliers
Travel and Living Expenses During Training	$500 to $3,500	As Incurred	Before Beginning Operations	Hotels, travel agents, airline companies, restaurants
Licenses & Permits	$100 to $1,000	As Incurred	Before Beginning Operations	Licensing Authorities
Legal & Accounting	$2,000 to $2,700	As Incurred	Before Beginning Operations	Attorney, Accountant
Additional Funds (6)	$10,000 to $31,000	As Incurred	As Necessary	Us, Suppliers Locations Lessor, Etc
TOTAL (7) (8)	**$128,200 - $195,500**			

These estimated initial expenses are Our best estimate of the costs You may incur in establishing and operating your Business We do not offer financing directly or indirectly for any part of the initial investment The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which You request a loan

The factors underlying Our estimates may vary depending on a number of variables, and the actual investment You make in developing and opening your Business may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions Payments You make to Us and Our affiliates are not refundable under any circumstances We do not know whether any of the money You pay to third parties will be refundable In compiling this chart, we relied on our affiliates' experience in operating Digital Doc® businesses similar to the one we are offering to you

FOOTNOTES

(1) You must lease or otherwise provide a suitable facility for the operation of the franchise Typically, the facility will range in size from 800 to 1 500 square feet It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations Lease costs will vary based upon square footage, cost per square foot and required maintenance costs The low estimate is based on an assumption that You will have to pay a security deposit equal to one month's rent and is based on leasing a facility of 800 square feet The high estimate based on leasing a facility of 1,500 square feet at a higher cost per square foot Some lessors may refund the security deposit if You cancel the lease before You occupy the premises The estimated range of costs in this category only includes Your costs to enter into a lease agreement for the facility Estimated rental costs for 3 months are included with the category Additional Funds" as noted below

(2) To adapt to a newly acquired facility for operation of Your Business, it must be renovated The cost of the leasehold improvements will vary depending on factors, including size, condition and location of the facility, local wage rates and the cost of materials The low estimate assumes that Your landlord will provide a partial build-out allowance The amounts You pay for the leasehold improvements are typically non-refundable You should inquire about the refund policy of the contractor at or before the time of hiring

(3) You must purchase and/or lease and install furniture, fixtures and equipment and decor necessary to operate Your Business from Us, Our affiliate, or an approved supplier The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility suppliers and other related factors

(4) You must purchase the following types and amounts of insurance (1) "all risk" property insurance coverage for assets of Your Business, (2) Workers' Compensation insurance and employer liability coverage with a minimum limit of $1,000,000 or higher if Your state law requires, (3) Comprehensive General Liability insurance with a minimum liability coverage of $1,000,000 per occurrence, and $2,000,000 in aggregate or higher if Your state law requires, with an endorsement specifically covering cyber liability risks, (4) Business interruption insurance in the amount of $100,000 and (5) Automobile Liability Insurance of at least $500,000 or higher if Your state law requires Automobile Liability Insurance is only required of You if Your Business includes onsite services and/or outside sales representatives

The insurance will not be limited in any way because of any insurance We maintain, or diminish Your liability to Us under the indemnities contained in the franchise agreement The policy or policies must insure against Our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against You We may require You to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom

Your insurance policies must insure Us, You and Our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability products liability, personal injury, death or property damage that may accrue due to Your operation of Your Business Your policies of insurance will contain a separate endorsement naming Us as an additional named insured You are required to submit an insurance certificate to Our office on an annual basis

(5) If You select our build out assist option, You will pay Us between $65,000 and $85,000 in a lump sum amount We will be responsible for certain aspects of the design, layout, and equipping of Your Business Specifically, We will

- Design Your store and its layout
- Manufacture, deliver and install Your fixtures
- Assemble and install Your POS system and related computer equipment
- Order and install Your interior signage
- Order, deliver, and install an equipment package and office supplies
- Order, enter into Your POS System, and organize Your initial inventory order

You will be responsible for all other items relating to Your build-out, as described in this chart These include (but are not limited to) securing and paying for Your real estate paying for and obtaining architectural drawings, designing and paying for leasehold improvements

(6) Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses including sales taxes recruitment, on-site training expenses, payroll processing, janitorial services as well as additional operating capital for other variable costs (e g , electricity, telephone, Internet service, Internet setup, etc), cleaning, cellular telephones, and other supplies Additional funds are also an estimate of the monies You will need on hand during the initial phase of Business operations This estimate also includes the estimated cost of salaries for Your employees, but does not include an estimated salary for you We recommend that You have a minimum amount of money available to cover operating expenses, including rent, utilities and employees' salaries for the first 3 months that Your Business is open Additional working capital may be required if sales are low or operating costs are high

(7) This Estimated Initial Investment Item 7 includes Our estimates of Your initial startup expenses and funds for additional inventory and additional funds for the operation of Your Business These figures are estimates and we cannot guarantee that You will not have additional expenses starting Your Business Your costs will depend on factors such as how closely You follow Our methods and procedures Your management skill, experience and business acumen, local economic conditions the local market demand for Your product, the prevailing wage rate, competition and the sales level reached during the initial period You should conduct Your own independent investigation of the costs of opening a Business in the geographic area in which You intend to open Your Business Additional funds for the operation of Your Business will be required after the first three months of operation if sales produced by Your Business are not sufficient to produce positive cash flow You should also review the figures listed in this Item 7 carefully with a business advisor before making any decision to purchase a Business

(8) Your additional investment under the Area Development Addendum will be higher There is no maximum number of Businesses You must commit to open under an Area Development Addendum As a result, we are unable to estimate your costs under the Area Development Addendum on this table The estimate does not include the build-out of any Business other than the first one

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products and services throughout the System, You must maintain and comply with Our quality standards Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you We publish Our standards, specifications, policies and procedures in Our confidential operations manuals, Our training videos, and other documents (collectively, the Brand Standards Manual") that We will loan to you

Approved and Designated Suppliers

We will provide You with a list of approved manufacturers, suppliers and distributors and approved equipment, signs, stationery, supplies and other items or services necessary to operate your Business From time to time We, Our affiliate or a third party vendor or supplier, may be the only approved supplier for certain products The list of approved supplies may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products We may revise the lists of approved supplies and approved suppliers We give You the approved lists as We deem advisable

Except for instances where We designate a supplier or suppliers (**Approved Suppliers**'), if You wish to purchase any products or services for which We have established approved suppliers from an unapproved supplier, You may request Our consent in writing and We will be required to consider your request The procedure for submitting a request will be outlined in the Manuals We will require You to reimburse Us for Our reasonable costs incurred by Us with respect to evaluating a supplier or product for which You request Our approval We will have up to 30 days to conduct Our evaluation before We render a decision If We request You must submit samples and other information as We require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets Our specifications and quality and safety standards We may re-inspect the facilities and products of any supplier and revoke Our approval of any supplier or item that fails to continue to meet any of Our criteria We will send written notice of any revocation of an approved supplier or item

We apply the following general criteria in approving a proposed supplier (1) ability to make product in conformity with Our specifications, (2) reputation and integrity of supplier (3) financial condition and insurance coverage of the supplier, and (4) system uniformity We do not make Our specific criteria for selecting approved suppliers available to Our franchisees nor do We make Our specifications known to suppliers

<u>Required Purchases</u>

If We introduce proprietary Products and/or items bearing the Marks You may be required to purchase them from the Company or Us Except as described in this ITEM 8, You are not obligated to purchase anything else from Us or the Company, but You will be obligated to make 100% of Your purchases from Approved Suppliers, which may include Us or Our affiliates

A list of the materials that You can, or will be required to, purchase from suppliers approved by Us and the names of those approved suppliers, will be listed in Our Brand Standards Manual As discussed below, We and Our affiliate are currently the only Approved Suppliers for certain items for Your Business

Internet, Software, and Multi-Area Marketing Programs

You may be required to purchase from Us, or Our Approved Suppliers, software, Internet, services and multi-area marketing programs and to participate in these programs, as designated in the Brand Standards Manual We and Our affiliate reserve the right to be the only Approved Suppliers of these items, but We are not currently the only Approved Suppliers of them

Fixtures, Devices, Supplies, and Wireless Services

You may be required to purchase from Us, or Our Approved Suppliers, fixtures, devices, supplies and wireless services as designated in the Brand Standards Manual We and Our affiliate reserve the right to be the only Approved Suppliers of these items, but We are not currently the only Approved Suppliers of them

Accountıng and Database Management System

We requıre that You use specıfic software for accountıng and database management system as prescrıbed ın the Brand Standards Manual We recommend that You retaın the servıces of a qualıfied accountant or bookkeeper

We requıre You to purchase your POS System from our Approved Supplıers Upgrades to the POS System may be requıred perıodıcally We and Our affilıates reserve the rıght to be the only Approved Supplıers of the POS System but presently, neıther We nor Our affilıates are the only approved supplıer of the POS System

Buıld-Out Assıst Package

You wıll pay Us or Our affilıate to fıt-out and equıp Your Busıness We descrıbe the buıld out assıst package ın greater detaıl ın Items 5 and 7 We and Our affilıate are the only approved supplıers of the buıld-out assıst package and the ıtems covered under that package

Advertısıng

We have the rıght to requıre You to purchase from Us, or Our approved thırd-party supplıers advertısıng and promotıonal materıals relatıng to the System We and Our affilıates are Approved Supplıers, but are not the only Approved Supplıers, of the advertısıng and promotıonal materıals

All advertısıng You wısh to use to promote Your Busıness that has eıther not been prepared by Us or has not been approved by Us ın the ımmedıately precedıng 12 month perıod must be submıtted to Us for Our revıew prıor to Your usıng ıt You may not use the advertısıng materıals unless We have approved them ın wrıtıng

Real Estate and Sıte Selectıon

You must purchase or lease real estate for Your Busıness accordıng to the crıterıa that we wıll make avaılable to You ın the Brand Standards Manual You must operate the Busıness at a locatıon that meets Our sıte selectıon requırements and that we have approved You must construct and equıp Your Busıness accordıng to Our approved desıgn, specıficatıons and standards We and Our affilıates are Approved Supplıers of the real estate for Your Busıness, and We or Our affilıate(s) may be Your landlord for Your Busıness

<u>Purchasıng Cooperatıves, Purchasıng Arrangements, Rebates, Payments, and Derıved Revenue</u>

We do not have purchasıng and dıstrıbutıon co-operatıves as of the ıssuance date of thıs Franchıse Dısclosure Document We may negotıate purchase arrangements wıth unaffilıated supplıers ıncludıng prıce terms for the benefit of franchısees and the System We wıll not grant any renewal franchıses or addıtıonal franchıses, or provıde any other material benefit to You based on Your use of Approved Suppliers We do not have any purchasing or distribution cooperatives in which You must participate, but We may develop them and require Your participation in the future You must use some supplies that are proprietary to Us, including copyrighted forms and materials bearing the Marks and We reserve the right to earn a profit on the sale of these items to Our franchisees

We and/or Our affiliates, including the Company, reserve the right to earn rebates, commissions or other payments from Approved Suppliers based on these Approved Suppliers' sales to Our franchisees or services offered to Our franchisees We and Our affiliates may receive rebates commissions, payments, price adjustments, or discounts on Products or services sold to You by recommended and approved suppliers As of Our last fiscal year ending December 31, 2016, Our affiliate collected a total of $214,447 19 from required purchases or leases by franchisees, which is approximately 41% of its total revenue

We estimate that annual purchases from other approved suppliers will be from 50% to 95%

If We receive rebates from suppliers based on franchisee purchases We will use the funds to benefit the System None of Our officers own an interest in an Approved Supplier other than the Company, which is owned by Our parent

Collectively, the purchases described above will comprise approximately 95% of Your overall purchases to establish and then operate Your Business

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists Your principal obligations under the franchise and other agreements It will help You find more detail information about Your obligations in these agreements and in other items of this disclosure document

As used in the table below, the abbreviation "FA" refers to the Franchise Agreement and "ADA" refers to the Area Development Addendum

Obligation	Section of FA or ADA	Item in Disclosure Document
a Site Selection and acquisition	FA § 1 1 1 2	Items 6 and 12
b Pre-opening purchases/leases	FA § 1 4, 4 1, 5 1 and 8 2	Items 7 8 and 11

c Site development and other pre-opening requirements	FA § 1 3, 1 4 1 5, 3 1 4 1 and 5 1	Items 7 and 8
d Initial and ongoing training	FA § 3 1 and 3 2, and ADA § 5	Items 6 and 11
e Opening	FA § 4 1 and 5 1, and ADA § 2	Items 8 and 11
f Fees	FA § 2 1, 2 2 2 3, 2 4, 6 1 and 7 1, ADA § 1	Items 1, 5, 6, 7, and 17
g Compliance with standards and policies and operating manuals	FA § 5 and 6 3	Items 11 and 17
h Trademarks and proprietary information	FA § 1 1, 5 1, 5 3 5 5 4 5 5, 5 8, 5 9, 6 5 9 2 & 9 10	Items 13, 14 and 17
i Restrictions on products and services offered	FA § 1 2, 1 5, 5 1, 5 2, 5 5, 5 6, 5 7 5 9, 5 10, 6 3 & 6 5	Items 8, 12 13, 16 and 17
j Warranty and customer service requirements	FA § 5 1, 5 2 & 5 5	Item 11
k Territorial development and sales quotas	FA § 1 1, and ADA § 2	Items 5, 7, and 12
l Ongoing product and service purchases	FA § 2 9, 5 1, 5 2, 5 5, 5 9, 5 10 & 8 2	Items 7 8, and 16
m Maintenance, appearance and remodeling requirements	FA § 1 4, 5 1, 5 2, 5 5 &6 5	Items 7, 11 and 17
n Insurance	FA § 8 2	Item 7
o Advertising	FA § 1 5, 2 3, 2 4, 2 6, 5 1, 5 2, 5 3, 5 4, 5 5 & 6 5	Items 6, 7, 9 and 11
p Indemnification	FA § 6 7, 8 1	Items 6 and 13
q Owner's participation/ management/staffing	FA § 2 9, 3, 4 1, 5, 6 5 6 8, 7, 9 3, 9 10, 9 12 & 9 14	Items 11, 15 and 17
r Records and reports	FA § 2 8, 5 1, 5 2 & 5 5	Items 6, 11 and 17
s Inspections and audits	FA § 2 9, 5 1, 5 2 & 5 5	Items 6, 11 and 17

t Transfer	FA § 7	Items 6, 17
u Renewal	FA § 6 1	Items 6, 17
v Post-termination obligations	FA § 5 8, 5 9, 6 5, 6 6, 6 8, 9 9, 9 10	Item 17
w Non-competition covenants	FA § 5 8 5 9, 6 5, 6 6 6 8, 9 9, 9 10	Item 17
x Dispute resolution	FA § 9 7 and 9 8	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing, but We reserve the right to do so in the future We do not guarantee any notes or financial obligations You may incur in setting up and operating Your Business

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, We are not required to provide You with any assistance

A Pre-opening Before You open Your Business, We will

1 Designate Your Franchise location and Franchise Territory in the Franchise Agreement and Exhibit 1 to the Franchise Agreement, before the Franchise Agreement is executed (Franchise Agreement Section 1 1, Exhibit 1)

2 If You are simultaneously purchasing multiple franchises We will designate Your Designated Territory and Development Schedule that establish where and when You must open Your franchises (Area Development Addendum, Sections 2 and 3)

3 Approve or disapprove of proposed sites for Your Business (the "Franchise Premises') and the lease for the Franchise Premises, if any We describe the site selection process later in this Item (Franchise Agreement Section 1 3 Exhibit 3 to Franchise Agreement)

4 Provide reasonable advice and input related to Your selection of a site for the Franchise Premises (Franchise Agreement, Section 1 3) We must approve all sites prior to Your entering into a lease

5 Provide initial orientation and training to You and Your designated manager(s) (Franchise Agreement, Section 3 1, Exhibit 4 Area Development Addendum, Section 5)

6 Provide you with the design, ordering manufacturing, and installation services we describe in greater detail in Item 5 as part of the build-out assist package (Franchise Agreement, Section 1 4)

7 Loan You a copy of Our confidential Brand Standards Manual, which contains mandatory and suggested specifications, standards operating procedures and rules in written and/or electronic form (Franchise Agreement, Section 5)

8 Give You a list of any approved suppliers (Franchise Agreement, Section 5)

Site Selection

We do not select the location of Your Business We generally do not own the premises or lease it to you Finding a suitable location that conforms to local ordinances, building codes, and Our guidelines is Your responsibility However, We will provide You with guidance regarding Our standards for selecting a site and You are required to obtain Our approval for any site You choose We will provide Guidelines and procedures for Site Selection as part of Your Initial Training and also make this available in the Brand Standards Manual

You select the site of Your Business within the Franchise Territory provided in the Franchise Agreement We will either accept or reject the site in Our sole discretion Acceptance by Us of a location is conditioned upon Our determination, in Our judgment, that the site that You have submitted for Your Business is within Your Franchise Territory and is a suitable site based upon criteria We establish from time to time You must obtain Our approval of a site no later than 120 days after You sign the Franchise Agreement

We must determine that Your proposed location meets or exceeds Our standards, but Our acceptance does not ensure that Your Business will be profitable at the approved location We will either accept or reject the site in Our sole discretion We evaluate each proposed site and accept or do not accept each one on a case-by-case basis The factors that We consider to approve Your site(s) include (but are not limited to) general location and neighborhood, population demographics and density, traffic patterns, parking, size, physical characteristics of existing buildings, lease terms, local competition, proximity to wireless carriers local household income, and proximity to schools

We will approve or disapprove Your proposed site within 21 days after You present the information described above to us If You and We disagree about the proposed location, You must locate another acceptable site for Your Business and repeat the process If You and We cannot reasonably agree on a site within 150 days of the Effective Date We have the right to terminate this Agreement without making any refund to you

If You desire to place Your Franchise Premises in a co-branded location with an existing business, We may require You to re-decorate portions of the Franchise Premises with colors and style that fit within Our branding specifications and guidelines (Franchise Agreement Section 1 3 Exhibit 3 to Franchise Agreement)

B <u>Post-opening obligations</u> During the operation of Your Business, We <u>will</u>

1 Administer Our advertising program and formulate and conduct national and regional promotional programs

2 Inspect Your Business and conduct activities to ensure compliance with the terms of the Franchise Agreement and Brand Standards Manual to ensure consistent quality and service throughout Our franchise system (Franchise Agreement, Sections 2 9 and 5)

3 Inspect the facilities of Your manufacturers, suppliers and distributors and notify You and the manufacturers suppliers and distributors in writing of any failure to meet Our specifications and standards (Franchise Agreement, Sections 2 9 and 5)

<u>Post-opening Optional Assistance</u> During the operation of Your Business we <u>may</u>

4 Provide other supervision assistance or services although We are not bound by the Franchise Agreement or any related agreement to do so These may include, among other things, advertising materials, literature, additional assistance in training, promotional materials, bulletins on new products or services and new sales and marketing developments and techniques

5 At Your option and upon not less than 35 days prior written notice to Us, You may receive additional training at Our training location or at other agreed upon locations All expenses of this training will be borne by You, including but not limited to Your travel, lodging, means, compensation and Our reasonable costs and expenses including a reasonable training fee at Our then current rates This additional training consists of visits to Our franchise, work experience and observation of franchise operations The duration of training is negotiable depending upon Your needs You will not receive any compensation for services rendered by the trainee during this or any other training (Franchise Agreement, Section 3 2)

6 From time to time We may provide refresher training programs or seminars and may require that You or Your managers attend and complete them to Our satisfaction These programs and seminars will be held at locations We designate and will be provided without charge to You You will be responsible for paying all travel, living and other expenses and compensation for attending these programs and seminars (Franchise Agreement, Section 3 2) In addition, We

may deem it appropriate or necessary to provide additional training and supervision to You and Your manager(s) and employees at Your franchise location If so, You will fully participate in and complete this additional training and supervision, including additional or revised training programs and processes that may be added to the Brand Standards Manual in the future We may charge a reasonable training fee for these additional training sessions

D Time Before Opening

Individual Unit Franchise

The typical length of time between the signing of Your Franchise Agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about 120 days You are expected to complete the mandatory training program and commence Your Business operations within 180 days after You sign the Franchise Agreement Factors that may affect this time are finding and negotiating for Your Location arranging for the training session and attending the training session, equipping the Franchise obtaining initial equipment and inventory, financing and business permit requirements, and Your personal operational needs Any failure caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond Your reasonable control will be excused for a reasonable time under the circumstances

If You do not begin operating Your Business within the required time, We may terminate the Franchise Agreement without refund You then are required to return any products or materials You have obtained from Us (Franchise Agreement, Section 4 1)

Area Development for Multiple Franchise Purchase

If You simultaneously purchase multiple franchises and sign the Area Development Addendum (Exhibit 2 to the Franchise Agreement), then the time to open each franchise will be determined from the date that You sign the Area Development Addendum, according to the following timeline (the "Opening Date')

Franchise #	Time to Open
1st	8 months
2nd	12 months
3rd	16 months
4th	20 months
5th	24 months

If You have not opened Your Business and commenced operation of the franchise by the Opening Date set forth above and in the Area Development Addendum, We may terminate the relevant franchise agreement without refunding to You any portion of any payment You made to Us

E Advertising

We will develop marketing, promotional and advertising programs designed to promote Digital Doc® Businesses We will provide access to advertising and marketing materials and services to You We may also use premium incentives and product awareness campaigns in advertising and promotions Advertising media may include print, Internet, vehicle wraps, fundraisers, public relations campaigns and radio or television (primarily local in scope) Whenever possible, the material is produced in-house or provided by vendors

You may develop advertising materials for Your own use at Your own cost All advertising materials including any written press used in any medium, must have been approved by Us in advance and in writing Approval typically takes between five (5) and thirty (30) days depending on its nature You may not use any advertising materials unless We have specifically approved of the materials in writing

All of Your advertising, promotion and marketing must be completely clear and factual, not misleading and conform to the highest standards of ethical marketing and the promotion policies, including the standards and specifications prescribed in the Brand Standards Manual You must submit to Us samples of all advertising promotional and marketing materials (including without limitation Internet or electronic media marketing materials) for Our prior written approval You must only use advertising copy and other materials which are in strict compliance with Our requirements, as set forth in the Brand Standards Manual or otherwise

There are no restrictions on Your advertising, except that You may not advertise independently on the Internet without Our consent, or outside Your Territory and Your advertising must be approved by Us as stated above You must participate in Our online marketing campaigns, Gift Card program, Loyal Customer program and similar marketing programs as they are developed

Brand Development Fund

We reserve the right to create a fund for marketing the System, the Marks, and Businesses (the '**Brand Development Fund**) If established, You must pay up to one percent (1%) of Your Gross Revenue for the Brand Development Fund The fee is payable monthly or at other times that We designate in the Brand Standards Manual The fees You pay to the Brand Development Fund are not refundable

Your contribution to the Brand Development Fund will be in addition to all other advertising requirements set out in this Item 11 Each franchisee will be required to contribute to the Brand Development Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement Businesses owned by Us are not required to contribute to the Brand Development Fund on the same basis as franchisees

The Brand Development Fund will be administered by us, or Our affiliate or designees, at Our discretion and We may use a professional advertising agency or media buyer to assist us The Brand Development Fund will be commingled with Our operating account and will not be in a separate bank account, commercial account or savings account

We have complete discretion on how the Brand Development Fund will be utilized We may use the Brand Development Fund for local, regional or national marketing advertising, sales promotion and promotional materials public and consumer relations, website development and search engine optimization the development of technology for the System and any other purpose to promote the Marks We may use any media for disseminating Brand Development Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television We may reimburse ourselves, Our authorized representatives or Our affiliates from the Brand Development Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Development Fund We do not guarantee that advertising expenditures from the Brand Development Fund will benefit You or any other franchisee directly, on a pro rata basis, or at all We are not obligated to spend any amount on advertising in the geographical area where You are or will be located We will not use the Brand Development Fund contributions for advertising that is principally a solicitation for the sale of franchises, but We reserve the right to include a notation in any advertisement or website indicating "Franchises Available or similar phrasing

We assume no fiduciary duty to You or other direct or indirect liability or obligation to collect amounts due to the Brand Development Fund or to maintain, direct or administer the Brand Development Fund Any unused funds that were collected in any calendar year will be applied to the following year's funds, and We reserve the right to contribute or loan additional funds to the Brand Development Fund on any terms We deem reasonable

The Brand Development Fund is not audited Upon Your written request, We will provide to You an annual accounting for the Brand Development Fund that shows how the Brand Development Fund proceeds have been spent for the previous year We did not collect or spend any Brand Development Fund Contributions during Our last fiscal year

Advertising Council

Because it is Our goal to create and maintain a strong, efficient and well respected Franchise System, We may create and administer a Franchise Advisory Council ("FAC) in the future to obtain input and advice from Our franchisees in the System, to promote communication between franchisees and Us, and to improve franchisees' understanding of Our System Our FAC may also be provided, as We deem appropriate, with the authority to review complaints and failures to comply with Our System Standards and recommend remedial action or even removal from the

System of subject franchisees The FAC may, in Our discretion, have decision-making authority Unless We expressly authorize the ability to make decisions, the FAC will act in an advisory capacity only Currently We do not have an FAC

We reserve the right to have one or more representative of Ours serve on the FAC The franchisee representatives on the FAC may be chosen by Us or may be elected by other franchisees in the system If You participate on the FAC You may be required to pay any expenses You incur related to Your participation, such as travel and living expenses to attend council meetings The structure, formation, rights and obligations of the FAC will be determined at Our sole discretion as further described in the Brand Standards Manual We will have the right to form, change, merge, or dissolve the FAC or any similar advisory council at any time

Local Advertising Expenditures

You must spend in Your local market at least 3% of Your Gross Revenue to advertise and promote Your Business (the "Local Advertising Requirement) You will report the nature, extent and amount of these local expenditures in the form and at the times We require, as prescribed in the Brand Standards Manual If You do not spend the required amount to advertise and promote Your Business We reserve the right to debit Your account for the 3% advertising expenditure and spend it Ourselves exclusively within Your local market

F Computers, Computer Programs

We require You to have an approved Point of Sale (POS) POS System that meets Our specifications and requirements for hardware and software Your POS Systems must have internet-based accounting and business control capacities We require You to have a credit card machine as You must accept credit card payments from Your customers The specifics for the POS system are in the Brand Standards Manual currently, we require You to use RepairQ as your POS system We reserve the right to sell or lease You the POS system of Our own design or licensing for a fee

You must use Our proprietary or recommended POS systems to ensure consistency throughout the franchise system We may require You to use an information processing and communication system that is fully compatible with any program or system which We in Our sole discretion may employ If We require, You must record and transmit all financial information using this system You must ensure that We have full ability to poll Your data, system and related information by means of direct access whether in person, or by telephone/modem, and that We have independent access to the information that will be generated and stored in Your information processing and communication system There are no contractual limitations on Our right to access Your information and data We will not be required to compensate You for Our use of this data

We will give You free technical software support for so long as We deem necessary for You to sufficiently understand and use the required software We will give You 45 days advance notice when We deem it reasonable for You to pay a reasonable technical support fee to receive additional technical support We will program back office support system for training, documentation news and communications processes between Our franchisees and Us

E-Problem Disclaimer Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions Internet access failures, Internet content, attacks by hackers and other unauthorized intruders ("E-Problems) We have taken steps so that E-Problems will not materially affect Our business, but We do not guarantee that information or communication systems that We or others supply will not be vulnerable to E-Problems It is Your responsibility to protect yourself from E-Problems You should also take reasonable steps to verify that Your suppliers, lenders, landlords customers and governmental agencies on which You rely, have reasonable protection from E-Problems This may include taking reasonable steps to secure Your systems (including firewalls password protection, and anti-virus systems) and to provide backup systems

G Brand Standards Manual

We will loan You one copy of the Brand Standards Manual after You sign the Franchise Agreement Any required standards in the Brand Standards Manual exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you The required standards generally will be set forth in the Brand Standards Manual or other written materials The Brand Standards Manual also will include guidelines or recommendations in addition to required standards In some instances the required standards will include recommendations or guidelines to meet the required standards You may follow the recommendations or guidelines or some other suitable alternative, provided You meet and comply with the required standards In other instances, no suitable alternative may exist In order to protect our interests in the System and Marks, we reserve the right to determine if You are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines

We may modify the Brand Standards Manual at any time The approximate total number of pages is 185 The number of pages devoted to each topic is reflected in the Table of Contents We will notify You if there are any changes made to the policies or procedures so that You can comply

You may review Our Brand Standards Manual before purchasing a Franchise However, You may not copy any of the information contained in the Brand Standards Manual as it contains proprietary information You must sign a confidentiality agreement regarding the Brand Standards Manual before Your review, which is attached to Your Franchise Agreement

H Training

Before You commence Your Business operations, We will provide You a mandatory initial training program that lasts approximately 14 days The initial training program is held at Our headquarters in Glenview, IL, Owensboro KY or at another location that We designate You must complete the program no earlier than four (4) weeks prior to Your opening the Business (Franchise Agreement Section 3 1)

