FRANCHISE DISCLOSURE DOCUMENT

DPF Alternatives, LLC,
a Colorado limited liability company
1745 Shea Center Drive
Fourth Floor
Highlands Ranch, Colorado 80129
Telephone: (720) 697-3810
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www.dpfalternatives.com

The franchise offered is for the operation of a business offering unique diesel filter cleaning services using state-of-the-art ultrasonic equipment, pick-up and drop off services, and other services and products (each, a "DPF Business"). Franchisees may open a new DPF Business (a "Start-Up Business"), convert a non-competitive existing engine maintenance business (a "Conversion Business"), convert a competitive existing engine maintenance business (a "Competitive Conversion Business"), co-brand an existing engine maintenance business the franchisee owns with their DPF Business (a "Co-Branded Business"), or co-brand an existing non-competitive engine maintenance business owned by a third party with their DPF Business (an "Investor Business").

The estimated initial investment necessary to begin operation of a Start-Up Business ranges from $44,000 to $199,000. This includes between $2,500 and $58,000 that must be paid to the franchisor or an affiliate. The estimated initial investment necessary to begin operation of a Conversion Business, a Co-Branded Business, a Competitive Conversion Business, or an Investor Business ranges from $22,000 to $173,000. This includes between $2,500 and $47,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of a DPF Business under a Multi-Unit Development Agreement is $46,000 to $754,000. This includes between $7,500 and $638,000 that must be paid to the franchisor or an 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 at least fourteen calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Pedro Reyes or Corey Reyes at 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129, (720) 697-3810.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at (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.

Date of Issuance: July 11, 2022.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks To Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all your financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal asserts at risk if your franchise fails.

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

NOTICE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

The Michigan Franchise Law states in Sec. 445.1527, Sec. 27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel, which deprives a franchisee of rights and protections, provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust and Franchise
G. Mennen Williams Building
First Floor
525 West Ottawa
Lansing, Michigan 48909

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EXHIBITS

Exhibit A	List of State Agencies/Agents for Service of Process
Exhibit B	DPF Alternatives, LLC Franchise Agreement
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Exhibit D	Manual Table of Contents
Exhibit E	List of Franchisees and Franchisees That Have Left the System
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Exhibit I	Receipt

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor, Parents, Predecessors, and Affiliates

The franchisor is DPF Alternatives, LLC, a Colorado limited liability company. For ease of reference, the franchisor is referred to as "we," "us," "our," or "DPF Alternatives" in this Franchise Disclosure Document (the "FDD"). The person or business entity that buys the franchise is referred to as "you," "your," or with similar pronouns in the FDD. If you are a business entity, certain provisions of the franchise agreement will also apply to your owners.

We are a Colorado limited liability company organized on September 22, 2016. We do business as "DPF Alternatives, LLC." Our principal business address is 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129. We conduct business under our corporate name "DPF Alternatives, LLC" and under the "DPF Alternatives" trade name. Our business is operating the DPF Alternatives franchise system and granting franchises to third parties to develop and operate a DPF Business (each, a "Franchisee"). We began offering franchises in October, 2016. We are not in any other business, we have not conducted business in any other line of business, we do not conduct or operate a business of the type operated by franchisees, and we have not offered or sold franchises in any other line of business. Our registered agents for service of process are disclosed in Exhibit A.

We do not have any parents or predecessors. We have one affiliate.

Our affiliate DPFSource, LLC ("DPFSource") is a Colorado limited liability company organized on June 14, 2018. DPFSource conducts business under the name "DPFSource" in connection with the operation of one business located at 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129. DPFSource's business is the design and manufacture of our proprietary cleaning equipment. DPFSource has never offered franchises in this or in any other line of business.