The cost of the initial training program for You and one other person is included in the Initial Franchise Fee Accommodations, travel, room board and wage expenses during this period are borne by You If the franchise is managed by any persons other than You, You must notify Us of the identity of the manager(s) The training program must be completed by You and Your designated manager unless We determine, in Our reasonable discretion, that it is unnecessary based on Your or Your manager's experience

If You simultaneously purchase multiple franchises and sign the Area Development Addendum, We will train You and/or Your designated manager(s) as part of your signing Your first Franchise Agreement, and We will not have any obligation to provide You with any additional training program under the other Franchise Agreements You sign as part of that Area Development Addendum (Area Development Addendum [Exhibit 2 to Franchise Agreement])

As of the date of this disclosure document the current agenda for the training includes

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
POS Training	5	5	Peoria IL
Design & Decor	2	0	Peoria IL
Construction & Equipment	1	0	Peoria IL
Signage	1	0	Peoria IL
Preparing to Open	10	10	Peoria, IL
Personnel & Training	2	2	Peoria IL
Items Offered for Sale	5	10	Peoria IL
Device Training	65	30	Peoria IL
Paperwork & Controls	2	2	Peoria IL
Evaluation & Compliance	10	0	Peoria IL
Cleaning & Maintenance	2	2	Peoria IL
Security & Safety	2	2	Peoria IL
Promoting & Marketing	10	5	Peoria IL
Total	117	70 76	

NOTES

(1) The above description reflects the typical content and schedule of Our mandatory Initial Training Program, but We may modify it from time to time

(2) You will be trained by Our Certified Training Technicians when Your store is ready to open Shaun Carroll is Our current Certified Training Technician Shaun Carroll has worked as a Master Technician at Our affiliate s Owensboro KY location since 2010 Based on scheduling, availability, and other considerations You may receive training from those other than Mr Carroll

(3) We will use the Brand Standards Manual and other instructional materials

(4) You must request to schedule a training session for You and Your designated manager, if any at least 35 days before the session is to start Training is scheduled and held on an "as needed basis depending on the number of franchisees requesting in a particular time frame and the availability of Our training personnel

(5) You and any designated full-time manager must complete the training program to Our satisfaction or We may terminate the Franchise Agreement without making any refund to You

(6) We may, at Our discretion or upon Your request, provide other supervision, training, assistance and services before and/or after the opening of Your franchise, such as coach or trainer communications, online or video instructional programs, literature, advertising materials, displays, flyers and additional training or assistance

(7) We may require that You and Your personnel attend additional training courses or programs covering operations and new product or procedure introductions We may require You to pay a reasonable fee for the additional training You may be required to pay for all travel, lodging and food costs for You and Your personnel to attend We expect that additional training will be conducted at Our offices, in Glenview, IL, Springfield, IL or Peoria, IL

ITEM 12

TERRITORY

Franchise Premises and Protected 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 must submit Your proposed location for Your Business to Us for approval within 60 days of signing the Franchise Agreement We will approve or reject a proposed location within 30 days after We have completed Our review of the proposed location Our approval will not be unreasonably withheld

The exact determination of where Your Franchise Premises is located will depend upon Your approval and Our market analysis, market penetration plans and franchise placement strategies Among the factors We consider to determine the feasibility of possible Franchise Premises are population demographics and other businesses in the area pursuant to census and chamber of commerce information

Once We have approved a specific location for Your Franchise Premises, You will operate Your franchise there Your Franchise Territory will be in an area that is within a 3-mile radius, or that contains a population of 40,000 people, as measured from the front door of Your Franchise Premises whichever is less Your Franchise Territory may be within a smaller area if Your Franchise Premises is at a limited-venue location or in an area that has a high population density, high business density, or is an urban or downtown locations Your Franchise Territory will be identified in Exhibit 1 of the Franchise Agreement

So long as the Franchise Agreement is in force and You are not in material default of the Franchise Agreement We will not establish or allow others to establish a Digital Doc business within Your Franchise Territory We retain all other rights within Your Franchise Territory

You will not be permitted to conduct any advertising outside the Franchise Territory without Our prior written consent

Some Digital Doc franchises may be placed at a location where another, separate business is operated under another business name If the Franchise Premises is located with another business, it will be deemed "co-branded" for the purposes of the Franchise Agreement

Area Development Addendum

If You want to open more than one Digital Doc franchise and meet Our criteria, then We may offer You the right to sign Our Area Development Addendum Under the Area Development Addendum, You are granted the right to develop a specified number of Franchises within a Designated Territory Your Designated Territory will vary in size and dimensions, based upon the number of franchises purchased, population, growth trends, affluence of nearby populations, topographies, geographic, density and demographics Our approval is required for each place in which You propose to open a Business (a "**Location**'), and such proposed Location must meet Our then-current standards for sites at the time You are proposing to open any subsequent Business(es) Our then-current standards for territories will also apply

Except as stated above, We will not establish nor license anyone other than You to establish any Digital Doc franchise in the Designated Territory from the date of the Addendum until expiration or termination of the development schedule set forth in the Addendum

The typical development schedule for the Area Development Addendum is to open the first store within six months after signing the Franchise Agreement, store two within twelve months after store one and then one store every six months thereafter If You fail to develop Your Designated Territory in accordance with the development schedule agreed upon as specified in the Area Development Addendum, or fail to comply with the terms and conditions of any individual Franchise Agreement between You and Us, or make an attempt to transfer or assign a franchise agreement or Area Development Addendum in violation of their transfer provisions, we may do one of the following

1 Terminate the relevant franchise agreement and Area Development Addendum and all rights granted under the Area Development Addendum without affording You any opportunity to cure the default, effective immediately upon receipt of written notice by You of this default, or
2 Reduce the number of units granted to You in the Area Development Addendum, or
3 Terminate the territorial rights granted to You, or reduce the area of territorial rights granted to You under the Area Development Addendum

Relocation

You must receive Our written permission before You relocate Your Franchise Any relocation will be at Your sole expense You must satisfy Our then current franchise placement and demographics criteria, as expressed in the Brand Standards Manual

Continuation of Your Franchise

Your territorial protections are not dependent upon achievement of a certain sales value, market penetration, or any other contingency Other than Our rights to terminate Your franchise, reduce your Franchise Territory for Your material default of the Franchise Agreement, or to terminate Your rights under the Area Development Addendum as described above, there are no other circumstances that permit Us to modify or alter Your territorial rights during the term of Your franchise agreement

Right of First Refusal

You will not receive an option, right of first refusal or similar rights to acquire additional franchises except under the Area Development Addendum

Our Use of the Service Marks and Digital Doc Products and Services

We retain all rights not specifically granted to You in the Franchise Agreement This includes Our right to use or license the use of Our service marks and trademarks to others Neither We nor Our affiliates are restricted from participating in other distribution methods, whether or not within the Franchise Territory, including corporate and national accounts, Internet, other forms of media now or in the future developed, wholesale and mail order channels under marks and product configurations different than those offered through Your franchise

We retain the sole right to market on the Internet, including all use of web sites, domain names, URL s linking meta-tags, advertising, auction sites, e-commerce and co-branding arrangements ('**Internet Sites**") We also retain the sole right to use the Marks on the Internet We retain the right to approve any linking or other use of Our web site You may not establish a presence on or market using the Internet expect as We may specify, and only with Our prior written consent

We have not established and do not intend to establish other franchises or company-owned outlets selling similar products or services under a different method of operation, trade name or trademark other than the Marks, but We reserve the right to do so in the future

We may purchase or be purchased by, or merge or combine with, competing businesses, wherever located You will not be entitled to any compensation in the event of such transaction

Your Use of the Service Marks and Digital Doc Products and Services

Except with Our prior written permission, You may not under any circumstances place advertisements using the Marks, in or originating from any area other than the Franchise Territory

Except as otherwise provided in the Franchise Agreement or the Brand Standards Manual, You may not directly market to, solicit or service customers whose principal home address or place of business is outside of Your Franchise Territory You may not advertise in any media whose primary circulation is outside of Your Franchise Territory, except with Our prior written permission and the prior written consent of any of Our franchisees whose territory is reached by that media All Internet marketing is part of Our marketing programs described in the Brand Standards Manual and defined in the Franchise Agreement and must be coordinated through Us and approved by Us

You may not market independently on the Internet or acquire an independent Internet domain name or web site You may not solicit or accept orders outside Your Franchise Territory under other channels of distribution (such as the Internet, other forms of media now or in the future developed, wholesale and mail order channels) without Our prior written approval

ITEM 13

TRADEMARKS

You will receive the right to operate a Business under the name Digital Doc® You may also use other current or future Marks as We designate to operate Your Business By Marks, We mean trade names, trademarks, service marks and logos used to identify and operate Your Business We have registered the following Mark with the United States Patent and Trademark Office (' **USPTO**') on its Principal Register

Mark	Application Date	Registration Date	Registration Number
DIGITALDOC DD DigitalDoc (Design Mark)	10/23/2012	12/03/2013	4,442,506

All required affidavits have been filed, and We intend to file any other affidavits to maintain Our interests in and to the Marks You must follow Our rules when You use any of the Marks

We and Our affiliates also claim common law rights to the Digital Doc names and related marks logos designs and slogans, including without limitation the word marks "DD DIGITAL DOC" and 'DIGITAL DOC "

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 Brand Standards Manual and will be periodically updated

There are no effective determinations of the USPTO, any trademark trial and appeal board any state trademark administrator or any court, any pending litigation, interference, opposition, or cancellation proceeding involving any of the Marks There are no agreements that limit Our right to use or franchise the use of the Marks We do not know of any infringing uses that could materially affect Your use of the Marks You do not acquire any ownership of these Marks or any right to the goodwill attributed to them as We are the exclusive owner

The Marks are Our exclusive property You must immediately notify Us of any infringement of or challenge to, Your use of the Marks or any trademarks identical to or confusingly similar to the Marks, including any claims of infringement or unfair competition While we will make reasonable efforts to protect Your rights to use the Marks, We will have sole discretion to take or not to take action, as We deem appropriate We will not be required to participate in Your defense or indemnify You for expenses or damages if You are a party to an administrative or judicial proceeding involving the Marks or if the proceedings are resolved unfavorably to You

We have the right to require You to modify or discontinue use of any franchise names or Marks, or will use one or more substitute names or marks Our sole obligation in this event will be to reimburse You Your tangible costs in complying with Our direction (i e , cost of changing signs, stationery, etc) Under no circumstances will We be liable to You for any other damages, costs, losses, rights or detriments related to any modification, discontinuance or substitution

You must follow Our rules when You use the Marks You may not use the Marks in any manner We have not authorized in writing

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents are material to the franchise

We claim copyright protection of the Brand Standards Manual and related materials and other brand identity/marketing/advertisement/promotional materials although such materials may not have been registered with the United States Copyright Office These materials are considered proprietary and confidential and are considered Our property and may be used by You only as provided in the Franchise Agreement We reserve the right to register any of Our copyrighted materials at any time We deem appropriate

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials There are no agreements in effect that significantly limit Our right to use or license the copyrighted materials There are no infringing uses actually known to us which could materially affect Your use of the copyrighted materials in any state We are not required by any agreement to protect or defend any patent, trademark, or copyright

Improvements

If You or Your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes ("**Improvements**') in the operation of Your Business You will grant-back exclusive rights in these Improvements to Us in consideration of the grant of the franchise and without the payment of additional consideration Improvements will be deemed to be Our sole and exclusive property, part of the System, and works made-for-hire for us

We may include any Improvements We made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Business, Brand Standards Manual and the System for use by all franchisees, Us or any affiliate If We seek patent protection or copyright registration for any Improvements, We will do so at Our own expense

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the '**Confidential Information**') We will disclose certain of the Confidential Information to You during the training programs, seminars and conventions, in the Brand Standards Manual and in guidance furnished to You during the term of the Franchise Agreement

The Franchise Agreement provides that You will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a Business during the term of the Franchise Agreement and that the use or duplication of the Confidential Information in any other business would constitute unfair competition You also agree that the Confidential Information is proprietary to Us and is disclosed to You solely on the condition that You (1) will not use the Confidential Information in any other business or capacity (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement, (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form, and (4) will adopt and implement all reasonable procedures required by Us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of Your Business

The Brand Standards Manual will at all times remain Our property exclusively We may revise the Brand Standards Manual, and You must comply with each new or changed standard although these new and changed standards will not materially affect Your rights and responsibilities under the Franchise Agreement

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You or a designated employee, independent contractor or representative of Yours who has successfully completed Our Initial Training Program and Online Training Curriculum and been certified by Us ("Designated Manager"), must directly supervise and participate in the actual day-to-day operation of Your Business

If You are an entity, We do not require that Your Designated Manager own an equity interest in You There are no restrictions on whom You may hire as Your Designated Manager, but the Designated Manager must successfully complete Our Initial Training Program and Online Training Curriculum and be certified by Us Neither You nor the Designated Manager may have an ownership interest in or business relationship with any of Our business competitors, unless otherwise approved by Us in advance and in writing, except for ownership of 5% or less of any publicly traded company You must require Your owners officers, directors, executives, members, managers shareholders, partners, employees and other representatives to sign a non-competition agreement provided by Us

If You are a legal entity such as a corporation, partnership or limited liability company, one of Your owners must be approved by Us to be Your Designated Manager All of Your owner(s) must personally guarantee the Franchise Agreement

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only services and products that have been approved and specified by Us in the Brand Standards Manual and any updates that are incorporated in the Brand Standards Manual from time to time You may not offer for sale any services or products not specifically approved by Us in writing and You may not use Your Business premises for any other purpose than the operation of a Business and the sale of services or products approved by us You must offer any products and/or services that We designate as required products and/or required services in the Brand Standards Manual There are no limits on Our ability to make changes to the services or products We require You to sell

You may not sell products or services within another franchisee s Protected Territory You may not sell products or services from or at any location other than the location of Your Business You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales You may not establish an account or participate in any social networking sites or mention or discuss the franchise, Us or any of Our affiliates, without Our prior written consent

If permitted by applicable law, We may require that You participate in a gift card or other customer loyalty program in accordance with Our policies and procedures In order to participate, You may be required to purchase additional equipment and pay any fees relating to the use of that equipment If We establish a gift card or loyalty program, We have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and We reserve the right to retain the amount of any unredeemed gift cards

We may require You to charge suggested retail prices, or maximum or minimum prices for certain or all of the products or services you sell to the extent permitted by state and federal law

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement and Area Development Addendum You should read these provisions in the Franchise

Agreement and the Area Development Addendum attached to this disclosure document "FA" refers to the Franchise Agreement and "ADA" refers to the Area Development Addendum

Provision	Section of FA or ADA	Summary
a Length of the franchise term	FA Section 1 1	10 years
b Renewal or extension of term	FA Section 6 1	If You are in good standing, You may renew for periods of 10 years under the terms of our then current franchise agreement forms that may have materially different terms and conditions than your original contract
c Requirements for franchisee to renew or extend	FA Section 6 1	'Renewal' means that you, upon the expiration of the original term of the franchise agreement, have the right to enter into a new agreement according to our then-current franchise agreement forms that may have materially different terms and conditions than your original contract You must give notice at least three and not more than 6 months before expiration of the initial term, faithfully perform under the initial agreement, refurbish the Franchise and replace obsolete equipment, sign general release, sign a new agreement, pay $10,000 renewal fee, and go through re-training
d Termination by franchisee	FA Section 6 2	You may terminate the Franchise Agreement if You comply with the terms of the Franchise Agreement and if we substantially breach any material provision of the Agreement and fail to cure or reasonably to begin to cure that breach within 60

		days after receipt of written notice specifying the breach Termination will be effective 10 days after You deliver to Us written notice of termination for our failure to cure within the allowed period Any material violation or breach of the Franchise Agreement is deemed a material breach of any other franchise or other agreement between You and us The non-breaching party then will be entitled to enforce the penalties of or to terminate the Franchise Agreement and any relevant addenda and any or all of such other franchise agreements
e Termination by franchisor without cause	None	
f Termination by franchisor with cause	FA Section 6 3, ADA Section 4	We can terminate only if You default Any material violation or breach of the Franchise Agreement is deemed a material breach of any other franchise or other agreement between You and us (including the Area Development Addendum) The non-breaching party then will be entitled to enforce the penalties of or to terminate the Franchise Agreement and any relevant addenda and any or all of such other franchise agreements If You sign the Area Development Addendum

		and if it is terminated, all remaining franchise agreements for franchises that have not yet been opened for business pursuant to the relevant development schedule, if any, may thereafter be opened at any available location where we have the right to offer and place franchises in accordance with state and federal franchise and business opportunity disclosure and registration laws and pursuant to our contractual commitments (including those with our other franchisees) and in compliance with our franchise placement, market development
g "Cause" defined – curable defaults	FA Section 6 3(A), ADA Section 4	You have 30 days to cure any default not listed in Section 6 3
h "Cause" defined – non- curable defaults	FA Section 6 3(B), ADA Section 4	Bankruptcy and insolvency, abandonment, repeated default misrepresentations, levy of execution, criminal conviction, noncompliance with laws, nonpayment of fees, repeated under reporting of sales, disclosure of information We have the right to terminate your Area Development Addendum if you commit a non-curable default of any individual franchise agreement
i Franchisee's obligations on termination or nonrenewal	FA Section 6 5 & 6 8	De-identification, return of manuals, release of phone numbers and listings, de-identification of your franchise equipment and premises, payment of sums

		owed, confidentiality, and non-competition
j Assignment of contract by franchisor	FA Section 7 1	There are no restrictions on our right to transfer
k "Transfer" by franchisee - defined	FA Section 7 1	Restrictions apply if You sell, transfer, assign, encumber, give, lease, or sublease (collectively called "transfer") the whole or any part of the franchise agreement, substantial assets of the franchise, or ownership or control of you
l Franchisor's approval of transfer by franchisee	FA Section 7 1	We have the right to approve all transfers
m. Conditions for franchisor approval of transfer	FA Section 7 1	The transferee must qualify as a franchisee, he must assume your obligations, You may not be in default, the transferee must successfully complete the mandatory training the current assignment fee is to reimburse Us for our out-of-pocket costs related to the transfer (with a minimum of $1,000), the transferee must sign a new franchise agreement on our then current terms, and You must release us
n Franchisor s right of first refusal to acquire franchisee's business	FA Section 7 3	If You receive an offer, we will have the right to purchase on the same terms and conditions as offered to you, 60-day notice and right to decide
o Franchisor's option to purchase franchisee's business	FA Section 7 3	You will give Us the right of first purchase before soliciting offers from a third party if You choose to sell your franchise business You agree to notify Us in writing if You desire to sell or transfer any interest in You or in your franchised

		business We will elect to exercise our option to purchase within 60 business days after our receipt of your written notification If we offer You an amount that You do not agree to, You may try to sell to a third party You are obligated before any transfer to a third party to comply with all criteria outlined in the paragraphs related to First Right of Refusal
p Death or Disability of franchisee	FA Section 7 2	Within 180 days, your heirs, beneficiaries, devisees or legal representatives may apply to continue to operate the franchise, or transfer Franchise interest
q Non-Competition Covenants During the Term of the Franchise	FA Sections 5 8 & 5 9	You may not disclose confidential information or compete
r Non-Competition Covenants After the Franchise is Terminated or Expires	FA Sections 5 9 & 6 8	No competition is allowed for 2 years within the Territory within a 25 miles of the Territory, or within a 25-mile radius of any location where we operate or have granted the franchise to operate a Digital Doc business
s Modification of the Agreement	FA Sections 5 5 and 9 7	We may modify the Brand Standards Manual Modifications to the language of the Franchise Agreement require the signed written agreement of the parties
t Integration/Merger Clause	FA Sections 5 1, 5 5, & 9 7	Only the terms of the Franchise Agreement and Brand Standards Manual are binding, subject to state law Any other promises may not be enforceable

		Nothing in the Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you
u Dispute Resolution by Arbitration or Mediation	FA Section 9 8	Subject to state law, and except for certain claims, all disputes must be arbitrated in accordance with the procedures of the *American Arbitration Association* or its successor in Cook County Illinois except as stated in State Addenda to this Disclosure Document
v Choice of Forum	FA Section 9 8	Subject to state law, litigation and arbitration must be in Cook County, Illinois Some states do not allow franchisees to give up their right to bring or defend lawsuits in the courts of their state See the State Addendum for Your state, which is attached to the Franchise Agreement
w Choice of Law	FA Section 9 8	Subject to state law Illinois law applies except as otherwise provided in the Franchise Agreement Some states do not allow franchisees to give up their right to bring or defend lawsuits in the courts of their state See the State Addendum for Your state, which is attached to the Franchise Agreement

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote Our franchises but may do so in the future

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC S Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned businesses 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 Business 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

The following is a historic financial performance representation for the period from January 1 2016 through December 31, 2016 We compiled the annual gross sales and net profit figures from Digital Doc units operated by Our franchisees that were operational for 36 months or longer as of December 31, 2016 and had no drawn a salary – categorized by levels of performance, who have reported information to Us "Gross Sales' means the monthly gross revenues, including all cash and credit sales

As of December 31, 2016, we had 27 Digital Doc units operated by Our franchisees Of these 27 units, 23 were excluded from this financial performance representation because they had not been operational for 36 months or longer as of December 31, 2016 We only received the requested in financial information for 3 out of 4 of these franchisees that had been operational for 36 months or longer as of December 31, 2016, resulting in our sample size for this Item 19 data being 3 franchisees

Franchise Location	**Gross Revenue for 2016**
Location 1	$457 255 00
Location 2	$500 131 00
Location 3	$324 985 60
Average	**$427,457 20**

Some outlets have sold this amount Your individual results may differ There is no assurance that you ll sell as much Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request

NOTES

1 As used in this Item, "Gross Revenue" includes all receipts generated by the franchisee's business from any source including sales, exchanges, services labor, service charges, etc Credit sales will be calculated as of the date of sale without deduction for uncollected credit accounts "Gross Revenue" does not include bonafide credits for returns of merchandise, promotional discounts, or the amounts collected and paid to appropriate governmental

authorities under the provisions of any Sales Tax, Retailer's Occupation or similar Act

2 The above figures reflect annual Gross Revenue of all 3 franchisees that had been operational for at least 36 months as of December 31, 2016 and provided Us with the requested financial information

3 We obtained Gross Revenue information used in this Item 19 from our internal records based on franchisees reporting their Gross Revenue when they made royalty payments to Us We have not attempted to verify the information received from franchisees and this information has not been audited

4 Many factors affect a franchisee's annual Gross Revenue and thus explain why some franchisees have higher annual Gross Revenue than others Those factors include (i) the skill and experience of the franchisee, (ii) the effort the franchisee devotes to his or her franchised business (iii) the franchisee's business acumen, (iv) whether the operating territory is rural versus an urban setting, (v) prices charged by the franchisee for products, (vi) the amount of advertising and promotional expenditures undertaken by the franchisee, (vii) location, (viii) competition, (ix) expense variables, (x) financial capability, (xi) economic conditions, and (xii) number of employees

5 These charts specifically do not include the franchisees' operating expenses, general and administrative expenses, or other factors that may affect profitability Sales, expenses, and income will vary from business to business and market to market

Other than as stated above, 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 by contacting Our Legal Department at 2500 Lehigh Avenue, Glenview IL 60026, (847) 904-9100 the Federal Trade Commission and the appropriate state regulatory agencies

ITEM 20

BUSINESSS AND FRANCHISEE INFORMATION

Table No 1

SYSTEM WIDE OUTLET SUMMARY
For Fiscal Years Ended 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2014	6	16	+6
	2015	16	22	+6
	2016	22	27	+5
Company Owned	2014	0	1	+1
	2015	1	12	+11
	2016	12	16	+4
Total Outlets	2014	6	17	+11
	2015	17	34	+17
	2016	34	43	+10

*Since January 1, 2017, we have had three (3) franchisees leave the system Those franchisees are not reflected on this chart, which is as of December 31, 2016

Table No 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
For Fiscal Years Ended 2014 to 2016

Column 1 State	Column 2 Year	Column 3 Number of Transfers
KY	2014	1
	2015	0
	2016	0
Totals	2014	1
	2015	0
	2016	0

Table No 3

STATUS OF FRANCHISED OUTLETS
For Fiscal Years Ended 2014 to 2016*

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Arizona	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	1	1
	2016	1	0	0	0	0	0	1
California	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	3	0	0	0	0	3
Florida	2014	0	2	0	0	0	0	2
	2015	2	0	1	0	0	0	1
	2016	1	0	0	0	0	1	0
Iowa	2014	1	1	0	0	0	0	2
	2015	2	2	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Kansas	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Kentucky	2014	2	2	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Michigan	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	1	1
Missouri	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2

State	Year	Outlets at Start of the Year	Outlets Added	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Nebraska	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
New Jersey	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
North Carolina	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Ohio	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oklahoma	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Pennsylvania	2014	1	0	1	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee	2014	0	1	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	1	1
Texas	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Virginia	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Total Outlets	2014	6	10	1	0	0	0	15
	2015	15	9	1	0	0	1	22
	2016	22	8	0	0	0	3	27

*Since January 1, 2017, we have had three (3) franchisees leave the system Those franchisees are not reflected on this chart, which is as of December 31, 2016

Table No 4

STATUS OF COMPANY-OWNED OUTLETS
For Fiscal Years Ended 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Illinois	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	0
	2016	1	1	0	0	0	2
Kentucky	2014	0	1	0	0	0	1
	2015	1	0	0	0	1	0
	2016	0	0	0	0	0	0
Michigan	2014	0	0	0	0	0	0
	2015	0	3	0	0	0	3
	2016	3	0	0	0	0	3
Missouri	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
	2016	1	0	0	0	0	1
Ohio	2014	0	0	0	0	0	0
	2015	0	2	0	0	0	2
	2016	2	0	0	0	0	2
Oklahoma	2014	0	0	0	0	0	0
	2015	0	4	0	0	0	4
	2016	4	0	0	0	0	4
South Carolina	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
	2016	1	2	0	0	0	3
Wisconsin	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	1	0	0	0	1
Total Outlets	2014	0	1	0	0	0	1
	2015	1	12	0	0	1	12
	2016	12	4	0	0	0	16

Table No 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	2	1	0
California	27	2	0
Illinois	0	1	0
Kansas	3	1	0
Kentucky	1	1	0
Michigan	0	1	0
Minnesota	1	1	0
North Carolina	3	0	0
Ohio	2	0	0
Oklahoma	7	1	0
Texas	2	1	0
Totals	48	10	0

A list of the names of all franchisees, the city and state where they are based, and their primary telephone number is provided in Exhibit D to this disclosure document

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

In some instances current and former franchisees may sign provisions restricting their ability to speak openly about their experience with Us You may wish to speak with current and former franchisees, but be aware that not all current and franchisees will be able to communicate with You During the last three fiscal years, We have signed no settlement agreements containing confidentiality clauses with current or former franchisees

You should be aware that We are required by law to disclose Your contact information to other franchise purchasers if You become a franchisee or leave Our franchise system

We have not created sponsored or endorsed any trademark-specific franchisee organization associated with Our System and no such association has asked to be included in this disclosure document

ITEM 21

FINANCIAL STATEMENTS

Beginning in 2016, Our fiscal year end was and is December 25 Prior to 2016, Our fiscal year end was December 31 Attached as **Exhibit C** to this disclosure document are Our audited financial statements as of Our last fiscal year ended December 25, 2016 Also included are Our audited financial statements as of Our fiscal years ended December 31 2015 and December 31, 2014

We have also attached unaudited financial statements as of April 20, 2017 THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM

ITEM 22

CONTRACTS

Copies of the following agreements are attached

Exhibit A Franchise Agreement with Exhibits and State Addenda

Exhibits to Franchise Agreement

1 Franchise Premises, Franchise Territory, and Build-out
2 Area Development Addendum
3 Franchise Premises Lease Rider
4 Compliance Questionnaire
5 Confidential Information Agreement
6 Document Authorization for Electronic Funds Transfer
7 Employee Non-Compete Agreement

State Addendum

ITEM 23

RECEIPTS

You will find two copies of a detachable receipt at the very end of this disclosure document

It is important that You sign, date and return a Receipt to Us and keep one copy for Your own records As noted on the cover page, this disclosure document is available in electronic format in which case You must print a copy of the Receipt and send a signed and dated copy to Us Thank You

EXHIBIT A

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS AGREEMENT is made this ______ day of ________________, 20_____ by and between Digital Doc Franchising, a LLC, ("we, us") and________________ (jointly and severally "you")

For purposes of this Agreement "you" may include an individual, corporation, partnership, Limited Liability Company or other legal entity "You" includes any corporation, partnership, Limited Liability Company, individual, combination of individuals, or other legal entity that owns a majority interest of you, or in which you own a majority interest The term "you" will include all persons who succeed to your interest by transfer or by operation of law

We have certain rights to, have registered in various jurisdictions, and intend to continue to develop names, trademarks, service marks, logos, commercial symbols, and styles These include, but are not limited to, "Digital Doc" and "Digital Docs" (the "Marks") We own valuable goodwill and have valuable expertise, confidential information, methods, procedures, techniques, uniform standards, operations manuals, inventory control guidelines, systems, layouts, merchandise, and materials These are connected with the operation, promotion, and advertising of businesses that offer, repair and sell cell phones, laptops, desktop computers, televisions, cameras and other small electronic devices and related products and services to the public under the Marks (the "Methods of Operation")

You want us to train you and to authorize you to operate a Digital Doc franchise to offer and sell repair of cell phones, laptops, desktop computers, televisions, cameras and other small electronic devices, and related products and services to the public and to use our Methods of Operation and Marks We are willing to grant you such a franchise on the terms and conditions set forth in this Agreement

You acknowledge that this Agreement was accompanied by a Franchise Disclosure Document, which you received at the earlier of (1) the first personal meeting with us (in New York), or (2) 14 calendar days before signing any franchise or related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale (10 business days in Maryland, Michigan, New York, Oregon, Washington and Wisconsin)

In addition, you acknowledge either

a) Receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document, or

b) If we unilaterally or materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than 14 calendar days before you signed this Agreement

You have read this Agreement and our Franchise Disclosure Document You understand and accept the terms, conditions and covenants contained in this Agreement They are necessary to maintain our high standards of quality, service and uniformity at all franchises They protect and preserve the goodwill of the Marks and the confidentiality and value of the Methods of Operation

You acknowledge that the terms of our prior franchise offerings may have materially differed from the terms of this Agreement

You realize that entering into this Agreement will obligate you to operate your franchise in strict accordance and conformity with the standards, specifications and procedures as set forth in the Brand Standards Manual that we will loan to you You furthermore realize that there is a risk in owning any business venture including this one and that running a business can be very hard work If you operate your Digital Doc Franchise below the standards we require, customers who patronize that Digital Doc franchise location will be less likely to patronize other Digital Doc store locations This would damage the business of others It will be difficult for us to obtain new franchisees if a prospective purchaser observes that you do not maintain the required standards

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Franchise Agreement, except those representations specifically disclosed in our Franchise Disclosure Document You acknowledge that you have read this Agreement and our Franchise Disclosure Document and that you have no knowledge of any representations by us, or our officers, directors, shareholders, employees or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement We do not furnish nor do we authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of any Digital Doc operation that is inconsistent with disclosures in our Franchise Disclosure Document Actual results vary from unit to unit and we cannot estimate the results of any particular franchise

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows

1 1 <u>Grant of Franchise and Franchise Territory</u> We grant to you, and you accept from us, the franchise, license, and privilege to establish a business using the Marks, the Methods of Operation, and merchandise bearing the Marks, for 10 years from the date of this Agreement (your "Franchise" or "Business") This grant solely is for the operation by you of one Digital Doc franchise at the location identified in the attached Exhibit 1 (the "Franchise Premises") You may not sell products or services from any location other than the Franchise Premises

During the term of this Agreement, we agree not to place or establish, or license anyone else to place or establish, any business using the Marks or the Methods of Operation within the area defined in Exhibit 1 (the "Franchise Territory"), without your prior written consent, however, we may purchase or be purchased by, or merge or combine with, competing businesses, wherever located Your Franchise Territory is described in Exhibit 1

Among other things, we may require as a condition to our approval of your purchase of additional franchises from our existing franchisees or affiliates, or your purchase of additional franchises from us that you sign a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us

You may not establish or operate any other Digital Doc establishment without executing a separate Franchise Agreement for that operation

1 2 <u>One Location for Franchise</u> You will operate the Franchise only at the Franchise Premises If not determined when this Agreement is executed, you are responsible for selecting the site for the Franchise Premises within the designated area outlined in Exhibit 1 and in accordance with this Agreement

1 3 <u>Assistance in Site Location</u> You are responsible for finding the location of the Franchise Premises, although we will provide you with advice if you ask for it You will be solely responsible for selecting a site and for all lease negotiation expenses

We do not guarantee success for any location you select We will not be liable for any consequences of your choice of any franchise site Any site recommendation or approval we make is not a representation that any particular site is available or legally appropriate for use as a franchise site It is your responsibility to investigate all applicable zoning, licensing, leasing and other requirements for any proposed site You must ensure that the site you select complies with these requirements, and you must obtain our approval of a site before you commit to it

You acknowledge and agree that any location we select or approve, and any lease we approve will be with the understanding that it meets our minimum acceptable criteria The criteria are not a representation or guarantee that the location will be successful or that the terms of the lease are reasonable You acknowledge that you are responsible for reviewing and determining the appropriateness and desirability of the lease We will have no liability with respect to the selection or approval of a location or any lease for the Premises, nor liability with respect to any site recommendations we make

We will approve or disapprove your proposed site within 21 days after you present us with information we require about it We will either accept or reject the site in our sole discretion Acceptance by us of a site is conditioned upon our determination, in our judgment, that the site that you have submitted for your Franchise is within your Franchise Territory and is a suitable site based upon criteria we establish from time to time When we accept your site, we will enter it on Exhibit 1 You must obtain our approval of a site no later than 120 days after you sign the Franchise Agreement

Before you enter a lease or purchase agreement for the Franchise Premises, you will submit the lease or purchase documents to us for approval Lease documents must include the Franchise Premises Lease Agreement Rider (Exhibit 3) or otherwise include an assignment of the lease in a form we approve, pursuant to which we may assume the lease as provided in Section 4, below

You must obtain our approval of a lease no later than 150 days after you sign the Franchise Agreement If You and We cannot reasonably agree on a site within 150 days of the Effective Date, We have the right to terminate this Agreement without making any refund to you

1 4 <u>Build-Out Assist Package</u> You must pay us a Build-Out Assist Fee in the amount set forth on Exhibit 1 In exchange for this fee, will assist you with certain aspects of the design, layout, and equipping of your Business Specifically, we will

1 Design your store and its layout
2 Manufacture, deliver and install your fixtures
3 Assemble and install your POS system and related computer equipment

4 Order and install your interior signage The build-out assist package ***does not*** include exterior signage, ordering and installing exterior signage is solely your responsibility
5 Order, deliver, and install an equipment package and office supplies
6 Order, enter into your POS System, and organize your initial inventory order

You will be responsible for all other items relating to your build-out not specifically itemized in this Section 1 4

1 5 Franchise Development Except for the build-out assist package items listed in Section 1 4, You will be solely responsible for developing, constructing, and equipping your Business This means that you must, at your own expense (a) secure all financing to develop and operate your Business and acquire and maintain adequate capital reserves, (b) pay all applicable state, county, and municipality taxes, permit costs, and/or fees associated with construction, (c) obtain all required building, utility, sign, health, sanitation, business, and other permits and licenses, (d) purchase insurance for your Business, (e) obtain all building inspections and approvals, occupancy and/or construction permits, and architectural drawings, and (f) engage a licensed architect and licensed contractor(s) or construction manager to construct, remodel, renovate, and/or equip all improvements to your Business and decorate it according to the plans and specifications that we approve, and in accordance with the requirements of your lease, and communicate with us about your chosen architects, contractors, or managers Modifications or variations require our prior written consent You further acknowledge and agree that

1 We will furnish to you a schedule of equipment packages for the Business Any modifications you propose must be approved in writing by us At our option, we have the right to require you to retain, use, and purchase from only Approved Suppliers All approvals will be solely within our discretion to maintain a uniform image consistent with Digital Doc franchise system concepts
2 You will comply within a time we deem reasonable with any requirement we impose to modify the layout, furnishings, and equipment
3 All equipment will conform to our equipment specifications as adopted from time to time If we require any changes in or additions to equipment, you will modify, replace or add to your existing equipment at your sole expense

You must ensure that your Business is **open** and **operating** no later than 250 days after you sign this Agreement

1 6 Relocation of the Franchise You will not relocate the Franchise or your Franchise Premises without our prior written approval Any relocation will be at your sole expense This Agreement will govern your operations at any replacement Franchise location You may decide to relocate the Franchise for the following reasons

a) In your and our judgment there is a change in character of the location of the Franchise sufficiently detrimental to your business potential to warrant its relocation, or
b) You reasonably decide to relocate the Franchise for cause

If so, you may relocate the Franchise to another location, if

1 You are not in breach of this Agreement,
2 You evidence to our satisfaction your ability to obtain and commence operations at the new location within a time we deem reasonable after you vacate the original location,
3 You develop, furnish and equip, at your sole expense, the new location according to our then current specifications and standards,
4 You pay for all reasonable out-of-pocket expenses we incur because of the relocation The terms 'Franchise Territory" and "Franchise Premises" will include the relocated business site, and
5 You satisfy our then-current franchise placement and demographics criteria, as expressed in the Brand Standards Manual

1 7 <u>You will not Advertise Outside Franchise Territory</u> Except with our prior written permission, you will not place, under any circumstances, advertisements using the Marks in or originating from any area other than the Franchise Territory Except with our written permission or as stated in the Brand Standards Manual, You may not directly market to, solicit or service customers whose principal home address or place of business is outside of Your Franchise Territory

Only we may place national or regional advertising

1 8 <u>Existence of Divergent Forms of Franchise Contracts</u> You acknowledge that we have offered franchises to others in the past, the terms of which may have varied materially from those set forth in this Agreement

1 9 <u>Rights We Reserve</u> We retain all rights not specifically granted to you under this Agreement Except as otherwise provided in this Agreement, we retain the right, in our sole discretion and without granting any right to you, to engage in any activities not expressly prohibited by Section 1 1, including the rights to do any of the following anywhere in the world

a) To use or license the use of the Marks or any other trademarks, service marks, logos or commercial symbols in connection with the sale of any products or services anywhere in the world, except within the Franchise Territory
b) To operate and grant to others the right to operate Digital Doc businesses outside the Franchise Territory on such terms and conditions as we deem appropriate
c) To sell products or services anywhere, including within the Franchise Territory, through channels of distribution other than through the operation of Digital Doc-branded stores similar to the Franchise, including corporate and national accounts, Internet, other forms of media now or in the future developed, wholesale and mail order channels The Internet is a channel of distribution reserved exclusively to us, and you may not independently market on the Internet or conduct e-commerce except as otherwise allowed by us in the Brand Standards Manual
d) To establish, operate, own or franchise any business, including competitive businesses, anywhere outside of the Franchise Territory, regardless of their proximity to your Franchise Territory
e) To acquire, merge, combine with, or be acquired by businesses that are the same as or similar to your Franchise and operate such businesses regardless of where such businesses are located, including inside the Franchise

Territory, and to be acquired by any third party which operates businesses that are the same as, or similar to, your Franchise, regardless of where such businesses are located, including inside the Franchise Territory We will not, however, re-brand any such businesses located inside the Franchise Territory by allowing them to use the Marks

1 10 Nonexclusive We reserve the right to market, solicit sales, and sell, lease, rent or otherwise dispose of franchise products to any person or customer we want regardless of where that person or customer is located These include national accounts, commercial customers, franchisees, end users and any other customer we may select We may exercise our right directly or indirectly by or through independent contractors that may include franchisees, dealers and brokers

2 PAYMENT OF FEES AND OTHER FINANCIAL REQUIREMENTS

2 1 Initial Franchise Fee The "Initial Franchise Fee" is $44,900 Contemporaneously with the execution of this Agreement, you have paid to us the entire Initial Franchise Fee The Initial Franchise Fee is paid and is fully-earned by us once it is paid No part of the Initial Franchise Fee is refundable

If you purchase any additional Digital Doc franchises from us (except as part of the Area Development Addendum), we will charge you a reduced Initial Franchise Fee of $29,000

2 2 Monthly Royalty Fee You will pay to us, by the 5th day of each month, 7% of your Gross Revenue for the preceding month as a royalty fee

This fee is due monthly in the manner specified below or as otherwise prescribed from time to time in the Brand Standards Manual described in Section 5, below This payment may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Brand Standards Manual, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, the Internet, or other authorized payment plan If we attempt a draw or other process that is returned unsatisfied for any reason, we may charge you a $50 fee for each unsatisfied attempt

2 3 Monthly Brand Development Fee You will pay to us, at the time we give you written notice, a Brand Development Fee equal to 1% of the total Gross Revenue that you derive from the Franchise When collected by us, this fee will be due monthly by the 5th day of each month in the manner specified below or as otherwise prescribed from time to time in the Brand Standards Manual described in Section 5, below We will use the Brand Development Fees for our Brand Development Fund

This payment may be required to be made by automatic account withdrawal or other automatic processes we reasonably specify in the Brand Standards Manual, such as check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer or the Internet If we attempt a draw or other process that is returned unsatisfied for any reason, we may charge you a $50 fee for each unsatisfied attempt

We reserve the right to temporarily lower, suspend, or rebate the Brand Development Fee at any time, upon prior written notice to you and to our other franchisees Brand Development Fee payments are in addition to and exclusive of any sums that you may decide or be required to spend on local advertising and promotion We have sole discretion over the creative ideas, materials, endorsements, media, placement, and allocation of monies related to use of the Brand Development Fee

You recognize the value of advertising and the importance of the standardization of advertising and promotion to the furtherance of the goodwill and the public image of the Digital Doc system and the Methods of Operation We have no fiduciary duty to you or other direct or indirect liability or obligation to collect Brand Development Fees or to maintain, direct or administer the Brand Development Fee Any unused funds that were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Development Fund on any terms we deem reasonable

We may use all contributions and any earnings from the Brand Development Fees we receive from you in local, regional, national, or Internet advertising for

i Maintaining, administering, researching, directing, preparing and placing advertising and promotional activities (including among other things, the costs of preparing and conducting television, radio, magazine and newspaper advertising campaigns, public relations programs and press releases),
ii Direct mail and outdoor billboard advertising,
iii Marketing research and development,
iv Marketing surveys and public relations activities,
v Development and maintenance of any Internet or e-commerce programs,
vi Marketing materials,
vii Decor and promotional materials,
viii Artwork,
ix Advertising services,
x Training related to marketing, customer service and sales augmentation,
xi Production and distribution of periodic newsletters to provide you with industry news, suggestions, and advice on franchise operations, and
xii Our reasonable salaries, accounting, administrative, collection, legal and other costs related to all of the above

Our internal artwork, advertising, promotion and newsletter production costs and associated administrative costs are paid from the Brand Development Fees These will be calculated at our cost as established from time to time We will use your Brand Development Fees to place advertising in geographic areas, in media, at times and using products and services we deem to be in the best interest of our franchisees and our franchise system We will not use the Brand Development Fees for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing

The Brand Development Fund is not audited Upon your written request, we will provide to you an annual accounting for the Brand Development Fund that shows how the Brand Development Fund proceeds have been spent for the previous year

2 4 Advertising Standards

A Establishment of Advertising Programs At any time and from time to time, we will have the right to create or modify advertising regions for the purpose of establishing regional advertising, marketing and promotional programs We will promptly notify you and our other franchisees, of the establishment, modification and geographical boundaries of regional advertising regions We may require all franchisees located within each geographic region to meet periodically for the purpose of creating and establishing regional advertising programs Each franchise unit, and each unit we own and operate, will be entitled to one vote at these meetings For the purpose of this subsection, each unit we own will be deemed to be a franchise

B We May Advertise "Suggested Retail Prices" In national or regional advertising programs, we may include "suggested retail prices" for the goods or services sold by you and our other franchisees We will include within all our advertising the phrase "available at participating locations only" or other cautionary language to advise the consumer that the suggested retail prices may not be adhered to by all our franchisees We may compel you to charge "suggested retail prices," or maximum or minimum prices that we specify, to the extent permitted by state and federal law

C Discount Programs From time to time we may develop and market special discount or free coupon programs You will have the right, but not the obligation, to participate in these programs We will notify you of the creation and provisions of a discount or coupon program Within 5 days after receipt of the notice, you must advise us whether you wish to participate in that program If you notify us that you wish to participate, you will adhere to all provisions of the program If you elect to be excluded from a program, we will have the right to advise consumers, by advertising, sales solicitation or otherwise, that you are not a participant You will not be entitled to the benefits of that program. We will establish the discount or coupon programs in our sole discretion, and will not have any obligation to consult or confer with you or any other of our franchisees with respect to the nature, content or amount of any discount or coupon established pursuant to any program

D Your Obligation to Advertise Locally In additional to your obligation to pay Brand Development Fees to us, you will expend on a monthly basis in your local market at least 3 % of your Gross Revenue to advertise and promote the Franchise (the "Local Advertising Requirement") You will report the nature, extent and amount of these local expenditures, in the form and at the times we require in the Brand Standards Manual You are required to spend an additional 3% of Gross Revenue on local store marketing We have the right to approve all local store marketing You must submit receipts to us on a monthly basis to verify that you have spent a minimum of 3% of Gross Revenue on local store marketing Within 5 days of written notice from Us, You are required to submit to Us a certified report of all local advertising expenditures made by You.

E Local Advertising Materials Used at Your Discretion From time to time, we will supply to you an advertising component to the Brand Standards Manual which will contain samples of local advertisements we approve You will advertise your franchise in a dignified manner to enhance our franchise system's reputation for quality and integrity At any time and from time to time, we may require you to submit to us advertising copy, promotional materials, public relations programs and press releases you use in your local advertising programs If, after review of any material, we, in good faith, believe that it is not in keeping with our franchise system's reputation of quality and integrity, or degrades or debases the good will or reputation of the franchise system, we will promptly notify you You will immediately cease using any such material

F <u>Approval of Your Local Advertising and Website and E-Commerce</u> You must submit to us all advertising copy and other advertising and promotional materials, public relations programs and press releases, radio and television advertising, specialty and novelty items, and signs before you use them in your local advertising program You may not use any advertising copy, public relations program, press release or other promotional material until we approve it Your failure to conform to our provisions or requirements and subsequent non-action by us to require you to cure or remedy your failures and defaults will not be deemed a waiver of future or additional failures and defaults by you under this provision or any other provision of this Agreement

You specifically acknowledge and agree that any website will be deemed "advertising" under this Agreement and will be subject to (among other things) our approval (As used in this Agreement, the term "website" includes an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the franchise, proprietary marks, us or the Methods of Operation The term website includes, but is not limited to, Internet and World Wide Web home pages) In connection to any website, you agree to the following

i We will allow you to establish a webpage as part of our website

ii You may not establish or use any other website or webpage without our prior written approval

iii Before establishing the webpage or any other website, you must submit to us a sample of the content, format and information in the form and manner we may reasonably require

iv In addition to any other applicable requirements, you must comply with our standards and specifications for websites as prescribed by us from time to time in the Brand Standards Manual or otherwise in writing or on a franchise forum intranet system

v If you propose any material revision to the webpage or site or any of the information contained in the website, you must submit the revision to us for our prior written approval

vi You must use only approved key words, meta-tags and titles pertaining to our industry We will email or respond via facsimile approved key words, meta-tags and titles upon your request by email or facsimile

vii You may only offer approved products or services on your webpage or site Any website changes made without our approval will put you in default of this Franchise Agreement

viii You must turn ownership and control of your webpage or site over to us upon expiration or termination of this Agreement, regardless of the reason for the expiration or termination

ix We retain the sole right to market on the Internet, including all use of websites, domain names, URL's, linking, meta-tags, advertising, auction sites, e-commerce, and co-branding arrangements You must provide us content for our Internet marketing, and follow our Intranet and Internet usage requirements We also retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, meta-tags, and in connection with linking, advertising, co-branding, and other arrangements We retain the right to approve any linking or other use of our website You may not establish a presence on or market using the Internet except as we may specify, and only with our prior written consent

x If you want to independently advertise or promote in any media (including the Internet), you must obtain our prior written approval, except when using materials and media previously approved by us

xi Subject to the terms of use on our website, we may gather, develop and use in any lawful manner information about any visitor to the website, including but not limited to your customers, franchisees or prospective franchisees regardless of whether they were referred to you via the website or were otherwise in contact with you

xii You understand and agree that we may elect to provide certain assistance, deliver information and materials or otherwise communicate with you via the Internet or an intranet At your sole expense, you will maintain and update as needed all computer system requirements and services necessary to access the Internet and the intranet in the manner we require You must use it in the manner we require You are required to have high-speed Internet service to your business or home office where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials and corporate news We will provide back office system support

G <u>Trademark and Copyright Notices</u> You must use the Marks in strict conformity to the guidelines stated in the Brand Standards Manual, and will include in any advertisement, or promotional materials which use the Marks, trademark notices as are required by the Brand Standards Manual All copyrighted materials we supply to you or otherwise used by you in connection with the Franchise will contain copyright notices as required by the Brand Standards Manual

2 5 <u>Gross Revenue Defined</u> "Gross Revenue" means all receipts generated by your Business from any source including sales, exchanges, services, labor, service charges, etc Credit sales shall be calculated as of the date of sale without deduction for uncollected credit accounts "Gross Revenue" does not include bona fide credits for returns of merchandise, promotional discounts approved by us, or the amounts collected and paid to appropriate governmental authorities under the provisions of any sales tax, Retailer's Occupation Act, or similar Act The proceeds from any business interruption insurance or eminent domain recovery you receive are included in Gross Revenue

2 6 <u>You Will Pay Taxes and Indebtedness</u> You must pay all taxes, assessments, liens, encumbrances, accounts, and other debts, regardless of their nature, assessed against you, the Franchise location, or inventory, materials, fixtures, and equipment used in the Franchise Payment will be made when due and before delinquent except when being contested in good faith by appropriate proceedings If we are charged with any tax by the authorized taxing authority of any state or political subdivision, including taxes on sales made to or licenses granted to you, or sales made by you in the Franchise Territory, you will pay these taxes You must pay to us promptly and when due the amount of all sales taxes, personal property taxes and similar taxes imposed upon, required to be collected, or on account of collection by us of the Initial Franchise Fee, the royalty fee, or any other payments you make to us pursuant to this Agreement

You acknowledge that one of the benefits accruing to you and all of our other franchisees is the economy of mass purchasing power that may be made available through us Your failure to pay or repeated delay in making prompt payment in accordance with the terms of the invoice or statements rendered to you for payments due, or misdirection of supplies or other abuses will result in a loss of credit standing and goodwill and a loss of benefits derived to us and other franchisees using the Methods of Operation You expressly agree to promptly make all product purchase payments on invoices and statements rendered to you in accordance with the terms of the invoices and statements and to make timely remittances of rent as required on your lease

2 7 Royalty Fees, Brand Development Fees, Local Advertising Requirements, and Other Sums to be Paid Promptly You will not set off any claim for damages or money due to you from us against any payments to be paid by you to us under this Agreement or any related agreement between the parties No endorsement or statement on any check or payment of any sum less than the full sum due from you to us will be construed as an acknowledgment of payment in full or as an accord and satisfaction We will have the right to accept any check or payment without prejudice to our rights to recover the balance due or to pursue any other remedy available to us

A late charge will be added to any sums to be paid under this Agreement that remain unpaid after the due date The late charge will equal 1 5% per month In addition, late payments will be subject to a late payment penalty of 5% of the amount due These late charges and late payment penalties will not exceed any limits placed upon late charges and late payment penalties by applicable local laws

Our acceptance of late payments, or imposition of late charges or fees, will not constitute a waiver of the breach created by your non-payment of any amount when due Notwithstanding the payment of any late charges, we may exercise any rights or remedies granted by this Agreement upon your breach or any rights or remedies otherwise granted by law

Nothing contained in this Agreement obligates us to accept any payments after due or to commit to extend credit to or otherwise finance your operation of the Franchise You acknowledge that failure to pay all amounts when due will constitute grounds for termination of this Agreement

Upon your failure to pay us as and when due, we may, at our election, deduct the unpaid sums from any monies or credit we hold for your account You agree that you will not withhold payment of any amounts due to us on the grounds of any alleged non-performance by us, or in the event of any dispute or a claim by you, or for any other reason whatsoever

2 8 Records You will keep a complete and accurate set of books and records of the operation of the Franchise, produce monthly financial statements in accordance with generally accepted accounting principles and practices for each calendar month and furnish copies of these statements to us within 30 days after the end of each quarter

You will furnish to us as outlined in the Brand Standards Manual, an itemized report of the Gross Revenue for the prior month This report must be certified by you to be true and correct The report will be in the form and will include such supporting documentation as we may reasonably demand from time to time All royalty, Brand Development Fees, and other fees due based upon the Gross Revenue for the preceding month will accompany the report If your Franchise is operated at a co-branded location, you will obtain and keep, or make arrangements for us to have access to, a complete and accurate set of books and records of the operation of all businesses operated at and all business done through the co-branded location, although Revenue will be limited to Digital Doc related receipts

You will keep records of all business done and Revenue received through the Franchise These records will include, but are not limited to, order sheets, sales and rental agreement forms, daily sales summaries, tax returns, financial statements and invoices You will date, file in consecutive order, retain for a period of 5 years, and make available to us for inspection and audit all of your records

Our right to inspect will include the right to examine your books, tax returns and recoids of othei businesses owned, in whole or in part, or operated by you to determine whethei all revenue to be reported by you has been properly reported and that appiopriate fees and contributions have been paid We may establish a uniform list of accounts and a uniform bookkeeping system for all of our franchisees You agree to maintain your books and records in the manner we require

You will submit to us a list of all shareholders, members, partners oi othei owners of the fianchise business and respective interests held by each as of the end of each fiscal year Provided, however, if your shares are publicly traded, the list of shaieholders requiied will include only those owning 5% oi moie of the shaies outstanding The required report will be submitted to us within 90 days after the end of your fiscal year

2 9 <u>Audits</u> We may audit your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours Audits will be conducted at our expense unless you understate the Gross Revenue foi any reported period oi periods by more than 2% or unless you fail to deliver any required report of Gross Revenue or any required financial statement in a timely manner In the event of an understatement or failure to deliver, you will reimburse us for all audit costs These will include, among other things, the chaiges of any independent accountant and the travel expenses, room, board, and compensation of oui employees incurred in connection with the audit You will immediately pay all Royalty Fees, Brand Development Fees, other fees and late payment charges that the audit determines are owed These payments will not prejudice any other remedies we may have under this Agreement or by law Our right to audit will include the right to examine the books, tax returns and records of other businesses that you own or operate, in whole or in part, to determine whether all revenue to be reported by you has been properly reported and that appropriate fees and contributions have been paid

2 10 <u>You are to Pay all Franchise Costs</u> All the costs of the Franchise, including opening and operating costs, will be your sole obligation Except with regard to providing you with the build-out assist package referred to in Section 1 4, we will have no costs, liability or expense whatsoever with iespect to your opening and operation of the Franchise You will not use or employ the Marks in performing any activity or incurring any obligation or indebtedness in a manner that could result in making us liable for them You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits You will control your own employees and contractors You must take all steps necessary to maintain a safe and healthy environment for your workers and customers

2 11 <u>Attendance at Conventions.</u> We may hold conventions for oui franchisees These conventions may be held at a different location each time They may include programs on sales and marketing techniques, performance specifications, advertising programs, training suggestions, and committee elections, among other things Your attendance at each convention is strongly encouraged You will bear all expenses of attending, including travel, lodging, meals and entertainment Foi any annual convention that you do not attend, we will deliver to you and you will pay us for all training materials, documentation, handouts, training videos, and video recordings of the activities of convention

2 12 <u>Application of Payments</u> We have the right, in our discretion, to apply any payment from you to any past due indebtedness you owe to use or our affiliates, whethei fiom monthly fee ieports, purchases, late payment charges, or for any othei reason This section will apply regaidless of how you may designate a particular payment is to be applied

3 TRAINING

3 1 Mandatory Training We will provide a mandatory training course for you or your franchise manager at a location we will designate, up to five (5) people total This training course will cover all aspects of the operation of the Franchise, including financial controls, marketing techniques, service methods, deployment of labor, and maintenance of quality standards You or the manager will complete the course no earlier than four weeks prior to opening the Franchise for business You must ask us to schedule a training session for you or the manager at least 35 days before the session is to start You or the manager must complete this mandatory training program to our exclusive satisfaction or we may terminate this Agreement without making any refund to you of any of the fees you paid to us, including the Initial Franchise Fee You are encouraged to begin training before incurring any costs or expenses related to the planned opening of the Franchise We will not be liable for any costs or expenses you incur if we terminate this Agreement because you or your manager fails to satisfactorily complete the mandatory training course

You must pay the transportation, board and lodging expenses you or the manager may incur related to this training Depending upon our analysis of your training needs, generally the training course will be not less than 3 days long Training and training materials may be delivered in the formats or media we choose This may include course books or training exercises on paper, video, CD-ROM or other electronic format, via web cast or an intranet You will participate in and pay for the costs of training, including costs of computer equipment and Internet services needed to participate

If the Franchise is managed by any persons other than you, you will notify us of these managers Each manager you hire must successfully complete the mandatory training program within one month after being hired You will bear all costs of the training, including a reasonable training fee at our then current rates Each of your employees will complete a training program as prescribed in the Brand Standards Manual All training programs for your employees will be conducted under the direction of you or your designated manager who has successfully completed the mandatory training course Some of these employee training programs may involve online instructional content via our secure website or intranet

At all times, your franchise must be operated and supervised by an individual who has passed our mandatory initial training program

3 2 Supplemental Training At your option and upon not less than 30 days' prior written notice to us, you may receive additional training at our training center or at other agreed upon locations All expenses of this training will be borne by you, including but not limited to your travel, lodging, meals, compensation, and our reasonable costs and expenses including a reasonable training fee at our then current rates

This additional training consists of visits to our franchises, store work experience, and observation of franchise operations The duration of training is negotiable depending upon your needs You will not receive any compensation for services rendered by the trainee during this or any other training We may designate qualified franchisees or master franchisees to conduct some or all of your training

From time to time we may provide refresher training programs or seminars and may require that you or your managers attend and complete them to our satisfaction These programs and seminars will be held at locations we designate and will be provided without charge to you You will be exclusively responsible for paying all travel, living and other expenses and compensation of attending these programs and seminars

4 COMMENCEMENT OF OPERATIONS

4 1 Time to Complete Training and Commence Operation You or your manager will complete to our exclusive satisfaction the mandatory training defined above and commence full and continuous operation of the Franchise within 250 days after execution of this Agreement Prior to commencing operation, you will procure all necessary licenses, permits and improvements and purchase initial inventory Any failure to commence operation caused by a war or civil disturbance, a natural disaster, a labor dispute, shortages or other events beyond your reasonable control will be excused for a period of time that is reasonable under the circumstances

If this training and commencement of operation is not fulfilled, we may terminate this Agreement without making any refund to you of any of the fees you paid to us, including the Initial Franchise Fee

4 2 Lease Assumption and Real Property Security Assignments Unless we agree otherwise in writing, any lease you enter into with a third party (other than an affiliate of ours) must provide that you may assign that lease to us without penalty or charge The lease will further provide that upon termination or expiration of this Agreement, we will have an option, exercisable within 30 days after termination or expiration, to be substituted for you in all respects under the lease and to sublease the premises to another franchisee You must deliver to us a true copy of the lease and any additions or amendments to it promptly after they are executed

If you own the premises used for the operation of the Franchise, you may not mortgage, pledge or otherwise assign as security the premises during the term of this Agreement without our prior written approval Upon termination or expiration of this Agreement, you must give us a reasonable and good faith opportunity to lease the premises and to continue business operations there The fair value of and fair terms for the lease and for all related equipment, fixtures, signs, equipment leases and personal property will be determined in Cook County, Illinois by three appraisers Each party must select one appraiser The two appraisers chosen must then select a third appraiser Each party will pay for its own appraiser and each party will pay half for the third appraiser The parties may then present evidence of the value of the lease and fair terms for the transaction The appraisers must exclude from their decision any amount or factor for the "goodwill" or "going concern" value The decision of the majority of the appraisers will be conclusive At any time within 30 days after receiving the appraisers' decision, at our option, we may enter into the lease at the price and upon the terms determined by the appraisers

If your Franchise Premises is at a retail location, any lease or sublease of the Franchise Premises will contain substantially the following provisions

1. Anything contained in the lease to the contrary notwithstanding, lessor agrees that without lessor's consent, the lease and your right, title and interest, may be assigned by you to us, without cost or penalty
2. A provision reserving to us the right, at our election, to receive an assignment of

the leasehold interest upon termination or expiration of this Agreement

<u>3</u> An express right of de-identification in the following form

Upon termination or non-renewal of this Lease Tenant may de-identify the leased premises If Tenant fails to do so Digital Doc Franchising LLC is given the express right to de-identify De-identification consists of removal of all signs modification or remodeling of all identifying architectural features repainting as necessary to no longer use the color scheme used by Digital Doc Franchising LLC and any other steps necessary (in the sole discretion of Digital Doc Franchising LLC) to effectively distinguish the formerly leased premises from Digital Doc Franchising LLC s proprietary design(s)

If we cure any breach by you under the lease or sublease, the total amount of all costs and payments we incur in effecting the cure will be immediately due and owing by you to us

5 <u>FRANCHISE STANDARDS OF OPERATION</u>

5 1 <u>Brand Standards Manual, Equipment, Plans and Specifications, and Public Relations</u> Our industry is highly competitive Continuous efforts to maintain, update and improve the Methods of Operation are essential The developments we will make for the benefit of our franchise system as a whole are contemplated throughout the term of this Agreement The continuous development of the Methods of Operation in this manner is an important and beneficial aspect of the relationship you want to have with us We agree to lend to you a copy of the Digital Doc Brand Standards Manual (the "Brand Standards Manual") once you have paid to us the Initial Franchise Fee, in full The Brand Standards Manual describes the Methods of Operation, including specifications, standards, operating procedures, accounting and bookkeeping methods, marketing ideas, equipment requirements and control techniques, plans, specifications, and requirements, opening public relations and other rules that we may prescribe from time to time and identify as part of the Brand Standards Manual While the Brand Standards Manual is designed to protect our reputation and the goodwill of the Marks, they are not designed to control the day-to-day operations of your Business

We have the right to prescribe additions to, deletions from or revisions of the Brand Standards Manual (the "Supplements"), all of which will be considered part of the Brand Standards Manual All references to the Brand Standards Manual in this Agreement will include the Supplements Supplements will become binding on you as if originally set forth in the Brand Standards Manual, upon being delivered to you (unless we specify a longer period) You will implement immediately all changes at your cost, unless we otherwise specify We reasonably may restrict you from producing, stocking, and selling certain services and goods, from time to time, as specified in the Brand Standards Manual

The Brand Standards Manual includes materials in whatever form (including electronic) we provide to you that describe the guidelines, advice, and requirements regarding the operation of your franchise, including user manuals and related instruction materials It includes amendments, supplements, and new documents made and identified by us as part of the Brand Standards Manual The Brand Standards Manual may be delivered to you by hard paper copy, CD-ROM, via an intranet or other downloading mechanism to your computer or via another medium chosen at our discretion

The Brand Standards Manual is and will remain confidential and our exclusive property You will not disclose copy or duplicate any part of the Brand Standards Manual for any reason Nothing in this Agreement may be construed as an incorporation of the terms of the Brand Standards Manual or as making the Brand Standards Manual part of this Agreement The Brand Standards Manual, and the information in it, will be our confidential information and you must protect its secrecy

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Business and that under no circumstance will we do so or be deemed to do so You further acknowledge and agree, and will never contend otherwise, that the various requirements restrictions, prohibitions, specifications and procedures of System which you are required to comply with under this Agreement, whether set forth in the Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Business

We develop minimum requirements for equipment, services, business forms, advertising, decor, plans and specifications, materials, fixtures, and signs, among other things These requirements are outlined in the Brand Standards Manual You will purchase all initial equipment and inventory items and additional items specified from time to time in the Brand Standards Manual

You must purchase items that bear the Marks from us or suppliers we approve from time to time Proprietary items and supplies may be private labeled by us We retain the right to make a reasonable profit on any items, supplies and materials you buy from us We may also make a reasonable profit on supplies we purchase in bulk quantities and sell to you

We may obtain money, goods, services, or other benefits from persons and entities with whom you do business, on account of that business with you These may include rebates, refunds, commissions, co-operative payments, or discounts We will accumulate them, annually account to the Digital Doc franchise system for them and either add them to the Advertising Fund, use them for programs that benefit all franchisees such as conventions and administration of purchasing programs, use them to provide supplemental training and promotional services to Digital Doc franchisees, or return them at reasonable times to all Digital Doc franchisees pro rata, based upon the volume of related business

There are no required quotas as to quantity of purchases you must make from us or from approved vendors You must only have enough equipment and supplies on hand to meet customer demand If you elect to purchase equipment, inventory, and supply items from us at our then current prices, payment must be made when you place your order The items we offer may include among other things equipment, merchandise, and supplies that bear the Marks You may offer these Trademark bearing items only at the Franchise Premises to retail customers

Any products and goods sold, licensed, or leased by or through us to you will be sold, licensed, or leased in accordance with the terms expressly set forth in the Brand Standards Manual or as otherwise provided for in writing by us or the manufacturer of the products and goods

You will purchase all products, supplies and materials required for the operation of the Franchise from manufacturers, suppliers or distributors approved by us All specifications that we require of you and lists of approved suppliers will be included in the Brand Standards Manual We will use our best judgment to set and modify specifications in order to maintain the integrity and quality of the franchise system

You must sell, offer for sale, distribute or deliver only such services or products that meet the specifications and standards of quality and quantity in the Brand Standards Manual You must sell or offer to sell all approved items and services You must refrain from deviating from our standards and specifications and must discontinue selling or offering for sale any such items as we may, in our discretion, disapprove in writing at any time

You are required to maintain an inventory of authorized and approved equipment and supplies sufficient in quantity to satisfy customer demand

With advance written notice, you may request our approval to obtain products, supplies or materials from sources that we have not previously approved We may require you to give us sufficient information, photographs, drawings, samples, and other data to allow us to determine whether the items from these other sources meet our specifications and standards, as established from time to time These specifications and standards will relate to quality and the suppliers' capacity and facility to supply your needs in the quantities, at the times, and with the reliability necessary for efficient operation We may require that samples from any supplier be delivered to a designated independent testing laboratory for testing prior to approval and use You will reimburse us for the actual cost of the tests We will license any supplier that can meet or exceed our quality control and confidential requirements and standards, for a reasonable license fee, to produce and deliver products to you but to no other person Our confidential manufacturing requirements, equipment, designs, and systems will be disclosed to potential suppliers only after we have received reasonable evidence that the proposed supplier is trustworthy and reputable, has the capacity to consistently adhere to our standards, requirements and testing procedures, will maintain the confidentiality of the designs and systems, and will adequately supply your reasonable needs We may require a Confidentiality and Non-Disclosure Agreement signed by the proposed supplier prior to release of any confidential information We will not unreasonably withhold approval of a supplier you propose We will notify you in writing of the approval or disapproval of any supplier you propose

From time to time we or our agents may inspect any proposed or approved manufacturers, supplier's or distributor's facilities and products to assure proper production, processing, storing, and transportation Permission for inspection will be a condition of our continued approval of any manufacturer, supplier or distributor Should we determine from any inspection that a manufacturer, supplier or distributor fails to meet our specifications and standards, we will give written notice describing this failure to you and to the manufacturer, supplier or distributor, together with a notice that unless the failure or deficiency is corrected within 30 days, the manufacturer, supplier or distributor will no longer be approved

One of the benefits accruing to you and all our other franchisees is the economy of mass purchasing power made available through us Your failure to pay or repeated delay to make prompt payment in accordance with the terms of the invoices and statements for payments due on your purchases of signs, equipment, products, supplies and other inventory items, or you misdirection of supplies or other abuse of our approved suppliers, distributors and manufacturers, will result in a loss of credit standing and goodwill and benefits otherwise available to us and our other franchisees You expressly agree to promptly pay all such invoices and statements in accordance with their terms

5 2 <u>Standards to Be Maintained</u> You will follow the Methods of Operation and maintain standards of product and services that we prescribe

A You must operate the Franchise in a clean, orderly, and respectable manner in strict compliance with this Agreement and the Brand Standards Manual You will only use signs, equipment, materials, products, inventory, and services that conform to our specifications to conduct the franchise

B If you maintain any signs at the Franchise Premises, these signs must comply with local sign ordinances, regulations and laws and must be approved by us

We may enter the Franchise Premises at reasonable times to verify your compliance with the terms of this Agreement To do so, we may

i Inspect the Franchise,

ii Observe your operation of the franchise business for any consecutive or intermittent periods we deem necessary,

iii Select items, products and other materials services, equipment, operations and supplies for test of content and evaluation purposes to make certain that they are satisfactory and meet our quality control provisions and performance standards,

iv Interview your personnel, customers, vendors and co-branded partners,

v Inspect and copy any books, records and documents related to the operation of the franchise and any other franchise information we may require,

vi Take photographs, movies or video recordings of your Business,

vii Conduct customer surveys, and

viii Inspect and copy any books, customer information, records, and documents relating to the operation of your Business, including contracts, leases, and material and information generated by or contained in the computer system

You and anyone acting as your agent will cooperate fully with us and our agents in connection with these inspections, observations, and interviews You expressly waive any rights of privacy or confidentiality you have with your personnel, customers, vendors and co-branded partners in reference to these inspections, observations and interviews

C You will comply with all applicable ordinances, regulations, bylaws, laws, and statutes You will not permit unlawful activities in the Franchise and will not sell, exchange, offer, hold, show, rent, or permit to be sold, exchanged, offered, held, shown, or rented any material or service you know or reasonably suspect to have been obtained in violation of law or to be otherwise illegal

You will secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchise and will operate the Franchise in full compliance with all applicable ordinances and regulations, including without limitation, all government laws and regulations relating to occupational hazards and health, EEOC laws, Americans with Disabilities Act, copyright laws protecting owners of artistic works, consumer protection, trade regulations, workers compensation, unemployment insurance and withholding, and payment of federal and state income taxes, social security taxes and sales, use and property taxes You will furnish to us within 120 days after the receipt of equipment, a copy of a receipt for the payment of all use taxes, personal property taxes, and like taxes or assessments

D You may not offer, sell or dispense any products or services or activities other than those we specifically recognize and approve in writing

E You, at your expense, must maintain the Franchise and equipment and furnishings in good repair, attractive appearance, and sound operating condition in compliance with the Brand Standards Manual At our request, you will make necessary repairs in order to protect the reputation of the Marks You will commence all repairs and changes within a reasonable time after notice from us, and you will proceed with due diligence until completion

If you do not maintain the Franchise as required, after notice to you, we at our option may make the necessary maintenance and repairs and charge the cost to you If we make or direct the making of repairs, we will not incur any liability to you, including but not limited to, liability for interruption of your business during the course of making the maintenance and repairs

F You will keep your Franchise open for business every week of the year, except as we designate or approve in writing We may change these requirements from time to time as designated in the Brand Standards Manual

At all times you will insure that your copy of the Brand Standards Manual and any other manuals given to you are kept current and up to date with the amendments and updates we provide to you In the event of any dispute as to the contents of the Brand Standards Manual, the terms of our master copies maintained at our principal place of business will be controlling

5 3 <u>Marks, Brand Standards Manual and Methods of Operation Are Our Exclusive Property</u> You agree that the Marks, Brand Standards Manual, and Methods of Operation are our sole and exclusive property Except for the Franchise granted to you by this Agreement, nothing in this Agreement or any other agreement will give you or others any right, title, or interest whatsoever in or to the Marks, Brand Standards Manual, or Methods of Operation Your license to use the Marks is non-exclusive We, in our sole discretion, may operate under the Marks and may grant licenses to others to use the Marks on any terms and conditions we deem appropriate In those states and nations where applicable, you agree to execute on request all documents necessary to record you as a registered user of the Marks You must not use the Marks as part of any electronic mail address or in any electronic mail message except in accordance with the Brand Standards Manual and only for purposes of the franchise

You must immediately notify us of any infringement of, or challenge to, your use of the Marks or any marks identical to or confusingly similar to the Marks, including any claims of infringement or unfair competition While we will make reasonable efforts to protect your rights to use the Marks, we will have sole discretion to take or not to take action, as we deem appropriate If we undertake the defense or prosecution of any litigation or administrative action involving you or any litigation or administrative action involving the Marks or the Methods of Operation, you agree to execute any and all documents and to do all acts and things that in the opinion of our counsel are necessary or advisable to carry out the defense or prosecution This may be done either in our name or in your name, as we will elect We will not be required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks or if the proceeding is resolved unfavorably to you Instead, at any time, you will modify or discontinue use of any franchise names or Marks, or will use one or more substitute names or marks, if we so direct in writing at any time Our sole obligation in this event will be to reimburse you for your tangible costs in complying with our direction (i e , cost of changing signs, stationery, etc) Under no circumstances will we be liable to you for any other damages, costs, losses, rights, or detriments related to any modification, discontinuance, or substitution All obligations or requirements imposed upon you relating to the Marks will apply with equal force to any modified or substituted names or marks

You will not contest, directly or indirectly our ownership, title, right, or interest in the Marks, the Brand Standards Manual, or the Methods of Operation, or our exclusive right to register, use, or license others to use the Marks, Brand Standards Manual, and Methods of Operation You will not advertise or use the Marks without following our then current guidelines and requirements These may include, but will not be limited to, the placement of appropriate © or ® copyright and registration marks, or the designations TM or SM, where applicable

Any and all goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through your activities, will accrue directly and exclusively to our benefit, except as otherwise provided by applicable law You appoint us as your agent and attorney-in-fact to amend or cancel any registered user or business name filings obtained by you or on your behalf that involve or pertain to the Marks

You will not use the Marks on products or services that come from any source other than us or sources we approve in writing except for products you prepare or produce pursuant to the Brand Standards Manual and the Methods of Operation

We make no representation or warranty, express or implied, as to the use, exclusive ownership, validity or enforceability of the Marks

We will not be obligated for any damages, claim, or obligation to any person or property, directly or indirectly arising out of your operation of your Business, whether or not caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement You must not use any of the Marks in signing any contract or in applying for any license or permit or in a manner that may result in our liability for your debts or obligations

We and you will use reasonable best efforts to continuously improve the products, processes and services used in the Methods of Operation and to develop new products, processes and services for use as part of the Methods of Operation All the improvements, inventions and developments you make, develop or create for use in the Methods of Operation will be our property and we alone will hold any patent, trademark registration or other form of protection for those improvements, inventions, developments, processes, methods and practices

5 4 **<u>You Will Not Use Names and Marks in Combination</u>** Except as provided in this Agreement, you will not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Marks You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign The Marks must be used in exact conformity with specifications we set in the Brand Standards Manual

5 5 **<u>Marks, Brand Standards Manual and Methods of Operation May Be Changed</u>** You acknowledge that the Marks, Brand Standards Manual, and Methods of Operation, including any

future amendments or modifications to them, have substantial value, and that the conditions, restrictions, covenants not to compete, and other limitations imposed by this Agreement are necessary, equitable, and reasonable for the general benefit of you, us, and others enjoying any lawful economic interest in the Marks, Brand Standards Manual, and Methods of Operation

We may change or modify any part of the Marks, Brand Standards Manual, or Methods of Operation from time to time at our sole discretion You will accept, use, and protect, for the purposes of this Agreement, all changes and modifications as if they were a part of the Marks, Brand Standards Manual, and Methods of Operation at the time this Agreement is executed You will bear all costs and expenses which may be reasonably necessary as a result of such changes or modifications Under no circumstances will we be liable to you for any damages, costs, losses, or detriments related to of these changes or modifications

Complete and detailed uniformity of the Marks, Brand Standards Manual, and Methods of Operation under the varying conditions to be experienced by our franchisees may not be possible or practicable Therefore we reserve the right, at our discretion, to accommodate your special needs, or those of any other of our franchisees These needs may result from the peculiarities of a particular site or location, density of population, business potential, population of trade areas, existing business practices, requirements of local law or local customers, landlord requirements, or any other condition which we deem to be important to the successful operation of the franchisee's business From time to time, we may allow certain franchisees to depart from normal system standards and routines to experiment with or test new products, equipment, designs, and procedures In no event will any variance or testing be deemed a waiver of any of our rights, or an excuse for you to not perform any of your duties under this Agreement We may require you at any time to commence full compliance with the Brand Standards Manual and the Methods of Operation We will not be required to grant any variance to you under any circumstances You will not require us to disclose or grant to you a like or similar variation

5 6 **<u>Standard Uniform</u>** You will require that all of your employees wear standard uniform or proper dress standards as described in the Brand Standards Manual All uniforms will be properly laundered regularly and replaced when worn We may change the standard uniform from time to time You agree to adopt new uniforms and replace worn uniforms when necessary and bear the purchase price of them

5 7 **<u>Volume of Business</u>** The quantity or number of employees, supplies and other items you keep on hand at all times must be sufficient to meet your anticipated volume of business

5 8 **<u>Alteration of Franchise.</u>** Any and all alterations of the Franchise and your location will strictly conform to specifications and requirements we establish or approve

5 9 **<u>Employees</u>** You may not hire any employees who have been found guilty of any charges of fiduciary misconduct, any form of unlawful sexual conduct, any felony of any kind, or any similar charges that reflect negatively on the person's moral turpitude and character You will ensure that your employees present a neat and clean appearance and render friendly, efficient, sober and courteous service to your customers in accordance with the grooming and training requirements of the Brand Standards Manual You are responsible for making sure your employees meet the standards, specifications and procedures outlined in the Brand Standards Manual

You are responsible for any employee wages and compensation, payroll taxes and other required withholding, worker's compensation and benefits You will in no way obligate us for expenses incurred in the operation of your franchise including labor costs You are required to hire and maintain sufficient staff in order to handle customer volume at all times

All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, payments, unemployment insurance, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to our respective employees and operations, and we will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa

We will not have the power to hire or fire your employees You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for your Business does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor You alone are solely responsible for all hiring and employment decisions and functions relating to your Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, setting hours for, and discipline of employees, regardless of whether you have received advice from us on these subjects or not You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us

You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, which may include (among other things) a sexual harassment policy You will have sole discretion in whether to adopt any such policies and procedures, and as to the specific terms of those policies and procedures Training with respect to all such policies and procedures will be your sole responsibility

5 10 <u>Forms and Specifications</u> All sales, service, and other forms to be used in the Franchise will be designed or approved by us You will use only approved forms in the operation of the Franchise From time to time, we will provide samples of the forms and a list of recommended or approved suppliers who can produce the forms

5 11 <u>You Will Not Communicate Confidential Information</u> You specifically acknowledge that you will receive valuable specialized and confidential information, including information regarding our operational, sales, promotional and marketing methods and techniques, operating procedures, processes, practices, lists of suppliers, customer lists, manuals, marketing and sales techniques and strategies, and the Methods of Operation Unless required by court order or applicable law, you agree not to copy, download to internet, intranet, modem, fax, e-mail, mail or send any confidential material or divulge any material directly or indirectly to any other person or enterprise outside of the Digital Doc system During the term of this Agreement and after it expires or is terminated, you will never communicate, fax, e-mail, post on an internet electronic bulletin board, divulge or use in any other manner, either for your benefit or the benefit or any other person, persons, partnerships, associations, companies or corporations any confidential or proprietary information, knowledge or know-how concerning the Methods of Operation or any information we have communicated to you in written, verbal or electronic form, including intranet passwords, for the operation of your franchise

The Methods of Operation include valuable proprietary and confidential information Unless required by court order or applicable law, you agree to not communicate or divulge the contents of our Brand Standards Manuals or any other information related to the Methods of Operation or to the operation of the Franchise or our franchise system to any person or entity except those we authorize in writing to receive the information You agree that these contents and information are confidential They include information that is our exclusive property, and you may only use them in the Franchise subject to the provisions and duration of this Agreement You agree to fully and strictly adhere to all security procedures we prescribe for maintaining the confidentiality of the information You agree to disclose information to your employees only to the extent necessary to perform the franchise business You will not reverse engineer, decompile or disassemble any items embodying the Methods of Operation or our confidential information

The Methods of Operation is a technologically advanced program of accounting, identification procedures, management systems, techniques and business operations and systems that would, if used by other persons, firms or entities, give a substantial competitive advantage which we presently enjoy Any and all information, knowledge and know how, not generally known about the Methods of Operation and our products, services, standards, specifications, systems, procedures and techniques, including information, manuals, contracts, customer data, supplier data, financial data, price lists, methods, techniques, processes, compilations, programs or patterns related to the operation of a Digital Doc franchise and its products and services and any other information or material that we may designate as confidential, will be deemed confidential for purposes of this Agreement This will not apply to information which you can demonstrate came to your attention prior to disclosure by us, or which is or has become a part of the public domain through publication or communication by others Our confidential information is licensed, not sold, to you You will not reverse engineer, decompile or disassemble any item that embodies confidential information The Brand Standards Manual may contain guidelines to protect confidential information and trade secrets, including limited access to the information on a need to know basis, locking of offices and computer files, placement of appropriate legends on materials, limited access for copying and scanning, pass-word protection, and encryption You will conduct periodic meetings with your managers and employees to instruct them on their responsibilities to maintain the confidentiality of our information, including severance interviews with terminated employees in which they acknowledge in writing their post-employment confidentiality obligations

You will require as a condition of the employment of your employees and anyone else providing services to you that they maintain and protect our confidential and proprietary information, including the signing of a confidentiality agreement You must follow our security procedures, which may include the execution of approved nondisclosure agreements, and Intranet and Internet usage agreements You will be responsible to enforce these covenants and agreements by your employees These covenants are for the benefit of us and the Digital Doc franchise system and are enforceable by us If you become aware of any actual or threatened violations of these covenants by any of your employees and anyone else providing services to you, you will promptly and fully advise us in writing of all related facts known to you You will cooperate with us in all ways we reasonably request to prevent or stop any violation This may include institution or permitting to be instituted in your name any demand, suit or action that we determine is advisable The demand, suit or action may be maintained and prosecuted by us and you at your expense

You will assure that you and all your agents, employees, consultants, partners, owners, members, officers, directors, and shareholders and other persons in your control, to whom any information is communicated, will keep, preserve, and protect all confidential information

This section contains prohibitions based upon an understanding that you, your key employees, your officers, your partners, your employees, members and stockholders (as applicable) will possess knowledge of business and operating methods and confidential information, disclosure of which would prejudice our interests and our other franchisees

5 12 <u>Conflicting or Competing Interests</u> You will diligently, faithfully and honestly perform your obligations pursuant to this Agreement You will use your best efforts to develop, promote and enhance your franchise You will not engage in any activity or business enterprise that conflicts with these obligations

At all times the Franchise must be under your direct supervision You will devote a substantial enough amount of time and energy to properly operate the Franchise In your absence, the Franchise must be under the direct supervision of a manager who has successfully completed the required training programs and who devotes the necessary time during business hours to the management of the Franchise

In express consideration for and during the term of this Agreement, neither you nor your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, or agents, nor the members of your or their immediate families or households (who have access to or knowledge of the Brand Standards Manual or Methods of Operation), will directly or indirectly participate as an owner, shareholder, member, partner, director, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business (including business information) engaged or to be engaged in the sale of products or services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Methods of Operation We may waive this covenant only in writing

You will assure that you and your owners, directors, officers, partners, shareholders, members, employees, consultants, and agents, during the term of this Agreement and for a period of 2 years after expiration or termination of this Agreement do not

- Divert or directly or indirectly attempt to divert any of our business or any of our customers to any competing establishment,
- Employee or seek to employ any person we employ or any other person who is at that time operating or employed by or at any of our franchises or otherwise directly or indirectly induce these persons to leave their employment, nor
- Do or perform, directly or indirectly, any other act injurious or prejudicial to our goodwill associated with the Marks and Methods of Operation

You will obtain written covenants from your owners, shareholders, members, partners, directors, officers, employees, consultants, distributors, and agents in a form satisfactory to us that these persons will comply with the provisions of this Section

If, for any reason, any provision set forth in this Section 5 12 is determined to exceed any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement

The provisions relating to interests in any other business will not apply to your ownership of outstanding securities of any corporation whose securities are publicly held and traded Provided that you hold these securities for investment purposes only and that your total holdings do not constitute more than 5% of the outstanding securities of the corporation

You and we stipulate that, in light of all of the facts and circumstances of the relationship between you and us, the covenants, restrictions and agreements referred to in this Section (including without limitation their scope, duration and geographic extent) are fair and reasonably necessary for the protection of our confidential information, goodwill and other protectable interests If a court of competent jurisdiction should decline to enforce any of those covenants and agreements, you and we request the court to reform these provisions to restrict your use of confidential information, non-solicitation, ability to compete with us, and any other covered topics to the maximum extent, in time, scope of activities, and geography, the court finds enforceable under applicable law

5 13 <u>Computer Systems</u> You will install and use accounting, database management and inventory control computer systems and software approved by us You must utilize the most recent version of our proprietary database management software, as directed from time to time We can charge you a reasonable license fee to permit you to use this software For all other systems and software, you will purchase, lease, or otherwise acquire, from sources of your choice and at your expense, computer hardware and software (including but not limited to programs, computer terminals, Internet and other network access providers, web site vendors, etc) that are totally compatible with and strictly conform to all requirements, standards, and specifications we may set from time to time, including coordination with consolidated systems used at co-branded locations You must comply with any separate software or other license agreement that we or our designee uses in connection with providing these services to you

You are required to have high speed Internet service to your business or home office where you will be able to access downloads from us of advertising materials, operations manual revisions, training materials and corporate news and through which we may have remote access to your computer systems and records

E-PROBLEM DISCLAIMER Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, the Year 2000 problem and similar date-related problems, and attacks by hackers and other unauthorized intruders ("E-Problems') We do not guarantee that information or communication systems that we or others supply will not be vulnerable to E-Problems It is your responsibility to protect yourself from E-Problems You should also take reasonable steps to verify that your suppliers, lenders, landlords, customers, and governmental agencies on which you rely, have reasonable protection from E-problems This may include taking reasonable steps to secure your systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems

5 14 <u>Working Capital Requirements</u> At all times during the term of this Agreement, you will maintain and employ as much working capital as may be required to enable you to properly and fully perform all your duties, obligations and responsibilities

5 15 **Notice of Court Action** You will notify us in writing within 5 days of the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or government instrumentality, which may adversely affect your operation of or the financial condition of the franchise

6 RENEWAL, TERMINATION AND STEP-IN RIGHTS

6 1 Successor Franchise

i If you are not in breach of this Agreement, you may obtain from us a successor franchise for successive periods of 10 years each, each one being offered and signed under the terms of our then-current franchise agreement that we are then offering to new franchisees by paying a renewal fee of $10,000 not less than 60 days and not more than 120 days prior to the expiration of this agreement Your renewal fee will be waived if your gross sales are greater than $240,000 for the previous 12 months "Then-current," as used in this Agreement and applied to our Franchise Disclosure Document and Area Development Addendum will mean the form then currently provided to prospective franchisees or area developers, or if not then being provided, then the form we select in our sole discretion which previously has been delivered to and executed by a franchisee of ours (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise) These forms may vary materially from this Agreement Royalty fees, Brand Development Fees, Local Advertising Requirements and other fees will be set at the then prevailing rates and terms Your failure or refusal to execute the renewal Franchise Agreement forms within 30 days after delivery to you may be regarded as an election by you not to renew Upon renewal, your Franchise Territory may be modified and its geographic area may be reduced or expanded to meet our then current franchise market penetration and demographic standards and co-branding requirements

You will exercise your renewal option by giving written notice to us The notice must be given at least three months, but no earlier than six months, before the end of the franchise term established by this Agreement

Upon renewal, you must refurbish the Franchise and equipment to conform to our then-current Brand Standards Manual and Methods of Operation There will be no limitation on the amount that we may require you to spend on refurbishing and replacement You must make all capital expenditures reasonably required to renovate and modernize the Franchise and its signs and equipment to reflect the design and decor image of Digital Doc franchises we then are requiring of new or renewing Digital Doc franchises These expenditures will be in the amount necessary to make the Franchise modern and fresh and to resolve wear and tear If renovation and modernization of the Franchise is not feasible, you may repair or replace equipment or relocate to a new site, subject to our prior written approval Our approval will not be unreasonably withheld, provided that any relocation does not infringe on any other Digital Doc location

Prior to our providing to you a successor franchise agreement, you must execute a general release, in a form we prescribe, following applicable law, to release us from any claims you may have against us

Before renewal, you or your designated manager will attend and successfully complete any retraining program we prescribe in writing This will be done at your expense, including travel, meals, lodging, and our then current training fee ii We may refuse to provide you with a successor to this Agreement if you fail to satisfactorily comply with this Agreement The determination of satisfactory compliance will be within our exclusive discretion in good faith If we refuse to renew, you must continue to perform under this Agreement until its expiration

iii Continuation You have no automatic right to continue operation of the Franchise following expiration or termination of this Agreement If you continue to operate the Franchise with our express or implied consent and without having signed a successor franchise agreement with us, following the expiration or termination of this Agreement, the continuation will be a month-to-month extension of this Agreement This Agreement will then be terminable by either party upon 30 days' written notice Otherwise, all provisions of this Agreement will apply while operations continue All post-termination covenants and obligations in this Agreement will apply beginning on the date the Agreement is terminated

6 2 Termination by You You may terminate this Agreement if you comply with the terms of this Agreement and if we substantially breach any material provision of this Agreement and fail to cure or reasonably to begin to cure that breach within 60 days after receipt of written notice specifying the breach Termination will be effective 10 days after you deliver to us written notice of termination for our failure to cure within the allowed period

6 3 Termination by Us

The following provisions are in addition to all other remedies available to us at law or in equity We will have the option to cure your breaches at your expense

If you breach or default in any of the terms of this Agreement, we have the right to appoint a receiver to take possession, manage and control assets, collect profits, and pay the net income for the operation of the Franchise as ordered by a court of jurisdiction The right to appoint a receiver will be available regardless of whether waste or danger of loss or destruction of the assets exists, and without the necessity of notice to you

i You irrevocably nominate, constitute and appoint the person serving from time to time as our President to be your attorney-in-fact so to act in your name and on your behalf

ii At our election and without waiving any claims for default or breach and without prior notice to you or resort to legal process, we may enter upon any premises using the reasonable force as is necessary in the circumstances, without being guilty of trespass or liable to you or the property owner for the entry, for the purposes of securing the return of our property, the performance of your obligations of discontinuance and the protection of our rights upon expiration or termination of this Agreement

iii We may claim and recover damages from you for any material breach, including ongoing Royalty Fees, Brand Development Fees and other payments If any payments to us, our affiliates or approved vendors are late by more than 15 business days, we may order all product deliveries withheld from you until the payments are received

You agree that it will be a *default constituting a substantial breach of a material provision of this Agreement pursuant to relevant law, establishing good cause for termination* of this Agreement and any other franchise and related agreements between the parties if you (or your owners, officers, or key employees) breach any term or provision of this Agreement and do not cure the breach (or reasonably begin to cure and diligently pursue the cure until the breach is remedied) within 30 days after receipt of our written "Notice to Cure" Termination will occur immediately upon delivery to you of our written declaration of termination for failure to cure within the allowed time frame

You agree that it will be a default constituting a *substantial breach of a material provision of this Agreement pursuant to relevant law, thus establishing good cause* for us to immediately terminate this Agreement and any other franchise and related agreements between the parties without other cause, and without giving you an opportunity to cure, if you (or your owners, officers, or key employees)

A Become insolvent, make a general assignment for the benefit of creditors, have a receiver appointed to administer or take possession of any part of the franchise or your assets, or admit to not being able to meet your obligations as they become due or become bankrupt, or become subject to any chapter of the United States Bankruptcy Code, unless you

i timely undertake to reaffirm the obligations under this Agreement,

ii timely comply with all conditions as legally may be imposed by us upon such an undertaking to reaffirm this Agreement, and

iii timely comply with such other conditions and provide such assurances as may be required in relevant provisions of the United States Bankruptcy Code,

provided, however, that we and you acknowledge that this Agreement constitutes a personal service contract and that we have relied to a degree and in a manner material to this Agreement upon the personal promises of you and/or your directors, officers, shareholders or partners, as the case may be, to participate personally on a full-time basis in the management and operation of the franchise, and, consequently, we and you agree that any attempt by any other party, including the trustee in bankruptcy or any third party, to assume or to accept an assignment of this Agreement will be void

B Fail to pass initial training and commence operation of the Franchise within 250 days after execution of this Agreement (see Section 4 1, above)

C Fail to operate the Franchise continuously and actively for 5 consecutive days or for any shorter period after which it is reasonable under the facts and circumstances to conclude that you do not intend to continue the Franchise or maintain a suitable Franchise location

D Fail to comply with any requirement of this Agreement or of any related agreement between the parties within twelve months after having received the most recent of two or more 30-day or 5-day notices to cure deficiencies in performance of the same or any other requirement

E On more than two occasions fail to report monthly Revenue on time, understate monthly Revenue by more than 2%, or distort other material information.

F Make or have made any material misrepresentation or misstatement on the franchise application or with respect to ownership of the Franchise If you misrepresented yourself and are a competitor of ours or a competitor of an affiliate of ours, we may keep your entire initial franchise fee, cancel training and terminate this Agreement

G Allow the Franchise, Franchise Premises or franchise assets to be seized, taken over, or foreclosed by a creditor, lien holder, or lessor, let a final judgment against you to remain unsatisfied for 30 days (unless a supersedeas or other appeal bond is filed), or allow a levy of execution upon the Franchise or upon any property used in the Franchise, that is not discharged by means other than levy within 5 days of the levy

H Are convicted of a felony, or are convicted of any criminal misconduct relevant to the operation of the Franchise

I Within a period of 10 days after notification of noncompliance, fail to comply with any federal, state or local law or regulation applicable to the operation of the Franchise

J Fail to pay any royalty, Brand Development Fee, or other fee or amount that you owe to us or our affiliates within 5 days after receipt of written notice that the fees or amounts are overdue

K Operate the Franchise in a manner that creates an imminent danger to public health or safety

L Do not keep confidential information related to the Franchise confidential except to employees or persons authorized to know

M Fail to obtain agreements from your employees to keep confidential information confidential

N Attempt to unilaterally repudiate this Agreement or the performance or observance of any of its terms, conditions, covenants, provisions or obligations by any conduct evidencing your intention to no longer comply with or be bound by this Agreement

Notwithstanding the foregoing, You shall not liable for failure to perform the Your obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution,, insurrection, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service If You assert Force Majeure as a reason for failure to perform Your obligation under this Agreement, then You must prove that You took reasonable steps to minimize delay or damages caused by foreseeable events, that You substantially fulfilled all non-excused obligations, and that We were timely notified of the likelihood or actual occurrence of an event described in Force Majeure

6 4 <u>Time Frames Subject to Applicable Laws</u> The provisions of this Agreement may state periods of notice less than those required by applicable law They may provide for termination, cancellation, non-renewal or the like other than according to applicable law

6 5 <u>You Will Discontinue Use of Marks, Brand Standards Manual and Methods of Operation on Termination of Agreement</u>

Substantial damages that are difficult to determine at the date of execution of this Agreement will accrue to us if you do not comply with any of the following requirements upon expiration or termination of this Agreement Upon expiration or termination of this Agreement, you will

A Immediately cease using the Marks (or any names or marks deceptively similar to them), the Brand Standards Manual and the Methods of Operation

B Return to us all copies of the Brand Standards Manual Return to us all records, files, instructions, correspondence, and materials in your possession or control related to the Methods of Operation You will give us a complete and accurate summary of your advertisers, customers and leads, including their names, addresses, telephone numbers and related file records You will assist us in every way possible to bring about a complete and effective transfer of your franchise business to us or to our designated franchisee

C Authorize telephone, Internet, email, electronic network, directory and listing entities to transfer all numbers, addresses, domain names, locators, directories and listings to us or our designee Notify them of the termination of your right to use the Franchise names and Marks You authorize the transfer of your telephone numbers and directory listings and Internet addresses, domain names and locators to us or our designated franchisees You appoint us as your agent and attorney-in-fact to affect the transfer of these telephone numbers and directory listings and domain names and Internet directory listings to us You agree that we will be treated as the subscriber for the telephone numbers and directory listings We will have full authority to instruct the applicable telephone, directory and listing companies on the use and disposition of the telephone listings and numbers You release and indemnify these companies from any damage or loss because they follow our instructions

D Make reasonable modifications to the interior and exterior of any retained premises to reduce your identification as a part of our franchise system These modifications will include but will not be limited to reasonable alterations to eliminate any possibility of confusion between the Franchise Premises and any other Digital Doc location

E Pay to us within seven days all royalty fees, Brand Development Fees, and other fees and sums you owe to us or our affiliates These sums will include all damages, costs and expenses, including reasonable attorneys' fees and collection costs, we incur because of your breach These sums will include all costs and expenses, including reasonable attorney fees, we incur in obtaining injunctive, appellate, or other relief to enforce the provisions of this Agreement

F Abide by all provisions of the restriction upon communication of confidential information set forth above and the post-termination covenant not to compete set forth below You will immediately return to us all of our confidential information you have received, including any items that embody the confidential information You acknowledge that you have no continuing ownership interest in the confidential information

G At our option, do some or all of the following i Remove all Franchise-related equipment, furnishings, and inventory from the Franchise location,

ii Sell the equipment and inventory to us, at fair market value for equipment and furnishings and at your invoice cost for inventory less a 10% restocking charge We will not be liable for payment to you for intangibles, including, without limitation, goodwill,

iii Assign to us the lease for the Franchise Premises, if any, and ownership and control of any web site you own or control,

iv Sell to us your interest in the Franchise,

v Sell to us your interest in the Franchise, the Franchise Premises, if any, and all related equipment, fixtures, signs, real estate leases, equipment leases and personal property Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within 5 business days after termination of this Agreement If not, a fair value and fair terms will be determined in Cook County, Illinois by three appraisers Each party must select one appraiser The two appraisers chosen must then select a third appraiser Each party will pay for its own appraiser and each party will pay half for the third appraiser The parties may then present evidence of the value of the Franchise and fair terms for the purchase The appraisers must exclude from their decision any amount or factor for the "goodwill" or "going concern" value of the Franchise The decision of the majority of the appraisers will be conclusive Any time within 30 days after receiving the appraisers' decision, at our option we may purchase the Franchise and your assets at the price and upon the terms determined by the appraisers

Upon termination for any reason, you will return to us all proprietary and confidential materials, including client lists, keys, codes, signage, advertising and marketing materials, uniforms, service agreements and other forms, printed files, clients lists and account information, security codes, and the like as described in the Brand Standards Manual If you fail to return or cease use of any of these items, we may enter your business premises without being guilty of trespass or any other tort to remove and retain the items You will pay to us, on demand, any expenses we incur in trying to remove or collect such items or in attempting to have you cease use of them

6 6 We May Assign Franchise Territory Upon Termination Upon expiration or termination of this Agreement, we may immediately license or franchise the Franchise Territory to another person or may operate Digital Doc businesses within the Franchise Territory

6 7 Our Step-In Rights The parties want to prevent any operation or interruption of the Franchise that would cause harm to the Franchise and to our franchise system and lessen their value Therefore, you authorize us to step in to operate the Franchise for as long as we believe necessary and practical in our exclusive judgment We may do so without waiving any other rights or remedies that we may have Cause for stepping-in may include our reasonable determination that you are incapable of operating the Franchise, you are absent or incapacitated because of illness or death, you have failed to pay when due any real property, equipment rent or lease payments, suppliers, or inventory payments, you have failed to pay to us when due any franchise, royalty, advertising, or other fee, you have failed to pay when due any taxes or assessments against the Franchise or property used in the Franchise, you have failed to pay when due any liens or encumbrances placed upon or against your business property, your business activities are having a negative impact upon the value of our franchise system or we decide that significant operational problems require us to operate the Franchise for a time Thirty days after exercising our step-in rights, we will re-evaluate your then-current status At our discretion, we will either operate the store for an additional 30-day period or turn the store back over to you In turning the store back over to you, we do not waive our rights to step back in the future

All Revenue from our operation of the Franchise will be for your exclusive account We will pay from that Revenue all expenses, debts and liabilities we incur during our operation of the Franchise This will include our personnel and administrative and travel costs, plus 15% to cover our overhead expenses In addition, we will have the option, but not the obligation, to pay for you any claims owed by you to any creditor or employee of the Franchise You will reimburse us upon demand, including at the rate set forth above for overdue amounts

We will keep in a separate account all Revenue generated by the operation of the Franchise, less the expenses of operation

We will have no obligation to retain any employee of the Franchise, nor to honor any contractual employment commitments you previously made If we elect to retain any employee, employment will be pursuant to a new employment agreement between us and the employee Employment will commence on the first business day on which we carry on business through the Franchise Any claim by an employee for unpaid salary, vacation pay, or other benefits will be your responsibility

Upon our exercise of these Step-In Rights, you agree to hold us harmless for all acts, omissions, damages, or liabilities arising during our operation of the franchise

Our operation of the Franchise will not operate as an assignment to us of any lease or sublease of franchise property We will have no responsibility for payment of any rent or other charges owing on any lease for franchise property, except as the charges relate to the period of our operation of the Franchise

You agree to pay our reasonable legal and accounting fees and costs we incur because of our exercise of these Step-In Rights

6 8 <u>You and Your Owners Will Not Compete With Us or Our Franchisees on Expiration, Termination or Transfer of Agreement</u> This covenant will apply for 2 years after termination, expiration or transfer of this Agreement In express consideration for this Agreement, you will assure that you and your owners, shareholders, partners, directors, officers, employees, and agents, and the members of their immediate families or households (who have actual knowledge of or access to the Brand Standards Manual or Methods of Operation), will not directly or indirectly participate as an owner, shareholder, director, partner, officer, employee, consultant, franchisor, franchisee, distributor, advisor or agent, or serve in any other capacity in any business engaged directly or indirectly in the offer, sale, rental, Internet dissemination, or promotion of products or services or any business that offers products or services that are essentially the same as, or substantially similar to, the products and services that are part of the Methods of Operation This covenant applies within the Franchise Territory, within a 25-mile radius of the Franchise Territory, within a 25-mile radius of any location where we operate or have granted the franchise to operate a Digital Doc business, and within the United States of America and Canada

You acknowledge and confirm that the time, content and geographical restrictions contained in this Section are fair and reasonable They are not the result of overreaching, duress, or coercion of any kind by us You further acknowledge and confirm that your observance of the covenants contained in this Agreement will not cause you any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your ability to obtain employment commensurate with your abilities and on terms fully acceptable to you, or otherwise to obtain income required for the comfortable support of your family and the satisfaction of your creditors Your knowledge of the Methods of Operation would cause our franchise system serious injury and loss if you use the knowledge to the benefit of a competitor or to compete with us or our franchisees

You agree to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, that we incur in connection with our enforcement of the covenants in this Section 6 8 YOU EXPRESSLY ACKNOWLEDGE THAT YOU POSSESS SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS CONSEQUENTLY, YOU REPRESENT TO US THAT ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING

If, for any reason, any provision set forth in this Subsection exceeds any lawful scope or limit as to duration, geographic coverage, or otherwise, it is agreed that the provision will nevertheless be binding to the full scope or limit allowed by law or by a court of law The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement

The parties agree that each covenant in this Section 6 8 (as well as Section 5 12) must be construed to be independent of any other covenant or provision of this Agreement If all or any portion of the covenants in this Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and part of this Agreement Any period of time specified in this Section 6 8 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant

7 TRANSFER

7 1 Sale or Assignment

Your rights and obligations under this Agreement are exclusive to you Whether voluntarily or involuntarily, neither you, your owners, partners nor others claiming an interest in the Franchise will sell, transfer, assign, encumber, give, lease, or sublease, or allow any other person to conduct business in or through (collectively called "transfer") the whole or any part of this Agreement, the Franchise Premises, substantial assets of the Franchise business, or ownership or control of you or to fractionalize any of the rights granted to you pursuant to this Agreement Any attempted transfer without our prior written consent will be a breach of this Agreement Our consent will not be unreasonably withheld We need not consent to any transfer before the date the Franchise opens for business

Because we will have a strong and vested interest in the financial viability and ongoing management abilities of the transferee, we need not consent to any transfer if we reasonably believe the purchase price is excessive or if we believe based upon a review of the transferee's operational and business plans that the transferee's business operations might not be beneficial on a cash flow or financial basis

We need not consent to any transfer to a competitor of ours

We enter this Agreement, in part, in reliance upon the individual or collective character, skill, attitude, business ability and financial capacity of you (or your shareholders, members or partners, if you are a corporation, limited liability company, partnership or other entity)

You recognize that there are many subjective factors that comprise the process by which we select a suitable franchise owner Our consent to a transfer by you will remain a subjective determination and will include, but not be limited to the following conditions Before the effective date of a transfer we approve

A The transferee must assume your Franchise obligations You will remain bound by your covenants in this Agreement to not disclose confidential information and to not compete with us or our franchisees

B You will pay all ascertained or liquidated debts concerning the Franchise

C You may not be in breach of this Agreement or any other agreement between the parties Our consent to the transfer will not constitute a waiver of any claims we may have against you

D The transferee will pay for and complete to our exclusive satisfaction the training programs we then require of new franchisees or otherwise show to our satisfaction sufficient ability to successfully operate the Franchise

E You or the transferee will pay a Transfer Fee of $12,000, plus any reasonable out-of-pocket expenses that we incur

F You will pay us a 10% commission on the gross transfer price (excluding the price of real property), if we obtain the transferee for you

G The transferee will execute all documents we then require of new franchisees This includes a new franchise agreement in the form we then are using The new franchise agreement may contain economic and general terms that are materially different from those contained in this Agreement The term of the new agreement will be for the unexpired term of this Agreement or for a new full term as we will elect You must ask us to provide the prospective purchaser with our current form of disclosure document required by the applicable federal or state registration and disclosure laws, and a receipt for this document will be delivered to us, provided however, we will not be liable for any representations you make apart from those contained in our disclosure document

H The transferee will meet our standards for quality of character, financial capacity, and experience required of a new or renewing franchisee You will provide information we require to prove the transferee meets our standards

I You and your owners, members, partners, officers, and directors will execute a general release in our favor The release must be in a form we prescribe, following applicable law, to release, any claims you may have against us and our representatives, subsidiaries and affiliates and our officers, directors, attorneys, shareholders and employees in their corporate and individual capacities This will include claims arising under federal, state and local laws, rules and ordinances arising out of, or connected with, the offer, sell and performance of this Agreement or any other agreement between the parties, provided, however, that any release will not be inconsistent with any state law regulating franchising

J If the Initial Franchise Fee has not yet been paid in full, it must be paid in full despite the due date for payment established by this Agreement

K If the lease or sublease for the Franchise Premise requires, the lessor or sublessor must have consented to the assignment or sublease of the Franchise Premises to the transferee All fixtures and equipment at the Franchise Premises must be inspected and certified by a qualified professional inspector to be in good working order and free of operational defects It will be your responsibility to bring all fixtures and equipment to proper working order before the transfer takes place

L You must enter into an agreement to subordinate, to the transferee's obligations to us (including the payment of all franchise fees), any obligations of the transferee to make installment payments of the purchase price to you The form of this subordination is subject to our approval

M You must execute a written agreement not to compete in favor of us and your transferee, with terms the same as those set forth in Section 6 8

Upon our granting of approval for the transfer, you will

A Ensure that the transfer is effected in compliance with the requirements of all federal, state, and local laws, including applicable tax and bulk sales legislation, and with the applicable requirements of the lease of the Franchise Premises, and

B Deliver to the purchaser the Brand Standards Manual and all other manuals and materials we provided to you for use in the Franchise, including all materials bearing the Trademarks and our advertising, promotional and training materials, order books and bookkeeping and reporting forms

With our prior written consent, you may transfer your rights and obligations under this Agreement to a corporation or other entity in which you continuously own a majority of the issued and outstanding shares of each class of stock or other evidence of ownership The entity must be newly organized with its activities confined exclusively to act as the franchisee under this Agreement The entity must contemporaneously agree in writing to be bound by the terms of this Agreement You must contemporaneously agree in writing to guarantee the obligations of the entity and to remain personally liable in all respects under this Agreement (You and all other owners will personally and unconditionally guarantee the obligations of the new entity and you will remain personally subject to and bound by all terms, conditions, restrictions and prohibitions contained in this Agreement You as an owner of the entity agree to separately and personally, for you and for your successors, heirs and personal representatives will act as surety for the full and faithful performance of all of the obligations, commitments and payments required of the entity In that capacity, you agree that we do not have to pursue any remedies we may have against the entity, but rather, may proceed directly and primarily against you with or without joining the entity as principal or as a named party in any proceeding)

You will be in breach of this Agreement if you at any time dispose of any interest sufficient to reduce your ownership in the entity to less than a majority of any class of stock or other evidence of ownership From time to time, at our request, you will provide to us a current list of all your owners, shareholders, members, directors, officers, partners, and employees, with a summary of their respective interests in you

We may transfer this Agreement If we do, it will be binding upon and inure to the benefit of our successors and assigns Specifically, you agree that we may sell our assets, the Marks, or the Methods of Operation outright to a third party, may go public, may engage in a placement of some or all of our securities, may merge, acquire other entities or be acquired by other entities, or may undertake a refinancing, recapitalization, re-organization, leveraged buyout or other economic or financial restructuring As for any or all of these sales, assignments and dispositions, you waive any claims, demands or damages arising from or related to the loss of the Marks (or any variation of them) or the loss of association with or identification as part of our franchise system

We will not be required to remain in any particular form of business or to offer to you products, whether or not bearing our Marks

You may offer your securities or partnership interests to the public, by private offering, or otherwise, only with our prior written consent Consent may not be unreasonably withheld All materials required for the offering by federal or state law will be submitted to us for review before filing with any government agency Any materials to be used in any exempt offering will be submitted to us for review prior to their use No offering by you will imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities You and all other participants in the offering must fully indemnify us concerning the offering For each proposed offering, you will pay to us the amount necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, legal and accounting fees You will give us at least 60 days written notice before the effective date of any offering or other transaction covered by this subsection

You may not grant a sub-franchise or transfer less than all of your rights under this Agreement

Our consent to a proposed transfer will not be a waiver of any claims we may have against you (or your owners), nor will it be a waiver of our right to demand exact compliance with this Agreement Our consent to a transfer will not constitute or be interpreted as consent for any future or other transfer

You will comply with and help us to comply with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises

7 2 <u>Your Death or Disability</u>

Besides the Step-In Rights described above, the following will apply in case of your death or incapacity if you are an individual, or of any general partner of you if you are a partnership, or of any member or shareholder owning 50% or more of you if you are a limited liability company or corporation or other entity Within 180 days of the event, the heirs, beneficiaries, devisees or legal representatives of that individual, partner, member or shareholder will

A Apply to us for the right to continue to operate the Franchise for the duration of the term of this Agreement The right to continue will be granted upon the fulfillment of all of the conditions set forth in Subsection (A) of the section entitled "Sale or Assignment," above (except that no transfer fee will be required) OR

B Transfer your interest according to the provisions of that Subsection If a proper and timely application for the right to continue to operate has been made and rejected, the 180 days within which to transfer will be computed from the date of rejection For purposes of this Subsection, on an application for the right to continue to operate, our silence through the 180 days following the event of death or incapacity will be deemed an acceptance made on the last day of the period

If a suitable transferee purchaser is not found within 180 days from the date of death or permanent incapacity, we may at our sole option enter into a contract to purchase the Franchise Unless we state in writing that we do not intend to exercise this right, the parties must agree upon a purchase price and terms within twenty business days after notice from us If not, a fair value and fair terms will be determined in Cook County, Illinois by three appraisers Each party must select one appraiser The two appraisers chosen must then select a third appraiser Each party will pay for its own appraiser and each party will pay half for the third appraiser The parties may then present evidence of the value of the Franchise and fair terms for the purchase The appraisers may include in their decision a factor for the "goodwill" or "going concern" value of the Franchise The decision of the majority of the appraisers will be conclusive Any time within 30 days after receiving the appraisers' decision, at our option, we may purchase the Franchise and your assets at the price and upon the terms determined by the appraisers Terms of payment will be 10% of the purchase price payable upon contract signing, the balance payable in 60 equal monthly payments of principal payments with interest calculated at the prime rate, published by your principal bank at time of each monthly principal payment

If the provisions of this Subsection have not been fulfilled within the time provided, at our option, all rights licensed to you under this Agreement will immediately terminate and revert to us

7 3 <u>First Right of Refusal</u> If you receive a bona fide offer from a third party acting at arm's length to purchase the Franchise, a majority interest in ownership of you, or substantially all of the assets of the Franchise, which offer is acceptable to you or to your owners, we will have the right to purchase at the bona fide price on the same terms and conditions as offered to you We may substitute cash for any other form of consideration contained in the offer Our credit will be deemed to be equal to the credit of any proposed purchaser At our option, we may pay the entire purchase price at closing Within 6 days after receipt by you of an acceptable bona fide offer, you will notify us in writing of the terms and conditions of the offer You will give us sufficient information and documentation to allow us to analyze the status and value of your business We may exercise this right to purchase within 30 days after receipt of notice from you and due diligence information If the interest which is the subject of the offer involves less than all of the ownership interest, then in our sole option, our right of first refusal will apply to the entire ownership interest In such case, the consideration to be received, as set forth in the offer shall be divided by the percentage interest subject to the offer and the resulting quotient shall be the price to be paid for the entire ownership interest Terms and conditions for the purchase of the entire ownership interest shall be as similar to the terms and conditions set forth in the offer as practicable, except for the substitute provisions noted above in this section

If we do not exercise our right to purchase within the 30 days, you may make the proposed transfer to a third party The transfer will not be at a lower price or on more favorable terms than disclosed to us

Any tiansfei will be subject to our prior written permission described in the section entitled "Sale or Assignment," above If the Franchise is not transferred by you within 6 months from the date it is offered to us, or if any material change is made in the terms of the proposed sale, then you must ie-offei to transfer to us before a transfer to a third party

8 INDEMNITY, INSURANCE, CONDEMNATION AND CASUALTY

8 1 Indemnity You, and each of your owners, members, and shareholdeis ("Owneis"), agree that you will, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, oui successor, assigns, and affiliates and the respective officers, directois, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the "Indemnified Paities") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, damages (actual, consequential, or otherwise), demand, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, investigation, or inquiry (formal or informal), oi any settlement of any of them, which arises out of oi is based upon any of the following

A The infringement, alleged infringement or any other violation by you, your Owners or principals of any patent, maik, copyright, or other proprietary right owned or contiolled by third parties due to your unauthorized use of all or any portion of the Marks and/or System

B Your, or your Owners', violation, breach, or asserted violation or bieach of any federal, state, or local law, regulation, ruling or industry standard

C Your, or your Owners', libel, slander, or any other form of defamation

D Your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees

E Your, or your Owners' (a) violation or breach of any warranty, iepresentation, agreement, or obligation in this Agreement or in any othei agreement between you and us or our affiliates, (b) acts, errors, or omissions, or those by any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contiactors, or employees in connection with the establishment and operation of your Business, including, but not limited to, any acts, errors, or omissions of any of them in the opeiation of any motor vehicle or in the establishment or implementation of security for your Business

F Any damages, incidents, or claims listed in this Section 8 1 that aie alleged to be caused by an Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnified Party's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction

G Acts or omissions of your vendors or suppliers oi aiising out of the design or construction of the Franchise Premises

We have the iight to defend any such action or claim against us at youi expense This indemnification will continue in full force and effect subsequent to and notwithstanding the expiiation or termination of this Agreement For the purposes of the indemnification in this Section 8 1 only, the term "claim" also includes all obligations and costs incurred in the defense of any claim against any of the Indemnified

Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration, or alternative dispute resolution and travel and living expenses

Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you

You must defend us at your own expense in any legal or administrative proceeding subject to this Subsection The defense will be conducted by attorneys we approve or select You must immediately pay and discharge any liability rendered against us in any proceeding, including any settlement that we approve in writing You must not settle any claim against us without our prior written approval In our sole discretion and upon prior written notice to you, we may settle or defend any claims against us at your expense, including attorney fees that we pay or incur in settling or defending Promptly upon demand, you will reimburse us for any and all legal and other expenses we reasonably incur in investigating, preparing, defending, settling, compromising or paying any settlement or claim, <u>including monies that we pay or incur in settling or defending such proceeding</u>

All references in this Agreement that provide that you will indemnify or defend us or that you will name us under any insurance policy will also mean that our affiliates, directors, officers, and employees will be also and equally indemnified, defended or named

8 2 <u>Insurance</u> Upon commencement of your Franchise operations, and during the term of this Agreement, you will obtain and keep in force by advance payment of premium appropriate fire and extended coverage, vandalism, malicious mischief, general liability, and products liability insurance This insurance will be in an amount sufficient to replace the equipment, the Franchise Premises, if any, and your personal property upon loss or damage This insurance will be written by a financially responsible insurance company satisfactory to us in accordance with our standards and specifications in the Brand Standards Manual The insurance will include, at a minimum, the following

A "All risk" property insurance coverage for assets of your franchise,

B Comprehensive general liability insurance, including products liability, completed operations, property damage, contractual liability, independent contractor's liability, owned and non-owned and hired automobile coverage, and personal injury coverage with a combined single limit of at least $1,000,000 per occurrence and $2,000,000 aggregate, including umbrella coverage,

C Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated,

D Business interruption and lost profit insurance in the amount of $100,000, and

E Automobile liability insurance of at least $500,000 if your franchise includes onsite services and/or outside sales representatives

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death or property damage that may accrue due to your operation of the Franchise Your policies of insurance, other than for casualty to the Franchise Premises, will contain a separate endorsement naming us as an additional named insured The insurance will not be limited in any way because of any insurance we maintain The insurance will not be subject to cancellation except upon 20 days' written notice to us Certificates of your insurance policies will be kept on deposit with us Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement

The policy or policies will insure against our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against you

All insurance policies you obtain will contain a blanket waiver of the insurer's rights of subrogation in respect of or against us and our officers, agents, employees and representatives, and will not contain any Insured vs Insured exclusion clause, but will contain a severability clause providing that each the policy will be treated as though a separate insurance policy had been issued to each named insured

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom

If you fail to comply with any of the requirements of this Subsection, we may, but are not obligated to, purchase insurance at your expense to protect our interests This insurance may, but need not, also protect your interest The coverage we obtain might not pay any claim you make or any claim made against you You may later cancel the insurance we obtain by providing evidence that you have obtained proper coverage elsewhere You are responsible for the cost of any insurance purchased by us pursuant to this paragraph This coverage may be considerably more expensive than insurance you can obtain on your own and might not satisfy your needs You will pay us upon demand the premium cost of this insurance with a late payment charge on the unpaid balance at the rate established in this Agreement

You will promptly report all claims or potential claims against you, the Franchise or us in writing when you become aware of them You will give immediate written notice to us of any claims or potential claims you make to your insurers

We may, at our sole discretion, upon not less than 90 days prior written notice to you, secure a policy of insurance which will provide defined insurance coverage to all or any part of the Digital Doc system This policy may replace or supplement the insurance coverage you are required to maintain You will pay the relevant insurance premium to us or the designated insurance provider, as we direct

Nothing contained in this Agreement will be construed as a representation or warranty by us that the insurance coverage we specify will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of your franchise business It is your sole responsibility to ensure that adequate insurance coverage is obtained for your business

Your procurement and maintenance of the insurance specified above will not relieve you of any liability to us under any indemnity requirement of this Agreement

8 3 <u>Condemnation</u> You will give us notice of any proposed taking through the exercise of the power of eminent domain Notice will be given within 10 days of your first knowledge of the proposed taking If the Franchise Premises or a substantial part of it is to be taken, the Franchise Premises may be relocated within the Franchise Territory or elsewhere with our prior written approval The relocated premises may not infringe on the protected rights of any other franchise pursuant to our specifications and contractual obligations Relocation must be completed and franchise business operations recommenced within a reasonable time after the closing of the initial Franchise Premises (but in any event, within one year after closing of the Franchise Premises) The new franchise location will become the Franchise Premises licensed under this Agreement If a condemnation takes place and a new franchise location does not open, for whatever reason, then this Agreement will terminate upon 30 days written notice from us to you

8 4 <u>Casualty</u> If the Franchise Premises is damaged by fire or other casualty, you will expeditiously repair the damage If the damage or repair requires the closing of the Franchise, you will

A Immediately notify us,

B Continue to pay Royalty and Brand Development Fees based upon the monthly average paid for the preceding 12 month period or based upon the proceeds of any Business Interruption recovery you receive, whichever is greater,

C Repair or rebuild the Franchise Premises following our specifications, and

D Re-open the Franchise for continuous business when practicable (but in any event, within one year after closing of the Franchise Premises) You will give us not less than 30 days advance notice of the date of reopening

If the Franchise Premises does not re-open within one year, this Agreement will terminate upon 30 days written notice from us to you

8 5 <u>Proceeds From Insurance or Recovery</u> The proceeds from any business interruption insurance or eminent domain recovery you receive will be included in Revenue

9 <u>NOTICE AND MISCELLANEOUS</u>

9 1 <u>Notices</u> All notices required by this Agreement will be in writing They may be sent by certified or registered mail, postage prepaid and return receipt requested They may be delivered by Federal Express, or other reputable air courier service, requesting delivery with receipt on the most expedited basis available They may be sent by prepaid facsimile or electronic mail (provided that the sender confirms the facsimile or electronic mail by sending an original confirmation copy by expedited delivery service or certified or registered mail within 3 business days after transmission) Notices will be delivered to you at the Franchise Premises, to us at our headquarters or to other locations specified in writing

Notices may be delivered and receipted to you personally at any location

Notices sent by certified or registered mail will be deemed to have been delivered and received 3 business days following the date of mailing Notices sent by Federal Express, or other reputable air courier service will be deemed to have been received one business day after placement requesting delivery on the most expedited basis available Notices sent by facsimile or electronic mail will be deemed to have been delivered upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above)

9 2 Business Name You will execute any documents we may from time to time direct, to be retained by us until this Agreement ends, to evidence that you abandon, relinquish and terminate your right or interest you that you may claim in or to the Marks

9 3 We and You are Not Joint Ventures, Partners or Agents You are and will remain an independent contractor You and we are not and will never be considered joint venturers, partners, employees, or agent's one for the other Neither will have the power to bind nor obligate the other except as otherwise outlined in this Agreement No representation will be made by either party to anyone that would create any apparent agency, employment, or partnership Each will hold the other safe and harmless from each other's debts, acts, omissions, liabilities, and representations You acknowledge that you are not in a fiduciary relationship with us

In all public and private records, documents, relationships, and dealings, you will show that you are an independent owner of the Franchise You will prominently indicate on your letterheads and business forms that you are our licensed franchisee by using language saying that you operate an independently owned Franchise You will prominently display, by posting of a sign within public view, on or in the Franchise Premises and on any delivery vehicles that you use, a statement that clearly indicates that your franchise business is independently owned and operated by you as a franchisee and not as our agent

You will maintain employee records to show clearly that you and your employees are not our employees All employees and independent sub-contractors you employ must meet our character, quality and performance standards All state and federal, workers compensation and insurance requirements must be met for all employees and sub-contractors, including requirements we express in the Brand Standards Manual

9 4 Waiver A waiver of any breach of any provision, term, covenant or conditions of this Agreement will not be a waiver of any subsequent breach of the same or any other provision, term, covenant, or condition

Any waiver of any provision of this Agreement must be set forth in writing and signed by the party granting the waiver Any waiver we grant will not prejudice any other rights we may have, and will be subject to our continuing review We may revoke any waiver, in our sole discretion, at any time and for any reason, effective upon delivery to you of 10 days prior written notice of revocation Customs or practices of the parties in variance with the terms of this Agreement will not constitute a waiver of our right to demand exact compliance with the terms of this Agreement Our delay, waiver, forbearance, or omission to exercise any power or rights arising out of any breach or default by you of any of the terms, provisions, or covenants of this Agreement, will not affect or impair our rights and will not constitute a waiver by us of any right or of the right to declare any subsequent breach or default Our subsequent acceptance of any payment due to us will not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement

9 5 Time is of the Essence Time and strict performance are of the essence of this Agreement ("time is of the essence" is a legal term that emphasizes the strictness of time limits In this Agreement, it means it will be a material breach of this Agreement to fail to perform any obligation with the time required or permitted by this Agreement)

9 6 Documents You and your partners, shareholders, members, officers, and owners agree to execute and deliver any documents that may be necessary or appropriate during the term and upon expiration or termination of this Agreement to carry out the purposes and intent of this Agreement Upon the expiration, termination or transfer of this Agreement, if you do not execute any document necessary in our judgment to comply with the requirements of this Agreement, then by this Agreement, you irrevocably nominate, constitute and appoint the person then serving as our President as your attorney-in-fact to so execute that document in your name and on your behalf

Any material violation or breach of any of these documents or of any other Franchise or related agreement between the parties will be a material violation of this Agreement and of all the other documents and agreements The non-breaching party may enforce or terminate this Agreement and any or all of the other documents and agreements as provided for enforcement or termination of this Agreement

If you are a partnership, all general partners will sign the documents If you are a corporation or Limited Liability Company or other entity, all shareholders or members and all officers will personally guarantee your faithful performance

You will assure that each of your owners, shareholders, general partners, members, directors, officers, managers, employees, consultants, distributors and agents will not compete with us, will not attempt to divert customers to competing businesses, will not induce the employees of us or of our franchisees to leave their employment, and will keep, preserve, and protect confidential information as required by this Agreement

9 7 <u>Construction</u>

i <u>Entire Agreement</u> This document, including any exhibits attached to this Agreement and the documents referred to in this Agreement, will be construed together and constitute the entire agreement between the parties It supersedes all prior or contemporaneous agreements, understandings, communications and negotiations, whether written or oral, with respect to the subject matter of this Agreement There are no other oral or implied understandings between the parties with respect to the subject matter of this Agreement Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we delivered to you Except as expressly and otherwise provided in this Agreement, this Agreement may not be modified, nor may any rights be waived or abridged, orally or by course of dealing, but only by a written instrument signed by the parties The words "this Agreement" include any future modifications unless otherwise suggested by the context No salesperson, representative, or other person has the authority to bind or obligate us in any way, except our president or a vice president at our home office by an instrument in writing

No previous communications, negotiations, course of dealing or usage in the trade not specifically set forth in this Agreement will be admissible to explain, modify, or contradict this Agreement

The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third party will have the right to claim the benefit of any provision of this Agreement as a third party beneficiary of that provision

Nothing in this Agreement or any related agreement is intended to disclaim the representations we made to you in our franchise disclosure document ii Format All words in this Agreement include any number or gender as the context or sense of this Agreement requires The words "will" and "must" used in this Agreement indicate a mandatory obligation This Agreement has been prepared in the "you/we" format to simplify it and to facilitate our compliance with state and federal franchise disclosure laws The rule of construction that a written agreement is construed against the party preparing or drafting such agreement will specifically not be applicable to the interpretation of this Agreement

iii Captions and Headings All captions and headings are for reference purposes only and are not part of this Agreement The recitals set forth in this Agreement are specifically incorporated into and constitute a part of the terms of this Agreement If there is any typographical, word processing, printing or copying error in this Agreement, the error will be interpreted and corrected consistent with the following order of interpretation

1 The content and expressed intent and exhibits of our Franchise Disclosure Document(s) previously delivered to you
2 The content and expressed intent of franchise agreements we have executed with our other franchises reasonably contemporaneous to this Agreement

iv Severability If, any part of this Agreement is declared invalid, that declaration will not affect the validity of the remaining portion which will remain in full force and effect as if this Agreement had been executed with the invalid portion omitted The parties declare their intention that they would have executed the remaining portion of this Agreement without including any part, parts, or portions which may be declared invalid in the future Provided, however, that if we determine that the finding of invalidity materially and adversely affects the basic consideration of this Agreement, we may, at our option, terminate this Agreement

v Implied Covenants If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement If applicable law implies such a covenant, the parties acknowledge and agree that

1 This Agreement (and the relationship of the parties which is inherent from this Agreement) grants us the discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests,

2 We will use our business judgment in exercising our discretion based on our assessment of our own interests and balancing those interests against the interests of the owners of other Digital Doc businesses generally (including us, our franchisees and parties related to us) and specifically without considering the individual interests of you or any other particular franchisee,

3 We will have no liability to you for the exercise of our discretion in this manner, so long as our discretion is not exercised in bad faith toward you, and

4 In the absence of bad faith, no trier of fact in any judicial or arbitration proceeding will substitute its judgment for the business judgment we exercise

vi Joint and Several If, at any time during the term of this Agreement, you consist of two or more persons or entities (whether acting in partnership or otherwise, and whether or not all have signed this Agreement), the rights, privileges and benefits granted to you in this Agreement may only be exercised and enjoyed jointly, and your obligations, liabilities and responsibilities under this Agreement will be joint and several obligations of each such person or entity

9 8 Enforcement From time to time there may be controversy about this Agreement, its interpretation, or performance or breach by the parties

i Mediation If a dispute arises between the parties, before taking any other legal action, the parties agree to participate in at least 8 hours of mediation in accordance with the Mediation Procedures of the Franchise Arbitration and Mediation Service ("FAM") or of any similar organization that specializes in the mediation of commercial franchise business disputes The Parties agree to equally share the costs of mediation

ii Arbitration If the parties are unable to resolve a dispute by mediation as provided above, then any and all disputes, claims or matters involving you (or your officers, directors, shareholders, members, partners or other owners) and us are subject to binding arbitration except for disputes, claims or matters based on the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051, et seq) Or collection of delinquent payments Examples of disputes, claims or matters subject to this provision are those related to

a this Agreement (including its execution, delivery, existence, interpretation, construction, legality, validity, binding effect, enforceability, discharge, performance, non-performance or breach by the parties and including a claim that this Agreement, or any portion of it, is indefinite, invalid, illegal, or otherwise void, voidable or unenforceable),

b issues relating to the offer or sale of the franchise,

c issues relating to the franchise relationship, and

d Other issues, including, without limitation, personal injury, products liability, negligence, intentional torts and other contracts between the parties

Arbitration will be before an arbitrator selected by and mutually agreed upon by the parties under the process and rules of the Franchise Arbitration and Mediation Service ("FAM") or its successor The arbitrator will have power and jurisdiction to decide the controversy or dispute solely according to the express provisions of this Agreement The arbitrator may not alter, amend, delete, or add to the provisions of this Agreement by implication or otherwise In any arbitration the parties will be entitled to injunctive relief or specific performance of the obligations of the other The arbitrator will determine the prevailing party for purposes of this Section and may make a percentage award of reimbursable fees and expenses The decision of the arbitrator made within its power or jurisdiction will be final and binding The decision may be entered as a judgment in any court of law having jurisdiction

The provisions of this Section will be construed as independent of any other covenant or provision of this Agreement, provided that if a court of competent jurisdiction determines that any the provisions are unlawful in any way, the court will modify or interpret the provisions to the minimum extent necessary to have them comply with the law Notwithstanding any provision of this Agreement relating to the laws under which this Agreement will be governed by and construed under, all issues relating to its appropriateness for arbitration or the enforcement of the agreement to arbitrate contained in this Agreement will be governed by the Federal Arbitration Act (9 U S C §_1 et seq) and the federal common law of arbitration The provisions of this Section will not limit our right to seek and obtain any provisional or final remedy, including, but without limitation, injunctive relief, an order for payment of any monies due and owing by you, an order for recovery or delivery up of possession, or for specific performance, or similar relief, from any court of competent jurisdiction, as may be necessary in our sole judgment to protect the Marks and the Methods of Operation and our confidential information and property rights, to enforce the restrictive covenants of this Agreement, to enforce our contractual rights, and to protect against actual or threatened conduct that on balance would cause or be likely to cause loss or damage if allowed to continue pending completion of an arbitration proceeding

This arbitration provision is self-executing, and in the event that any party fails without good cause (i) to appear at any properly noticed arbitration proceeding or (ii) to make payment in full of its share of the required arbitration fees and costs within 10 days after notice and demand, absent a previously issued court order to the contrary, then a final award may be entered against such party notwithstanding the failure to appear or to make the required payment

iii <u>Injunctive Relief and Specific Performance</u> Either party may obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement Nothing contained in this Agreement will bar us or you to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause you or us loss or damages under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions

iv <u>Governing Law and Venue</u> You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted This Agreement is accepted by us in the State of Illinois This Agreement and the relationship between the parties will be interpreted under the laws of the State of Illinois Any dispute between you (or your officers, directors, shareholders, members, partners or other owners) and us, whether arising under this Agreement or from any other aspect of the parties' relationship, will be governed by and determined in accordance with the substantive laws of the State of Illinois, without regard to Illinois choice of law provisions Provided, however, that any law of the State of Illinois that regulates the sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section Illinois laws will prevail in the event of any conflict of law, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051, <u>et seq</u>) And except in those states whose franchise laws require exclusive application of those laws This choice of laws will not include and does not extend the scope of application of any Illinois franchise or business opportunity laws except as they may otherwise apply pursuant to their terms and definitions No franchise or business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law statute, law or regulation of Illinois or any other state is intended to be made applicable to this Agreement unless it would otherwise apply absent this paragraph The foregoing will not be construed as a waiver of any of your rights under any applicable franchise registration, disclosure or relationship law of another territory, state or commonwealth Any portion of this Agreement that requires enforcement in any other state, and is enforceable under the laws of that state but not of Illinois, will be construed and enforced according to the laws of that state

The parties have negotiated regarding a forum in which to resolve any disputes arising 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 you (or your officers, directors, shareholders, members, partners or other owners) and us, the parties agree that all issues or disagreements between them will be mediated, arbitrated, tried, heard, and decided in the county in which our headquarters is then located (currently Cook County, Illinois), which you agree is the most convenient venue for these purposes You acknowledge and agree that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of, all of the members of the Digital Doc franchise system

v <u>Remedies</u> You recognize the unique value and secondary meaning attached to the Methods of Operation, the Marks and our standards of operation and trade practices You agree that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Methods of Operation or the Marks will cause irreparable damage to us and our franchisees You agree that if you engage in any unauthorized or improper use, during or after the period of this Agreement, we will be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by laws

No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity Each will be cumulative of every other right or remedy

We may employ legal counsel or incur other expense to collect or enforce your obligations or to defend against any claim, demand, action or proceeding because of your failure to perform your obligations Legal action may be filed by or against us and that action or the settlement of it may establish your breach of this Agreement If either event occurs, we may recover from you the amount of our reasonable attorney fees and all other expenses we incur in collecting or enforcing that obligation or in defending against that claim, demand, action or proceeding

You agree that the existence of any claims you may have will not constitute a defense to the enforcement by us of any of the confidentiality requirements and covenants not to compete described in this Agreement You acknowledge that any violation of the confidentiality requirements and covenants not to compete would result in irreparable injury to us for which no adequate remedy at law may be available and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete

You agree that each of the confidentiality requirements and covenants not to compete described in this Agreement will be constructed as independent of any other covenant or provision If all, parts or any portion of any covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in this Agreement

Each of the covenants described in this Agreement is a separate and independent covenant in each of the separate counties and states in the United States in which we transact business To the extent that any covenant may be determined to be judicially unenforceable in any county or state, that covenant will not be affected with respect to any other county or state You understand and acknowledge that we will have the right, in our sole discretion, to reduce the scope of any of covenants, confidentiality requirements or covenants not to compete set forth in this Agreement that apply to you or to any other of our franchisees We may do so without your consent, effective immediately upon your receipt of written notice You agree that you will comply with any covenant that pertains to you as we so modify it

You acknowledge we will suffer immediate and irreparable harm that will not be compensable by damages alone if you repudiate or breach any of the provisions of any part of this Agreement that relates to the confidentiality or protection of confidential information and trade secrets or your covenants to not compete against us or our franchise system or your threats or attempts to do so For this reason, under those circumstances, we, in addition to and without limitation of any other rights, remedies or damages available to us at law or in equity, will be entitled to obtain temporary, preliminary and permanent injunctions in order to prevent or restrain the breach, and we will not be required to post a bond as a condition for the granting of this relief You also agree that a violation of any of your confidentiality or non-competition covenants will entitle us, in addition to all other remedies available at law or equity, to recover from you any and all funds, including, without limitation, wages, salary, and profits, which will be held by you in constructive trust for us, received by you in connection with such violation

You specifically acknowledge the receipt of adequate consideration for the confidentiality and non-competition covenants contained in this Agreement and that we are entitled to require you to comply with these covenants Those covenants will survive termination or expiration of this Agreement You represent that if this Agreement expires or is terminated, whether voluntarily or involuntarily, you have experience and capabilities sufficient to enable you to find employment or otherwise earn a livelihood in areas which do not violate this Agreement and that our enforcement of a remedy by way of injunction will not prevent you from earning a livelihood

Except with respect to the parties' obligation to indemnify each other as outlined in this Agreement, we and you and our respective principals waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, special and consequential damages against the other (including lost profits incurred as a result of any termination of this Agreement) and agree that, in the event of a dispute between you and us, the party making a claim shall be limited to equitable relief and to recovery of any direct or general damages it sustains

vi <u>**Attorneys Fees**</u> The prevailing party in any arbitration, insolvency proceeding, bankruptcy proceeding, suit, or action to enforce this Agreement will recover its arbitration, proceeding, and court costs and reasonable attorney fees [and previously incurred mediator fees] These will be set by the arbitration, proceeding or court, including costs and attorney fees on appeal or review from the arbitration, proceeding, suit, or action "Prevailing party" means the party who recovers the greater relief in the proceeding

9 9 <u>Other Agreements</u> If you or any of your shareholders, partners or officers violate any material provision of any other franchise or similar agreement with us, that breach will be considered a breach of this Agreement and of the other agreements We then may terminate or otherwise enforce this Agreement and the other agreements

Whenever this Agreement requires that you enter into a release, such as for a transfer, renewal or purchase of an additional franchise, the release will be in substantially the following form

> You (and your owners, members, partners, officers, and directors) agree to the following general release, subject to and following laws applicable in your jurisdiction, to release us from any claims you may have against us
>
> In consideration of the mutual covenants and understandings set forth in this release agreement, you release and discharge us and our respective current and former owners, partners, directors, officers, employees and agents from all obligations, duties, covenants and responsibilities to be performed under the franchise agreement with us related to the franchise and the franchise premises ("your Prior Franchise Agreement")
>
> You release and forever discharge us and our respective current and former owners, partners, directors, officers, members, employees and agents from any and all claims, demands, actions or causes of action of every name, nature, kind and description whatsoever, whether in tort, in contract or under statute, arising directly or indirectly out of the offer of, negotiation of, execution of, performance of, nonperformance, or breach of your Prior Franchise Agreement and any related agreements between you and us and out of any other action or relationship between you and us arising prior to the date of the release agreement
>
> You represent that this release has been read and that it is fully understood and voluntarily accepted The purpose of this release is to make a full, final and complete settlement of all claims against us, known or unknown, arising directly or indirectly out of your Prior Franchise Agreement and the relationship between you and us prior to the date of the transfer [renewal] agreement including, but not limited to, economic loss
>
> It is expressly understood and agreed that this release is intended to cover and does cover not only all known losses and damages but any further losses and damages not now known or anticipated but which may later develop or be discovered, which arise under your Prior Franchise Agreement prior to the date of the transfer [renewal] agreement, including all effects and consequences
>
> These releases are intended to waive, release and discharge all claims against us, other than these expressly reserved
>
> > any future claims you may have against us for [fill in blank as appropriate]
>
> with the express waiver of any statute, legal doctrine or other similar limitation upon the effect of general releases In particular, the parties waive the benefit of any applicable statutory provision such as by illustration, California Civil Code Section 1542, which states
>
> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR

You waive the benefit of both statute and any other legal doctrine or principle of similar effect in any jurisdiction

9 10 **Agreement Binding on Successors and Assigns** This Agreement benefits and binds the respective heirs, executors, administrators, successors and assigns of the parties

9 11 **Execution in Counterparts and Our Acceptance** This Agreement will be binding upon you at the time you sign it and deliver it to us This Agreement will not be binding upon us until we accept it in writing by one of our principal officers at our home office If we do not accept it within 60 days, this Agreement will no longer be binding upon you This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, will constitute an original Delivery of executed signature pages of this Agreement by facsimile transmission will constitute effective and binding execution and delivery of this Agreement

9 12 **Approval by Shareholders, Members or Partners** If you are a corporation, limited liability company, partnership or other entity, we will not be bound until your shareholders, members or partners read and approve this Agreement, agree to the restrictions on them (including restrictions on the transfer of their interest in the Franchise and the restrictions and limitations on their ability to compete with us), and jointly and severally guarantee your performance under this Agreement We may request a copy of the Resolution approved by your partners, members, shareholders, owners or directors as confirmation of your fulfillment of this requirement and authorizing your execution of this Agreement

Your ownership certificates will have conspicuously endorsed upon them a statement that they are subject to, and that further assignment or transfer of them is subject to, the restrictions imposed upon assignments by this Agreement

If You are an entity with more than one owner, the partnership agreement, shareholders agreement, limited liability operating agreement or other similar agreement for the entity ("Owners Agreement") must contain the following provisions which will supersede any contrary provisions in that agreement

1 Your Owners agree to submit any dispute they cannot resolve relating to the operation and management of the franchise business to arbitration by our president or his designee If the arbitration submission is accepted by our president, it must be held at our headquarters or at another location the Owners and the arbitrator agree The decision of the arbitrator will be final and subject to enforcement by the courts of competent jurisdiction If the submission to arbitration is not accepted by our president, the Owners must resolve their disputes in accordance with the other provisions of this Franchise Agreement

2 The term "operations and management" includes, but is not limited to, questions relating to
   a) Allocations of management responsibilities between the Owners,
   b) Contributions to capital for purposes of business operations, repairs and remodeling,
   c) The reasonable salaries of the Owners,
   d) Marketing efforts,
   e) The termination of the employment of an Owner,
   f) Procedures for making and implementing management decisions,
   g) Whether on Owner has performed duties with respect to the operation or management of the franchise business

3 Unless the Owners and the arbitrator agree in writing otherwise, “operation and management” does not include questions relating to

a) Allocations computations or distributions of profit or loss
b) Accounting issues,
c) Elections of officers of the entity,
d) Investments of cash not necessary for the operation of the business,
e) Determining whether an Owner is disabled or incompetent within the meaning of the Owners Agreement,
f) The fair market value of the Owners’ interests in the entity,
g) Whether an event has occurred, which gives rise to a right to buy the interest of an Owner other than a right resulting from an Owner's default determined to exist under (b), above,
h) Whether an Owner has met his obligations to purchase the interest of any current or former Owner,
i) Matters relating to the winding up of the entity after a dissolution,
j) Matters relating to the legal validity of the Owners Agreement

4 The Owner's agreement must provide that the Owner or Owners who are to be responsible for on premises operation of the franchise business must own 50% or more of the capital interests in the entity and that the Owners of the entity must have voting rights proportionate to their interests in capital

5 The Owners agree to notify us in writing of their intent to enter into, modify or amend any Owner’s Agreement Notice must be given at least 10 business days before they enter into that agreement, modification or amendment The purpose of this notice is to enable us to review it for compliance with this section

6 Inclusion of these provisions in the Owner's Agreement will be a condition to our consent to the transfer of the franchise to an entity

9 13 <u>Personal Guarantee</u> The undersigned Guarantors are all of your partners, members, shareholders or owners They jointly, severally, irrevocably, and unconditionally guarantee to us the due and punctual observance and performance by you of all of your obligations under this Agreement and any other agreement to which we and you are parties Each Guarantor agrees to guarantee us against all liability, loss, harm, damage, costs, and expenses (including attorney fees) that we may incur because of your failure to observe your obligations The liabilities and obligations of each Guarantor will not be released, discharged, or affected by our release or discharge of or dealing with you under any of these agreements, or by anything we do, suffer, or allow to be done in relation to you, or by change, alteration, or modification of any of the agreements, or by any compromise, arrangement, or plan of reorganization affecting you, or by your bankruptcy or insolvency, or by any other act or proceeding in relation to you or any of the agreements by which any Guarantor might otherwise be released The liabilities and obligations of each Guarantor pursuant to this Guarantee will be continuing in nature and will terminate only on the satisfaction of your obligations under this Agreement A fresh cause of action will arise in respect of each breach by you producing a liability of any Guarantor

The Guarantors agree that it shall not be necessary for us or our assigns to institute suit or exhaust our legal remedies against you in order to enforce this guaranty Guarantors agree that we may from time to time extend the time for performance or otherwise modify, alter, or change this Agreement, may extend the time for payment of all sums guaranteed, and may receive and accept notes, checks, and other instruments for the payment of money made by you and extensions or renewals without in any way releasing or discharging Guarantors from their obligations This guaranty shall not be released, extinguished, modified, or in any way affected by our failure to enforce all the rights or remedies available to it under this Agreement Our release of one or more Guarantor will not operate as a release of the other Guarantors

9 14 <u>Representations and Acknowledgements</u>

a) <u>Receipt of Disclosure Documents</u> You acknowledge that you have received our Franchise Disclosure Document at the earlier of (1) the first personal meeting with us (in New York), or (2) 14 calendar days before signing any franchise or related agreement or making any payment with the franchisor or an affiliate in connection with the franchise sale (10 business days in New York) In addition, you acknowledge either

    i receipt of this Agreement containing all substantive terms at the time of delivery of the Franchise Disclosure Document, or

    ii if we unilaterally or materially altered the terms and conditions of our standard franchise agreement or any related agreements attached to the Franchise Disclosure Document, you acknowledge that you received a complete and final copy of this Agreement and its exhibits not less than 7 calendar days before you signed this Agreement

b) <u>You Have Read and Understand this Agreement</u> You acknowledge that you have had ample time to read and have read this Agreement and our Franchise Disclosure Document You understand and accept the terms, conditions and covenants contained in this Agreement They are necessary to maintain our high standards of quality, service and uniformity at all franchises They protect and preserve the goodwill of the Marks and the confidentiality and value of the Methods of Operation You have received advice from advisors of your own choosing regarding all pertinent aspects of this Franchise and the franchise relationship created by this Agreement You also acknowledge that you believe you have made a good decision for yourself or your partners or your corporation based upon what you believe is your ability to run and control a business of your own

c) <u>Varying Forms of Agreement</u> You are aware that some present and future Digital Doc franchisees may operate under different forms of agreement and, consequently, that our obligations and rights in respect to our various present and future franchisees may differ materially in certain circumstances

d) <u>Speculative Success</u> The success of your franchise is speculative and depends, to a large extent, upon your ability as an independent businessperson You recognize that the business venture contemplated by this Agreement involves business risks We do not make any representation or warranty, express or implied, as to the potential success of the Franchise

e) Independent Investigation, No Projections or Representations You acknowledge that you have entered this Agreement after conducting an independent investigation of us and of the Franchise You have not relied upon any representation as to gross revenues, volume, cost savings, potential earnings or profits which you in particular might realize Except as outlined in Item 19 of our Franchise Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received, any representation, warranty, or guarantee, express or implied, concerning the potential revenues, cost savings, volume, profits, or success of the business venture contemplated by this Agreement You acknowledge that neither we, nor any of our officers, directors, shareholders, employees, agents or servants, made any other representation about the business contemplated by this Agreement or that are not expressly set forth in this Agreement or our Franchise Disclosure Document to induce you to accept this Franchise and execute this Agreement Any oral representations made by our representatives to you, whether or not set forth in earlier versions of our standard form franchise agreement, have either been ratified by us by including the representations in this document or have been disavowed by excluding them from this Agreement

f) No Review of Business Plans, Loan Applications Prior to your execution of this Agreement, we have not given you any advice or review of any of your business plans or third party loan applications related to your purchase of and proposed operation of the franchise We do not receive or review business plans and loan applications before a franchisee signs the relevant franchise agreement We have strongly recommended that you retain and work with your own independent accountant and financial advisors to fully review all financial aspects of your potential franchise investment for you You acknowledge that we will not provide financial assistance to you and that we have made no representation that we will buy back from you any products, supplies, or equipment you purchase in connection with your franchise

g) Your Location and Market Area You acknowledge that we will not provide or designate locations for you You have investigated the potential of the market area in which you are to establish and operate your franchise business and the laws and applicable regulations (or will do so if you have not yet found a Franchise Premises) You agree and represent that that market area is reasonable, the Franchise Premises will be suitable for the operation of a Digital Doc franchise, and the Initial Franchise Fee represents fair consideration for the opportunity to establish and operate a Digital Doc franchise

h) Health and Full-Time Participation You acknowledge that a Digital Doc business involves hard work and sometimes long hours, similar to most small businesses that are owner operated We have not represented that this business is going to be easy for you, your partners, officers or directors You represent that you or your majority owner are in good health and able to devote your best efforts in the operations of your franchise or that you have the business management skills necessary to successfully hire a general manager to run the day to day operations of your franchise

i) Terrorism, Convictions, Immigration Status You represent to us, unconditionally without reservation, that

i Neither you, nor your spouse, nor your children, nor your parents, nor any employee nor prospective employee of the franchise business, nor anyone who has an interest in or who will manage the franchise, nor any of your partners or affiliates

1. supports terrorism,

2. provides money or financial services to terrorists, including but not limited to those individual and organizations on the current U S government list of persons and organizations that support terrorism as provided by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq ,

3. receives money or financial services from terrorists or institutions that support terrorists, including but not limited to those individual and organizations on the current U S government list of persons and organizations that support terrorism as provided by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq ,

4. is engaged in terrorism, or any activity, organization, or plan with or of any person or organization, including but not limited to those individual and organizations on the current U S government list of persons and organizations that support terrorism as provided by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq ,

5. is on the current U S government lists of persons and organizations that support terrorism as provided for by law, such as the list of "Specially Designated Nationals" and "Blocked Persons" under the "USA Patriot Act" 18 USC Section 1900 et seq

ii Neither you nor your spouse, nor your children, nor your parents, nor anyone who has an interest in or who will manage the franchise, nor any employee or prospective employee of the franchise business, nor any of your partners or affiliates of these persons has engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes, and each is eligible under applicable U S Immigration laws to communicate with, lawfully reside in, and travel to the United States to fulfill your obligations under your agreements with us

iii You, your spouse, your children, your parents, and anyone who has an interest in or who will manage the franchise, and all employees or prospective employees of the franchise business, and all of your partners or affiliates are in the United States lawfully, have legal residence in the United States, and are lawfully permitted to work in the United States

j) <u>We May Investigate</u> We may conduct investigations and make inquiries of any person or persons we, in our reasonable judgment, believe appropriate concerning the credit standing, character, and professional and personal qualifications of you and your owners, shareholders, members and partners You authorize us to conduct these investigations and to make these inquiries We agree to comply with the requirements of laws that apply to these investigations and inquiries

k) <u>Supplier Approval</u> You acknowledge that while you may propose alternate suppliers for products and services, the proposed suppliers may not qualify You further acknowledge that our approved suppliers may be the only source of supply for products and services required in the Franchise

l) Brand Standards Manual You acknowledge that the Brand Standards Manual is loaned to you by us and at all times the Brand Standards Manual and any updated or amended pages remain our property and that the copyright in the Brand Standards Manual and all associated materials is vested in us You agree to return to us the Brand Standards Manual and any updated or amended pages immediately upon written demand

m) NO REPRESENTATIONS, PROJECTIONS, OR WARRANTIES WE HAVE NOT MADE ANY REPRESENTATIONS, PROMISES, GUARANTEES, PROJECTIONS, OR WARRANTIES OF ANY KIND TO YOU, YOUR OWNERS, OR THE GUARANTORS TO INDUCE THE EXECUTION OF THIS AGREEMENT OR CONCERNING THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN WRITING IN THIS AGREEMENT AND IN OUR FRANCHISE DISCLOSURE DOCUMENT THAT WE DELIVERED TO YOU YOU ACKNOWLEDGE THAT NEITHER WE NOR ANY OTHER PARTY HAS GUARANTEED YOUR SUCCESS IN THE BUSINESS CONTEMPLATED BY THIS AGREEMENT

10 SIGNATURES

IN WITNESS, the parties have executed this Agreement on the day and year first above written

FRANCHISOR (WE/US)	FRANCHISEE (YOU)
Digital Doc Franchising, LLC	
By ______________________________	By ______________________________
Its ______________________________	an individual
	Date ___/____/_____
Date ___/____/_____	By ______________________________
	An individual
	Date ___/____/_____

[Signatures Continue on Next Page]

IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER ENTITY THIS AGREEMENT MUST BE SIGNED BY A COMPANY OFFICER, DIRECTOR OR OWNER AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY ADDITIONALLY, THE AGREEMENT MUST BE SIGNED BY ALL OFFICERS AND OWNERS OF THE COMPANY AS INDIVIDUALS

The undersigned officer being the of , pursuant to authority granted to him at a duly called meeting of such company on the day of , 20 , executes this instrument, by signing the name of the company, as an officer

By______________________________

Title______________________________

Date ___/____/_____

By ______________________________

Title______________________________

Date ___/____/_____

IF YOU ARE A PARTNERSHIP THIS AGREEMENT MUST BE SIGNED BY ALL GENERAL PARTNERS THE AGREEMENT MUST ADDITIONALLY BE SIGNED BY ALL GENERAL PARTNERS, AS INDIVIDUALS

The undersigned partner, , being a General Partner authorized to execute this Agreement on behalf of the partnership, executes this instrument by signing the name of the partnership by himself, as general partner of the partnership

By______________________________

Title______________________________

Date ___/____/_____

By______________________________

Title______________________________

Date ___/____/_____

EXHIBIT 1
TO
FRANCHISE AGREEMENT

FRANCHISE PREMISES, FRANCHISE TERRITORY

AND BUILD-OUT

Build-Out Assist Program (Section 1 4)

Your Build-Out Assist Fee, which is described in Section 1 4 of the Agreement, is $________________

Franchise Premises (Sections 1 2 and 1 3)

The Franchise Premises is located at

Your Initials __________ Our Initials _______

Franchise Territory (Section 1 1)

The Franchise Territory is defined as

Franchisee Acknowledgement / Confirmation of Territory

X___________________________Title _________________________

Date ____/____/_____

POTENTIAL TERRITORY ADDENDA CONSIDERATIONS
You may find a location to lease that may not align well within the Franchise Territory described herein

In consideration of the need to fine-tune territories as described for a single franchisee unit or multiple franchisee regional developer, we will work with you to align territory(s) to best meet the needs of your business as it relates to locations and lease spaces available as you search for suitable lease space That said

You may request modification, reconfiguration of territories assigned as outlined in Exhibit 1 of this Agreement with a minimum of 30 days advance notice prior to the signing of any lease, or deposit on any lease for zip codes outside of defined territories as described in Exhibit 1 of this Agreement Territories shall be adjusted to best service the radius around the leasehold space of the franchisee by location You must receive our permission before signing any lease outside of the detailed territories shown in Exhibit 1 We will grant reasonable approval to reconfigure the territory(s) if you are in compliance with the Franchise Agreement, and territory area(s) you are requesting to reconfigure to be within your territory, are available at the time of the request You will not be granted any reassignment or reconfiguration of territory of that territory has already been sold to another franchisee Territory negotiations between franchisees must be approved by us prior to any lease signing in the revised territory(s)

By signing below, you acknowledge that the information above is true and correct Use additional sheets if necessary Any and all changes to the above information must be reported to us in writing

Digital Doc Franchising, LLC	FRANCHISEE
By ____________________________	By ____________________________
Print Name ________________________	Print Name ________________________
Its ____________________________	Its ____________________________
Date ___________________________	Date ___________________________

EXHIBIT 2
TO
FRANCHISE AGREEMENT

AREA DEVELOPMENT ADDENDUM
FOR MULTIPLE FRANCHISE PURCHASES

The following additional provisions are agreed to by the parties with respect to the attached Franchise Agreement dated_______, 20_____, between Digital Doc Franchising, LLC as "**we**," and , as "**you**" In the event of conflict, the provisions of this Addendum supersede the corresponding provisions of the Franchise Agreement

We expressly disclaim the making of and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Area Development Addendum and our standard franchise disclosure document and franchise agreement, except as specifically disclosed in our franchise disclosure document You acknowledge that you have read the Franchise Agreement that this Addendum is attached to (the "**Franchise Agreement**") and this Addendum and our franchise disclosure document You have no knowledge of any representations by us, or our officers, directors, shareholders, employees or agents that are contrary to the statements made in our franchise disclosure document and the Franchise Agreement Capitalized terms not defined in this Addendum have the meanings assigned to them in the Franchise Agreement

This Addendum grants you the right to develop Digital Doc businesses within the defined Development Territory Each individual Digital Doc franchise you develop under this Addendum is referred to as a "**Franchise**," and each individual territory attached to a Franchise is referred to as a "**Franchise Territory**"

INITIAL FRANCHISE FEES You will pay us an Initial Franchise Fee of $44,900 for the first franchise you purchase (of our affiliate's existing Digital Doc business), which is due on signing the Franchise Agreement

Additionally, you will pay us, in a lump sum upon signing this Addendum, an additional $22,500 for each additional Digital Doc Business you commit to develop The total number of Digital Doc Businesses you are committing to develop, and the total price you must pay us, is reflected below

Franchise Territory Number	**Payment**	**Designation**
One	$44,900	
Two	$22,500	
Three	$22,500	
Four	$22,500	
Five	$22,500	
TOTAL		

INDIVIDUAL FRANCHISE AGREEMENTS For each Franchise within a Franchise Territory that you develop under this Addendum, we and you will execute our then-current form of franchise agreement when you inform us that you are prepared to move forward with developing the Franchise within the applicable Franchise Territory You must sign a franchise agreement for each Franchise you plan to develop within the Franchise Territory at least 30 days before you commit to a lease for the Franchise

The franchise agreement that we and you sign will be the form that we are then offering to new franchisees, except that (i) the initial franchise fee under the agreement will be as stated in this Addendum, (ii) the Franchise Territory under the agreement will be the one stated in this Addendum, (iii) the development schedule will be as stated in this Addendum, (iv) the financial terms under the agreement will be the same as those contained in the Franchise Agreement, and (v) we will have no obligation to provide any training to you (such training having been provided in connection with the first Franchise Agreement you signed with us)

DESIGNATED TERRITORY We grant to you, subject to the terms and conditions of the Franchise Agreement and this Addendum, the right to establish and operate your franchises within the following territory (the "**Designated Territory**) ______________________________

Except as otherwise provided in the Franchise Agreement or this Addendum, we will not establish, nor license anyone other than you to establish any Digital Doc facility within the Designated Territory beginning on the Addendum Effective Date until this Addendum expires or is terminated You have no right under this Addendum to transfer or sub-license your development rights to others

DEVELOPMENT SCHEDULE The deadline for opening each Franchise developed under this Addendum ("**Opening Deadline**") will be as shown below, the time period will be measured from the Addendum Effective Date Each Digital Doc Business must be **open and operating** within the Opening Deadline The franchise agreement signed for each such Franchise will be modified to reflect the applicable Opening Deadline

Franchise Territory Number	**Opening Deadline**
One	8 months
Two	12 months
Three	16 months
Four	20 months
Five	24 months

We may (but are not required to) approve an extension of the Opening Deadline, but you must in any event ask us for our approval at least 30 days prior to the Opening Deadline If you do not comply with the Opening Deadline for any particular Franchise Territory, then your development rights under this Addendum will terminate without notice on the Opening Date, and you will have no further rights within the Development Territory

DEFAULT AND TERMINATION We have the right to terminate this Addendum, and all of your rights under this Addendum and in and for the Development Territory, for the reasons set forth below

Cross-Default Any material violation or uncured breach of any franchise agreement between you and us, or of any other agreement between you and us, will be deemed a material violation of the Franchise Agreement and this Addendum, and we will have the right to terminate this Addendum and your rights under this Addendum on notice to you Any such termination will be without prejudice to any other rights we have at law or under any franchise agreement or other agreement between you and us

Failure to Meet Opening Deadline If any Franchise covered by this Addendum is not opened before the applicable Opening Deadline, we will have the right to terminate this Addendum and all of your rights under this Addendum If we terminate the Addendum for this reason, we will not terminate any individual franchise agreement that you have signed as part of this Addendum if you have met the Opening Deadline under that franchise agreement

Upon termination of this Addendum, all rights within the Development Territory will revert to us We will have the unfettered right to open and operate, or grant to third parties the right to open and operate, Digital Doc businesses within the Development Territory We will also have the unfettered right to exercise any other rights within the Development Territory as we see fit, except as limited by any other agreement between you and us

No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity

<u>DISPUTE RESOLUTION, GOVERNING LAW, NOTICES, MISCELLANEOUS</u> We and you agree that the terms of Sections 9 1 through 9 14 of the Franchise Agreement will apply to this Addendum and are incorporated in this Addendum as if they were restated in it in full

DATED this ________ day of_____, 201__ (the "**Addendum Effective Date**")

Digital Doc Franchising, LLC

By ______________________________

By ______________________________

Title ____________________________

Date ___/____/____

FRANCHISEE

an individual

And

By ______________________________
An individual

Date ___/____/_____

EXHIBIT 3
TO
FRANCHISE AGREEMENT

FRANCHISE PREMISES LEASE AGREEMENT RIDER

THIS RIDER has been entered this day of , 20 It is by and between ,("Landlord") and (jointly and severally "Tenant")

RECITALS

On or about , 20 , Landlord and Tenant executed a lease agreement (the "Lease Agreement") by which Tenant leased from Landlord real property for Tenant's operations of a Digital Docs franchise at the following location (the "Franchise Premises")

On or about , 20 , Tenant and Digital Docs Franchising, LLC (the "Franchisor") executed a franchise agreement (the "Franchise Agreement") for Tenant to operate a Digital Docs franchise at the Franchise Premises

Landlord and Tenant desire to execute this addendum to the Lease Agreement to give Franchisor certain rights to the Franchise Premises as required by the Franchise Agreement

THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties agree as follows

<u>Landlord Reports and Disclosures to Franchisor</u> Tenant acknowledges and agrees that Landlord may, upon Franchisor's written request, disclose to Franchisor all reports, information, or data in Landlord's possession respecting sales made in, upon, or from the Franchise Premises and Tenant's business operations

<u>Assignment to Franchisor</u> Anything contained in the Lease Agreement to the contrary notwithstanding, Landlord agrees that without Landlord's consent, the Lease Agreement and Tenant's right, title and interest, may be assigned by Tenant to Franchisor, without cost or penalty Landlord grants to Franchisor the right, at Franchisor's election, to receive an assignment of the Lease Agreement and the leasehold interest in the Franchise Premises, upon termination or expiration of Tenant's Franchise Agreement

<u>Tenant's Default, Notice to Franchisor</u> Landlord will give written notice to franchisor (concurrently with the giving of notice to Tenant) of any breach by Tenant under the Lease Agreement Franchisor will have the right (but not obligation), in Franchisor's sole discretion, to cure any breach at Tenant's expense within 15 business days after the expiration of the period in which Tenant had to cure the default Notice will be sent to the following address, or to the address Franchisor may, from time to time, specify in writing to Landlord

Franchise Premises De-identification Upon termination, expiration, or non-renewal of the Lease Agreement, Tenant may de-identify the Franchise Premises If Tenant fails to do so, Landlord gives Franchisor the express right to de-identify De-identification consists of removal of all signs, modification or remodeling of all identifying architectural features, repainting as necessary to no longer use the color scheme used by Franchisor, and any other steps necessary (in Franchisor's reasonable discretion) to effectively distinguish the Franchise Premises from Franchisor's proprietary designs and marks

Signatures

IN WITNESS, the parties have executed this Rider on the day and year first above written

("Landlord")

By ________________________________

Title ________________________________

("Tenant")

Date ___/____/201___

By ______________________________________

Title ______________________________________

Date ___/____/201___

EXHIBIT 4 TO FRANCHISE AGREEMENT

COMPLIANCE QUESTIONNAIRE

Franchisee acknowledges receipt on the ___ day of ___________, 201___ (the "Disclosure Date") of Franchisor's April 18, 201___ Digital Doc Franchising LLC Uniform Franchise Disclosure Document (the "FDD") that incorporates and discloses Items 1 through 23, state addenda, Digital Doc Franchising LLC franchise agreement and state addenda, exhibits, addenda, lease, confidential information agreement, audited financial statements, current franchisees as of Disclosure Date, franchisees who left the System in the last fiscal year, which date is at least 14 days prior to the execution of this Agreement Franchisee also acknowledges and agrees it received a complete set of its franchise agreements (if substantially changed by Franchisor after sending first copy), ready to be signed, no less than 7 days prior to making any payment to Franchisor or its area representative for Franchisee's territory ("Area Representative") for the grant of this franchise

This Agreement may only be used in the Location approved by Franchisor Franchisee acknowledges that it has contacted other Digital Doc franchises and sought information regarding (i) their financial condition, (ii) status, and (iii) and any other relevant fact that a diligent examination would determine Franchisee acknowledges that if Franchisor or Area Representative finds another location in the area, there may be other Digital Doc franchisees in the area who may be entitled to receive an opportunity to take the Location ahead of Franchisee and that Franchisee will not object, provided however, that nothing contained in this Agreement shall prevent Franchisee from independently identifying or obtaining (to be leased pursuant this Agreement), subject to Franchisor's approval, a site its Digital Doc Franchise in the area for which this Agreement shall be used

Franchisee agrees that Franchisor, in its sole discretion, may open and operate company-owned Digital Doc units, or other outlets selling similar products or services under different trade names, at any locations (including locations in close proximity to Franchisee's Digital Franchise), may authorize others (including franchisees) to open and operate Digital Doc Franchises, or other outlets selling similar products or services under different trade names, at any locations (including locations in close proximity to Franchisee's Location), and may engage in other methods of distribution of similar and dissimilar products and services at any locations

Because Franchisee did not execute this agreement at Franchisor's office, Franchisor requires certain assurances that this Agreement has been sold in accordance with all applicable laws, rules and regulations Moreover, the Franchisor will not enter into this Agreement unless and until all applicable laws, rules and regulations have been complied with or in the event of non-compliance thereto the violation has been lawfully cured in advance of execution of this agreement The Franchisor will not enter into this agreement unless this is a lawful sale A "no" answer to any of the following questions will enable the Franchisor to review your answer, ascertain all relevant information, exercise its rights and duties to rectify the issue arising from a "no" answer or reject this agreement A failure to comply with applicable laws, rules and regulations may be cured or otherwise lawfully resolved by Franchisor but truthful answers to the following questionnaire are required Accordingly, Franchisee acknowledges and represents as follows

PLEASE CIRCLE THE APPROPRIATE RESPONSE TO EACH STATEMENT AND INITIAL WHERE INDICATED IF YOUR ANSWER TO ANY QUESTION IS "NO" PLEASE EXPLAIN YOUR ANSWER IN THE LINED SPACES PROVIDED AT THE END OF THIS QUESTIONNAIRE

Franchisee has been represented by independent counsel who has reviewed the FDD and this franchise agreement If you fail to retain counsel for this purpose you will lose your right to object to any term, condition, obligation, or other provision The interpretation of the franchise agreement or FDD will be in accordance with applicable law and you will be bound by such meanings notwithstanding your personal view of what this agreement or the FDD may mean In addition, Franchisee acknowledges that if there are any oral agreements or inducements claimed by Franchisee they will not be binding or an obligation upon Franchisor unless included in writing in this Agreement

YES NO ________________ (Initial)

Franchisee is fully informed as to all of Franchisee's obligations and of Franchisor's limited obligations as set forth in this Agreement and the FDD

YES NO ________________ (Initial)

Franchisee has only had contact, negotiations and/or discussions with Franchisor and/or the Salesperson(s) identified on the Item 23 Receipt regarding this franchise sale or the offer and acceptance of this agreement

YES NO ________________ (Initial)

Except for Franchisor and/or the Salesperson(s), no other salesman, staff member, entity, or associate of Franchisor nor any other salesman, staff member, associate or entity of the Area Representative met the Franchisee regarding this franchise sale or the offer and acceptance of this agreement

YES NO ________________ (Initial)

Franchisee acknowledges that Franchisor, Area Representative, or any salesperson or any of their agents (Franchisor DENIES ANY AGENCY RELATIONSHIPS UNLESS SPECIFICALLY ACKNOWLEDGED IN THIS AGREEMENT), salesmen, directors, officers employees or any other salesman, person or entity have not made, and Franchisee has not relied on any representations, warranties, inducements, pro forma, forecasts, estimates or any other inducement or statement regarding financing, net profits, gross profits, net sales, gross sales, costs or expenses of Digital Doc Franchising LLC generally or of any specific Digital Doc Franchise or any other matter not stated here

YES **NO** ________________ **(Initial)**

Franchisee acknowledges that neither the corporate Area Representative nor any officer, director or agent of Area Representative have made any offers to sell Digital Doc Franchising LLC except for the Salesperson(s), who is (are) acting for Digital Doc Franchising LLC, as a commissioned salesman

YES **NO** ________________ **(Initial)**

Franchisee confirms that it received a complete franchise agreement for signature at least 5 business days prior to Franchisor, Area Representative, or any representative thereof accepting any money, check or other form of payment for the franchise granted herein

YES **NO** ________________ **(Initial)**

Franchisee understands that in entering into this Agreement, Franchisor is relying upon Franchisee's acknowledgments, representations and commitments as stated in this Section

YES **NO** ________________ **(Initial)**

"NO" ANSWERS EXPLAINED HERE

IF YOU NEED MORE ROOM, PLEASE ATTACH EXTRA SHEETS OF PAPER

Each of the undersigned agrees to the terms of this Rider

WITNESS

____________________________ ____________________________

Date Received

____

Date Signed ___/___

Digital Doc Franchising LLC

Date ____________________________ By ____________________________

EXHIBIT 5 TO FRANCHISE AGREEMENT

CONFIDENTIAL INFORMATION AGREEMENT

During the period of time Franchisee will be a Digital Doc franchisee, it is anticipated that Digital Doc Franchising LLC ("Franchisor") will from time to time disclose to Franchisee certain confidential technical and business information and trade secrets belonging to Franchisor ("Confidential Information")

Now, therefore, in consideration of training and receipt of Confidential Information to be acquired during the term of Franchisee's license agreement, Franchisee agrees as follows

1 For a period of 5 years following the date of each such training period, or each disclosure of Confidential Information, or termination or expiration of Franchisee's license agreement, Franchisee shall maintain the confidentiality of such Confidential Information, except in case of Confidential Information which

  a is or becomes known through no fault of Franchisee, OR

  b is already known to Franchisee before disclosure from Franchisor, as shown by Franchisee's prior written records

2 Franchisee shall not, without prior written permission of Franchisor, furnish to any third party any Confidential Information or any equipment or material embodying or made by use of any Confidential Information received hereunder

3 All Confidential Information in tangible form received by Franchisee shall be returned to Franchisor at Franchisor's request

Franchisee agrees that each of its associates, officers and employees to whom any of Franchisor's Confidential Information are furnished or disclosed shall sign this Agreement at the place indicated below to indicate their awareness of this Agreement and these obligations of confidentiality

Each of the undersigned agrees to the terms of this Agreement

By ______________________________

Date___/______/201____ Individual Name, Title

Associates of Franchisee to Receive Confidential Information

____

____

____

EXHIBIT 6 TO FRANCHISE AGREEMENT

DOCUMENT AUTHORIZATION FOR
ELECTRONIC FUNDS TRANSFER
DIGITAL DOC FRANCHISING LLC

I (we) hereby authorize Digital Doc Franchising LLC (the "Franchisor") to initiate Electronic Funds Transfer charges to my (our) bank account (indicated below) for payment of my (our) monthly Royalty and Advertising fees owed by me (us) to the Company on or near the 5th day of each month This Authorization will remain in full force and effect until Company receives written confirmation of termination of this Authorization via certified letter

Financial Institution Name Account Number ________________________________

Branch Name ________________________________

Address ________________________________

I further certify that I have received a copy of the Authorization for my files Individual Name

Corporate Name Digital Doc Franchise

By ______________________

Title ______________________

Effective Date ___/_____/201___

Please attach a voided blank check for verification purposes

[VOIDED CHECK]

Franchise Agreement & Addendum signing Checklist

Franchise Agreement Signatures

Section 10 Signatures, Individual, Corporate or Partnership signature(s)

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

Exhibit 1 Confirmation of Franchisee Territory

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

Exhibit 2 (IF Applicable) AREA DEVELOPMENT ADDENDUM FOR MULTIPLE FRANCHISE PURCHASES

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

Exhibit 3 FRANCHISE PREMISES LEASE AGREEMENT RIDER

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

Exhibit 4 COMPLIANCE QUESTIONNAIRE (Yes/No Form)

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

Exhibit 5 Confidential Information Agreement

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

Exhibit 6 Electronic Funds Transfer (ACH) Form

Signed? YES_____ NO_____ DATE SIGNED ___/____/_____

EXHIBIT 7 TO FRANCHISE AGREEMENT

EMPLOYEE NON-COMPETE AGREEMENT

Foi good consideiation and as an inducement for (Your company name, Company to Employ) - dba, Digital Doc -

____________________(Employee Name), the undersigned Employee hereby agiees not to directly or indirectly compete with the business of the Company and its successors and assigns during the period of employment and foi a period of __2__ years following termination of employment and notwithstanding the cause oi reason for termination

The term "not compete" as used heiein shall mean that the Employee shall not own, manage, operate, consult or to be employee within a 25 mile radius of present or future (Your company name) dba-Digital Doc locations in a business substantially similar to or competitive with the present business of the Company oi such other business activity in which the Company may substantially engage duiing the term of employment

The Employee acknowledges that the Company shall or may in reliance of this agreement provide Employee access to trade secrets, customers and other confidential data and good will Employee agrees to ietain said information as confidential and not to use said information on his or her own behalf oi disclose same to any third party

This agreement shall be binding upon and inure to the benefit of the parties, their successors, assigns, and personal representatives

Signed this ____ day of ___________________ 20___

____

(Owners Name)
Owner/(Company Name) dba Digital Doc Franchising, LLC

____

(Type Employee Name Here)
Employee

DIGITAL DOC FRANCHISING, LLC ®
STATE ADDENDA

STATE LAW ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT AND AREA DEVELOPMENT ADDENDUM

Digital Doc Franchising, LLC

The following modifications are to the Digital Doc® Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law and certain portions of the Franchise Agreement (and Area Development Addendum, if applicable) dated ____________________

The following states have statutes that may supersede the Franchise Agreement (and Area Development Addendum, if applicable) in your relationship with Us, including the areas of termination and renewal of your franchise ARKANSAS [Stat Section 70-807], CALIFORNIA [Bus & Prof Code Sections 20000-20043], CONNECTICUT [Gen Stat Section 42-133e et seq], DELAWARE [Code, Tit 6, Ch 25, Sections 2551-2556], HAWAII [Rev Stat Section 482E-1], ILLINOIS [Rev Stat 815 ILCS 705/19 and 705/20], INDIANA [Stat Sections 23- 2-2 7 and 23-2-2 5], IOWA [Code Sections 523H 1-523H 17], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD Code Ann , Bus Reg Sections 14-201 to 14-233 (1998 Repl Vol & Supp 2001)], MICHIGAN [Stat Section 19 854(27)], MINNESOTA [Stat Section 80C 14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat Section 407 400], NEBRASKA [Rev Stat Section 87-401], NEW JERSEY [Stat Section 56 10-1], SOUTH DAKOTA [Codified Laws Section 37- 5B], VIRGINIA [Code 13 1-517-574], WASHINGTON [Code Section 19 100 180], WISCONSIN [Stat Section 135 03] These and other states may have court decisions that may supersede the Franchise Agreement in Your relationship with us including the areas of termination and renewal of Your franchise

CALIFORNIA

Addendum to the Disclosure Document

(1) Item 3 of this disclosure document is modified to include the following paragraph

No person named in Item 2 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 19934, 15 U S C A 78a et seq , suspending or expelling such person from membership in such association or exchange

(2) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (i)

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

(3) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (s)

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

(4) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (u)

The franchise agreement requires binding arbitration The arbitration will occur at the offices of the Franchise Arbitration and Mediation service nearest our home office in Cook County, Illinois, with cost being borne by the party which does not substantially prevail This provision may not be enforceable under California law

(5) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (w)

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

(7) Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations We have made in Our Franchise Disclosure Document

(8) Re Website www DigitalDoc com

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

California Business Professional Code Sections 20000 through 20043 provide rights to you 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

The franchise agreement requires application of the laws of the State of Illinois This provision may not be enforceable under California Law

For the purposes of Cal Bus & Prof Code Section 20022, the parties agree as follows

> The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022 The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility
>
> The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including a) purchase money security interest, b) blanket security interest, c) right of first refusal, d) lien by franchisee's landlord, or e) tax lien

The parties agree that for the purposes of Section 20022(h), our right of offset will include the following amounts owed by you to us or our Affiliates a) royalty fees, b) Brand Development Fees, c) transfer fees, and d) any other type of fee owed by you to us or our Affiliates

For the purposes of Cal Bus & Prof Code Section 20035, the parties agree as follows

"Fair market value of the franchise assets" means the value of your Assets, valued according to the declining-balance method of depreciation The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility

"Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill The parties agree that the value of goodwill is the amount of royalty fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act

CONNECTICUT

The following statement is added to the cover page of the Franchise Disclosure Document

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity The information contained in this disclosure has not been verified by the state If you have any questions about this investment, see an attorney before you sign a contract or agreement

The following statement is added to Item 3 of the Franchise Disclosure Document

There are no pending or completed actions against us relating to Securities Laws, Business Opportunity Laws, Actions Brought by Present or Former Purchaser-Investors Involving Franchise, or Business Opportunity Relationships that are required to be disclosed in this Disclosure Document

The FDD and Franchise Agreement are hereby modified to state that, if we require you to purchase products, equipment or supplies from us but fail to provide those products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the required opening date stated in your contract, you may notify us in writing and demand that the contract be canceled

HAWAII

Addendum to the Disclosure Document

1) Item 1 of this disclosure document is modified to include the following paragraph

The name and address of the Franchisor's agent in this state authorized to receive service of process is Director of Department of Commerce and Consumer Affairs, P O Box 40, 1010 Richards Street, Honolulu, Hawaii 96810

2) Item 17 of this disclosure document is modified to include the following paragraph under the Summary column of part (i)

Under Hawaii law, on termination or refusal to renew the franchise, you are entitled to be compensated for the fair market value, at the time of the termination or expiration of the franchise, of our inventory, supplies, equipment and furnishings purchased from us or a supplier designed by us, provided that personalized materials which have no value to us need not be compensated for If we refuse to renew the franchise for the purpose of converting your business to one owned and operated by us, we, in addition to the remedies described above, are required to compensate your for the loss of goodwill We may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings, and may offset from such compensation any moneys due us Item 20 of this disclosure is modified to include the following paragraphs

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR AREA REPRESENTATIVE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR AREA REPRESENTATIVE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISER AND THE FRANCHISEE

INDIANA

Addendum to the Disclosure Document

1) Item 12 is amended to add the following

We will not compete unfairly with you within a reasonable distance around your location

2) Item 17, Summary column for (c) is amended to add the following

You also must not be in material default of the franchise agreement or any replacement then in effect □Under Indiana law, we may not refuse to renew your franchise without good cause or in bad faith We, however, may refuse to renew your franchise if any condition specified in the franchise agreement, Article 15, is not satisfied If we decide not to renew your franchise at the end of the initial term or any renewal term, we will give you 60 days written notice of non-renewal

3) Item 17, Summary column for (f) is amended to add the following

   Under Indiana law, we may not terminate your franchise without good cause or in bad faith We, however, may terminate your franchise if you materially breach Article 15 of the franchise agreement □

4) Item 17, Summary column for (m) is amended to add the following

   Any release signed as a condition of transfer will not apply to any claims you may have under the Indiana Franchise Disclosure Law and Indiana Deceptive Franchise Practices Act

5) Item 17, Summary column for (r) is amended to add the following

   In accordance with Indiana law, the restrictions of the covenant not to compete will not apply to your activities outside your protected territory □

6) Item 17, Summary column for (t) is amended to add the following □

   Only the terms of the disclosure document and franchise agreement are binding (subject to state law) Any other promises may not be enforceable □

7) Item 17, Summary column for (u) is amended to add the following □

   Except for certain claims, all disputes must be arbitrated either in Indiana or in a mutually agreed location □

8) Item 17, Summary column for (v) is amended to add the following □

   All litigation must be in Indiana or in a mutually agreed location □

9) Item 17, Summary column for (w) is amended to add the following □

   The Federal Arbitration Act and Illinois law apply, but these choices of law are not a waiver of your rights under the Indiana Deceptive Franchise Practices Act of the Indiana Franchise Disclosure Law

Addendum to the Franchise Agreement

The Franchise Agreement is amended to add the following □

1 We will not compete unfairly with you within a reasonable distance around your location □

2 In accordance with Indiana law, the restrictions of the covenant not to compete will not apply to your activities outside your protected territory, and will not extend beyond 2 years

3 Any release signed as a condition of transfer will not apply to any claims you may have under the Indiana Franchise Disclosure Law and Indiana Deceptive Franchise Practices Act

4 Under Indiana law, we may not refuse to renew your franchise without good cause or in bad faith we, however, may refuse to renew your franchise if any condition specified in the franchise agreement for obtaining a successor franchise agreement is not satisfied If we decide not to renew your franchise at the end of the initial term or any renewal term, we will give you 60 days written notice of non-renewal

5 We will not be obligated to provide to you a successor franchise agreement if you are in material default of the franchise agreement or any replacement agreement then in effect □

6 Under Indiana law, we may not terminate your franchise without good cause or in bad faith we, however, may terminate your franchise if you materially breach the franchise agreement

7 Your obligation to indemnify us will not extend to damages or costs resulting from your proper reliance on or use of our procedures or materials or our negligence

8 All litigation must be in Indiana or in a mutually agreed location

9 Except for certain claims, all disputes must be arbitrated either in Indiana or in a mutually agreed location

10 The waiver of a right to seek punitive damages will not apply to claims under the Indiana Deceptive Franchise Practices Act or the Indiana Franchise Disclosure Law

11 The waiver of a right to a jury trial will not apply to claims under the Indiana Deceptive Franchise Practices Act or the Indiana Franchise Disclosure Law

12 The choice of law provisions are not a waiver of your rights under the Indiana Deceptive Franchise Practices Act or the Indiana Franchise Disclosure Law The provisions of IC 23-2-2 5 and 2 7 will supersede any conflicting provisions of (state law)

13 Only the terms of the offering circular and franchise agreement are binding (subject to state law) Any other provisions may not be enforceable

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch 551A) is void to the extent that such provision violates such law

The following language will be added to the Franchise Agreement

NOTICE OF CANCELLATION

_______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date If you cancel any property traded in, any payments made by you under the contract or sale and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice and any security interest arising out of the transaction will be canceled

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation

To cancel this transaction mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Sarah Barton at Digital Doc Franchising, LLC, 2500 Lehigh Avenue, Glenview, IL 60026, or email Sarah Barton@digitaldoc com, not later than midnight of the third business day after the Effective Date

I hereby cancel this transaction

Franchisee ______________________________

By ______________________________

Print Name ______________________________

Its ______________________________

Date ______________________________

MICHIGAN

Addendum to the Disclosure Document

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you

a) A prohibition on the right of a franchisee to join an association of franchisees □

b) A requirement that a franchise assents to a release, assignment, novation, waiver, or estoppel which deprives a □franchisee of rights and protections provided in the Michigan

Franchise Investment Law This shall not preclude □a franchisee, after entering into a franchise agreement, from settling any and all claims □

c) A provision that permits a franchiser 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 franchiser 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 franchiser 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 franchiser's intent not to renew the franchise □

e) A provision that permits the franchiser 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 which permits a franchiser to refuse to permit a transfer of ownership of a franchise, except for good cause This subdivision does not prevent a franchiser 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 franchiser's then current reasonable qualifications or standards, (ii) the fact that the proposed transferee is a competitor of the franchiser or Area Representative, (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 franchiser or to cure any default in the franchise agreement existing at the time of the proposed transfer □

g) A provision that requires the franchisee to sell to the franchiser items that are not uniquely identified with the franchiser This subdivision does not prohibit a provision that grants to a franchiser 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 franchiser 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) □

h) A provision which permits the franchiser 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 offer 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 the Michigan Department of Attorney General, Consumer Protection Division, 670 Law Building, Lansing, MI 48913, (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Franchise Agreement and Area Development Addendum, the following provisions will supersede and apply to all franchises offered and sold in the State of Minnesota

1 Any provision in the Franchise Agreement and Area Development Addendum that would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes Sections 80C 01 to 80C 22 will be void to the extent that such contractual provision violates such law

2 Minnesota Statute Section 80C 21 and Minnesota Rule 2860 4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota In addition, nothing in the Franchise Disclosure Document or 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 Minnesota

3 Minn Rule Part 2860 4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes Any provision in the Agreement which would require you to waive your rights to any procedure forum or remedies provided for by the laws of the State of Minnesota is deleted from any Agreement relating to franchises offered and sold in the State of Minnesota, provided, however, that this paragraph will not affect the obligation in the Agreement relating to arbitration

4 With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C 14, Subds 3, 4 and 5, which require, except in certain specified cases that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld

5 Item 13 of the FDD is hereby amended to state that we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss costs, or expenses arising out of any third party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Agreement and our System standards Notwithstanding anything to the contrary in the Franchise Agreement and Area Development Addendum, we will protect your rights under this Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks,

if your use of the Marks is in compliance with the provisions of the Franchise Agreement and Area Development Addendum and our System standards

6 Minnesota Rule 2860 4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release As a result, the provisions of the Franchise Agreement and Area Development Addendum that require you to sign a general release prior to renewing or transferring your franchise are hereby deleted from the Franchise Agreement and Area Development Addendum

7 The following language will be added to the Franchise Agreement and Area Development Addendum

No Abrogation Pursuant to Minnesota Statutes Section 80C 21, nothing in this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80 C

9 Minnesota Statute Section 80C 17 states that no action for a violation of Minnesota Statutes, Sections 80C 01 to 80C 22 may be commenced more than three years after the cause of action accrues

NEW YORK

The following is added to the Risk Factors on the cover page

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS

Item 3 of the Franchise Disclosure Document is modified to read as follows

Neither Digital Doc Franchising, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under Digital Doc Franchising, LLC's principal trademark has an administrative, criminal or civil action pending against it alleging a fraudulent conversion misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations Neither Digital Doc Franchising, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under 's principal trademark has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging a violation of a franchise, antifraud or securities law, fraud, embezzlement fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

Neither Digital Doc Franchising, LLC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under 's principal trademark is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunction or restrictive order relating to any business activity as a result of an action brought by a public agency or department, including without limitation, an action affecting a license as a real estate broker or sales agent

<u>Item 4 of the Franchise Disclosure Document is modified to read as follows</u>

Neither Digital Doc Franchising, LLC, its affiliate, its predecessor, officers or general partner during the ten (10) year period immediately before the date of the Franchise Disclosure Document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the U S Bankruptcy Code, or (c) was a principal officer of a company or a general partner in a partnership that filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code during or within one year after the officer or general partner of the Franchisor held this position in the company or partnership

<u>The following sentence is added to the end of the first paragraph of Item 5 of the Franchise Disclosure Document</u>

We may use the proceeds from your payment of the initial franchise fee to defray our costs and expenses for providing training and assistance to you, for commission payments to brokers involved in the sale of a franchise to you, for general working capital purposes, and for other expenses

<u>The first paragraph of Item 17 of the Franchise Disclosure Document is modified to read as follows</u>

THESE TABLES LIST CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION TRANSFER AND DISPUTE RESOLUTION YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT

<u>Item 17(w) of the Franchise Disclosure Document is revised to read as follows</u>

The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon you by the General Business Law (GBL) of the State of New York, Article 33 This language has been included in this Franchise Disclosure Document as a condition of registration The Franchisor and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement and Area Development Addendum including all choice of law provisions, are fully enforceable The Franchisor and you intend to fully enforce all of the provisions of the Franchise Agreement and Area Development Addendum and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions

<u>The following provisions shall be added to the Franchise Agreement and Area Development Addendum</u>

Notwithstanding the choice-of-law provisions in the Franchise Agreement and Area Development Addendum all rights enjoyed by the Franchisee and any causes of action arising in the Franchisee's favor from the provisions of Article 33 of the GBL of the State of New York and the regulations issued thereunder shall remain in force, it being the intent of this provision that the non-waiver provision of GBL 687 4 and 687 5 be satisfied

The new section is added to the Franchise Agreement and Area Development Addendum as follows

Notwithstanding anything to the contrary in the Franchise Agreement, you shall not be required to indemnify us for any liabilities which arose as a result of our breach of this Agreement or other civil wrongs committed by us

Notwithstanding the choice-of-law provisions in the Franchise Agreement and Area Development Addendum, it shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York State General Business Law

FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE FRANCHISE DISCLOSURE DOCUMENT ANY MATERIAL FACT NOR DOES THE FRANCHISE DISCLOSURE DOCUMENT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT

NORTH DAKOTA

Sections of the Franchise Disclosure Document, Franchise Agreement and Area Development Addendum requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law

The Franchise Agreement and Area Development Addendum and Confidentiality / Non-Competition Agreement contain a covenant not to compete which may not be enforceable under North Dakota law

Sections of the Franchise Disclosure Document and Franchise Agreement and Area Development Addendum 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

Sections of the Franchise Disclosure Document and Franchise Agreement and Area Development Addendum 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

Sections of the Franchise Disclosure Document and Franchise Agreement and Area Development Addendum requiring you to consent to liquidated damages and/or termination penalties 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

Sections of the Franchise Disclosure Document and Franchise Agreement and Area Development Addendum 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 are amended accordingly to the extent required by law

Section of the Franchise Disclosure Document and Franchise Agreement and Area Development Addendum requiring you 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

OHIO

The following language will be added to the Franchise Agreement and Area Development Addendum

> You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement See the attached notice of cancellation for an explanation of this right

NOTICE OF CANCELLATION

______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement, or you may if you wish comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation you may retain or dispose of them without further obligation If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Sarah Barton at Digital Doc Franchising, LLC, 2500 Lehigh Avenue, Glenview, IL 60026, or email Sarah Barton@digitaldoc com, not later than midnight of the fifth business day after the Effective Date

I hereby cancel this transaction

you ______________________________

By ______________________________

Print Name ______________________________

Its ______________________________

Date ______________________________

RHODE ISLAND

§ 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 this Act" The Franchise Disclosure Document and Franchise Agreement and Area Development Addendum are amended accordingly to the extent required by law

The above language has been included in this Franchise Disclosure Document as a condition to registration The Franchisor and you do not agree with the above language and believe that each of the provisions of the Franchise Agreement and Area Development Addendum, including all choice of law provisions, are fully enforceable The Franchisor and you intend to fully enforce all of the provisions of the Franchise Agreement and Area Development Addendum and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act

WASHINGTON

Addendum to the Disclosure Document and Franchise Agreement

Due to our financial condition, please-be advised that we have secured a surety bond in the amount of $100,000 to demonstrate its financial capability to fulfill its pre-opening obligations to franchisees/developers under the Franchise Agreement and the Area Development Addendum that are subject to the jurisdiction of the Washington Franchise Investment Protection Act, which is on file with the Securities Division of the Washington Department of Financial Institutions

Arbitration shall take place in the state of Washington, but only if in-state" arbitration is a valid requirement of the Washington Franchise Investment Protection Act In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer

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ACKNOWLEDGMENT

It is agreed that the applicable foregoing State-Specific Addendum, if any, supersedes any inconsistent portion of the Franchise Agreement and Area Development Addendum dated the _____ day of __________________ 20___, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law and for only so long as such state law remains in effect, and the parties further acknowledge and agree that this State-Specific Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State-Specific Addendum

IN WITNESS WHEREOF, the parties hereto have duly executed this State Law Addendum as of the Effective Date of the Franchise Agreement and Area Development Addendum between the parties

Digital Doc Franchising, LLC	You ________________________________
By ________________________________	By ________________________________
Print Name __________________________	Print Name __________________________
Its ________________________________	Its ________________________________
Date ________________________________	Date ________________________________

EXHIBIT B

LIST OF STATE ADMINISTRATORS & AGENTS FOR SERVICE OF PROCESS

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

State	State Agency	Agent for Service of Process
California	Department of Business Oversight Suite 750 320 West 4th Street Los Angeles, CA 90013-2344 (213) 576-7505 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233 One Sansome Street, #600 San Francisco, CA 94104 (415) 972-8565	California Department of Business Oversight & United Corporate Services Inc 740 University Avenue St 100 Sacramento, CA 95825
Connecticut	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 (860) 240-8232	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233 (860) 240-8232
Florida	N/A	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, 2nd Floor Tallahassee, FL 32399-0800 (850) 922-2770

Hawaii	Commissioner of Securities 355 Merchant Street, Room 203 Honolulu, Hawaii 96813-2921 PO Box 40 □Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities 355 Merchant Street, Room 203 Honolulu, Hawaii 96813 □PO Box 40 □Honolulu, Hawaii 96810 (808) 586-2722
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 67206 (217) 782-4465	Illinois Attorney General & United Corporate Services Inc 2901 Normandy Road Springfield, IL 62703
Indiana	Indiana Secretary of State Securities Division Room E-111□ 301 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State □201 State House □Indianapolis, IN 46204□ and United Corporate Services 4000 Bank One Tower 111 Monument Circle Indianapolis, IN 46244-0363
Iowa	Director of Regulated Industries Unit, Iowa Securities Bureau 340 E Maple□ Des Moines, Iowa 50319-0066 (515) 281-4441	Director of Regulated Industries Unit, Iowa Securities Bureau 340 E Maple □Des Moines, Iowa 50319-0066 (515) 281-4441
Maryland	Office of the Attorney General Division of Securities 200 St Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St Paul Place 20th Floor□ Baltimore, MD 21202-2020 (410) 576-6360
Michigan	Michigan Department of Attorney General □Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau 670 Law Building □Lansing, MI 48913 (517) 373-7117
Minnesota	Minnesota Department of Commerce 85 7th Place E , Suite 500 St Paul, MN 55101-2198 (651) 296-4026 (651) 296-6328	Minnesota Commissioner of Commerce and United Corporate Services 2800 Minnesota World Trade Center□ 30 East 7th Street□ St Paul, MN 55101-4999

Nebraska	Staff Attorney Department of Banking & Finance 1200 N Street Suite 311 PO Box 95006 Lincoln, NE 68509 (402) 471-3445	Staff Attorney Department of Banking & Finance 1200 N Street Suite 311 PO Box 95006 Lincoln, NE 68509 (402) 471-3445
New York	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8222	New York Secretary of State 99 Washington Avenue Albany, New York 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter Street, NE, #410 Salem, OR 97310 (503) 378-4140	Director of Oregon Department of Insurance and Finance
Rhode Island	Department of Business Regulation Division of Securities 233 Richmond St , Suite 232 Providence, RI 02903-4232 (401) 222-3048	Director of Rhode Island Department of Business Regulation 1 Hospital Trust Plaza 1 420 Hospital Trust Tower Providence, RI 02903
Texas	Secretary of State Statutory Document Section PO Box 13550 Austin, TX 78711 (512) 475-1769	Secretary of State Statutory Document Section PO Box 13550 Austin, TX 78711 (512) 475-1769
South Dakota	Department of Commerce and Regulation Division of Securities 118 West Capitol Ave Pierre, SD 57501-2017 (605) 773-4823	Director of South Dakota Division of Securities and UCS of South Dakota, Inc 28 East Main Street P O Box 610 Fort Pierre, SD 57532

Utah	Division of Consumer Protection Utah Department of Commerce 160 E 300 South □SLC, UT 84145-0804	N/A
Virginia	State Corporation Commission Division of Securities and Retail Franchising□ 1300 East Main Street, 9th Fl Richmond, VA 32319	Clerk of State Corporation Commission□ 1300 East Main Street, 1st Fl Richmond, VA 23219 (804) 371-9051
Washington	Department of Financial Institutions Securities Division P O Box 9033□ Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions 150 Israel Rd SW Tumwater, WA 98501
Wisconsin	Wisconsin Securities Commissioner Securities and Franchise Registration□ 345 W Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin and UCS 3 South Pinckney Street, St 1200 Madison, WI 53701
Federal Trade Commission	Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Ave & 6th Street NW Washington, DC 20580 (202) 326-3128	

EXHIBIT D

LIST OF FRANCHISEES

(as of December 31 2016)

Owner	Address	City	State	Zip	Phone
Gary Smith	107 Brookridge Dr Ste B	Madison	AL	35758	256 614 3964
Richard Gaderick	15689 N Hayden Rd , Suite 126	Scottsdale	AZ	85260	480 221 9529
Jordan Kahf	5642 E La Palma Ave Ste 208	Anaheim	CA	92807	949 232 3934
Jordan Kahf	2801 Harbor Blvd Ste E	Costa Mesa	CA	92626	949 232 3934
Jordan Kahf	1632 E Katella Ave Ste B2	Orange	CA	92867	949 232 3934
Bob Geers	124 Collins Rd NE	Cedar Rapids	IA	52402	319 531 2896
Marty Morrow	1300 Northwest 100th Street	Clive	IA	50325	317 518 2393
Bob Geers	2439 2nd Street #4	Coralville	IA	52241	319 531 2896
Bob Geers	5811 Elmore Ave	Davenport	IA	52807	319 531 2896
Robert McCabe	4308 W 119th Street	Leawood	KS	66209	913 620 5046
Charlie Hildreth	1785 Campbell Lane Suite 102	Bowling Green	KY	42104	270 438 9323
Tim Wilson	100 Walmart Drive	Elizabethtown	KU	42701	270 993-4960
Charlie Hildreth	3101 Richmond Road Suite 311B	Lexington	KY	40509	270 438 9323
Charlie Hildreth	3601 Frederica St #4	Owensboro	KY	42301	270-438 9323
Bruce Dall	414 S Main Street Ste 115	Ann Arbor	MI	48104	313 550 2900
Matt Kasten	16897 Chesterfield Airport Rd	Chesterfield	MO	63005	314 486 4895
Vincent Hobbs	6515 NW Barry Road	Kansas City	MO	64154	816 584 0500
Kevin Miller	476 Shotwell Road#103	Clayton	NC	27520	919 763 2595
Linette Nelson	3822 N 156th Street	Omaha	NE	68116	402 659 9975
Josh Stone	1225 State Road 206	Montgomery Township (Princeton)	NJ	8540	646-705 2490
Andy Tracy	3757 Montgomery Road	Cincinnati	OH	45212	859 743 5756
Reid Nuttall	5918 N May Ave	Oklahoma City	OK	73112	405 227 7877
Robert Mitchell	5105 US Route 30	Greensburg	PA	15601	724 244 5386
Bob Patel	1112 Nashville Pike	Gallatin	TN	37066	615 584 8669
Dina Moreno	406 B Dixieland Road	Harlingen	TX	78552	956 369 8995
George Andrews	4701 Plank Rd #104	Fredericksburg	VA	22407	540 429 0996
Marshall Sumner	1044 23rd Street	Roanoke	VA	24015	540 580 8310

Franchise Agreements Signed, but Businesses Not Yet Opened

None

EXHIBIT E

LIST OF FORMER FRANCHISEES
(as of December 31, 2016)

Trent Trivette and Anissa Kielinen
Tucson, AZ 85741
(520) 219 0510

Julio Osilia
Cape Coral FL 33909
(239) 800 3052

James Horton
Oxford MI
248 535 4304

David Greer
Pittsburg, PA 15237
(412) 736 4246

Mike Marlowe
Murfreesboro TN 37129
(615) 624-7456

Jim Bookamer
Dade City FL 33525
352 206 5777

Marty Morrow*
Clive IA 50325
317 518 2393

Matt Lucas*
Elizabethtown, KY 42701
270 993-4960

** These former franchisees were still franchisees as of December 31 2016 but as of the date of this disclosure document are no longer Digital Doc® franchisees*

If You buy this franchise, Your contact information may be disclosed to other buyers when You leave the franchise system

EXHIBIT F TO THE DISCLOSURE DOCUMENT

DIGITAL DOC FRANCHISING, LLC
AREA REPRESENTATIVE DISCLOSURES

As of the issuance date of the Franchise Disclosure Document, our current Area Representatives and their respective territories, are listed below We also list their additional disclosures for Items 2, 3, and 4 of the Franchise Disclosure Document

Jordan Kahf Area Representative for Orange County, California

ITEM 2 BUSINESS EXPERIENCE

Jordan Kahf has been our Area Representative of Orange County California since November 2015 From 2009 to present, he is and has been the Founder and President of RI Business Services a Franchise, Digital Marketing and Business consulting firm in Orange County, California

ITEM 3 LITIGATION

No litigation is required to be disclosed in this item

ITEM 4 BANKRUPTCY

No litigation is required to be disclosed in this item

ITEM 23 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 Digital Doc Franchising, LLC offers You a franchise, it must provide this disclosure document to You 14 calendar days before You sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale Under Iowa or New York law, if applicable, Digital Doc Franchising, LLC must provide this disclosure document to You at your 1st personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires Digital Doc Franchising, LLC to give You this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration whichever occurs first

If Digital Doc 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 Commission, Washington, D C 20580 and the appropriate state agency identified on Exhibit A

The name, principal business address and telephone number of each franchise seller offering the franchise (**franchisor** check all that apply) ☐ Levi Dinkla ☐ Sarah Barton, Digital Doc Franchising, LLC, 2500 Lehigh Avenue, Glenview, IL, (847) 904-9100 We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary)

____

Issuance Date May 12, 2017

See Exhibit A for Digital Doc Franchising, LLC's registered agents authorized to receive service of process

I have received a disclosure document dated May 12, 2017 that included the following Exhibits

A Franchise Agreement with Exhibits, State Addenda, and Area Development Addendum
B State Administrators and Agents for Services of Process
C Financial Statements
D List of Franchisees
E List of Franchisees that Left the System
F Area Representative Disclosures

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature Please retain one copy for your records, and return the other copy to Sarah Barton, Digital Doc Franchising, LLC 2500 Lehigh Avenue Glenview, IL 60026, or send by email with electronic signatures to Sarah Barton@DigitalDoc com

ITEM 23 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 Digital Doc Franchising, LLC offers You a franchise, it must provide this disclosure document to You 14 calendar days before You sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale Under Iowa or New York law, if applicable, Digital Doc Franchising, LLC must provide this disclosure document to You at your 1st personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires Digital Doc Franchising LLC to give You this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration whichever occurs first

If Digital Doc 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 Commission, Washington, D C 20580 and the appropriate state agency identified on Exhibit A

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B State Administrators and Agents for Services of Process	E List of Franchisees that Left the System
C Financial Statements	F Area Representative Disclosures

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature Please retain one copy for your records, and return the other copy to Sarah Barton, Digital Doc Franchising LLC, 2500 Lehigh Avenue, Glenview, IL 60026, or send by email with electronic signatures to Sarah Barton@DigitalDoc com