The Franchised Business

We grant Franchisees the right to own and operate a DPF Business providing diesel filter cleaning services using state-of-the-art ultrasonic equipment, pick-up and drop off services, and other services and products pursuant to a DPF Alternatives, LLC Franchise Agreement (a "Franchise Agreement"). DPF Businesses feature the ultrasonic cleaning of any diesel-emissions-related filters including diesel particulate filters, diesel oxidation catalyst filters, selective catalyst reduction systems, decomposition tubes, and similar components of diesel engines that require periodic maintenance to meet federal standards or must be regularly maintained. These filters, systems, and engine components are collectively referred to as "DPFs." We license a system (the "System") for the operation of a DPF Business within a geographic territory (a "Designated Territory") that provides certain services and products (the "Services and Products") using our proprietary equipment and such other programs, materials, equipment, products, and supplies we designate (the "System Supplies"). DPF Alternative Businesses are characterized by the Services and Products; our proprietary and protected trademarks and trade dress (the "Marks); distinctive exterior and interior design and trade dress; uniform guidelines, specifications, and operational procedures; quality control procedures; proprietary back office electronic and point-of-sale equipment; and our advertising and promotional programs. We provide Franchisees with proprietary training, marketing assistance, design standards and specifications, and various pre-opening and post-opening services.

Multi-Unit Development Agreement

In addition to signing a Franchise Agreement in the form attached as Exhibit B, you may have the option to enter into a DPF Alternatives, LLC Multi-Unit Development Agreement (a "Development Agreement") to develop and operate multiple DPF Businesses (each, a "Development Business") in the form attached to the FDD as Exhibit C. The total number of DPF Alternative Businesses you will be required to develop and operate under a Development Agreement will vary from three to 30 as negotiated before you execute your Development Agreement. You will develop each Development Business within a designated geographic area (the "Development Area") under the terms of our then-current Franchise Agreement which may differ from your first Franchise Agreement. Your Development Agreement will include a development schedule (the "Development Schedule") containing deadlines by which you will open each Development Business. Your Development Schedule will vary depending on your Development Area and your number of Development Businesses.

Unless otherwise specified, the information contained in the FDD applies to a single DPF Business under a Franchise Agreement and multi-unit development under a Development Agreement. We may occasionally offer franchises under different terms and conditions to reflect particular circumstances or overall market conditions. If you execute a Development Agreement, you will also execute individual Franchise Agreements; your first Franchise Agreement will be in the form of Franchise Agreement attached as Exhibit A. Your first Franchise Agreement will be concurrently executed with your Development Agreement.

Competition and Regulation

You will be competing with engine maintenance businesses, diesel vehicle dealerships, local and national service centers, and other businesses that offer similar services including businesses that offer DPF replacements.

Industry-Specific Laws and Regulations

You must comply with any local, state, and federal laws applicable to your DPF Business. Laws and regulations applicable to the operation of a DPF Business may include, without limitation, laws and regulations relating to business licensure, customer health and safety, employment, workers' compensation, construction, fire safety, hazardous materials, and taxation. There may be other laws and regulations applicable to your DPF Business and we advise you to consult with local legal counsel to determine your specific requirements.

Item 2

BUSINESS EXPERIENCE

Pedro Junior Reyes, Managing Member

Mr. Reyes been our Managing Member since our organization. He has been the Managing Member of DPFSource since its organization.

Chris Burrei, Vice President

Mr. Burrei has been our Vice President since our organization. He has been the President of GMXR, Inc. in Nashville, Tennessee since August, 2004. He was the Director of Franchise Operations of Techna Glass Inc. in Sandy, Utah from September, 2003 to August, 2019.

Item 3

LITIGATION

No litigation is required to be disclosed in the FDD.

Item 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of the FDD has been involved as a debtor in proceedings under the U.S. Bankruptcy code required to be disclosed in the FDD.

Item 5

INITIAL FEES

Initial Franchise Fee

You will pay us an initial franchise fee (the "Initial Franchise Fee") that will vary based on the size of your Designated Territory when you execute your Franchise Agreement. The Initial Franchise Fee is paid as a lump sum, fully earned by us upon payment, used to offset certain franchise recruitment expenses, and defrays our costs for providing initial training and pre-opening assistance. The Initial Franchise Fee is non-refundable except that we will return 50% of the Initial Franchise Fee if you fail to complete our Initial Training Program (defined below). The Initial Franchise Fee is uniformly calculated except that we may negotiate the Initial Franchisee Fee for Designated Territories with a population in excess of 500,001 residents.

The Initial Franchise Fee varies based on the population of the Designated Territory as follows:

Designated Territory Tier	Territory Population	Initial Franchise Fee
Tier I	1 to 25,000	$2,500
Tier II	25,001 to 50,000	$5,0000
Tier III	50,001 to 75,00	$7,500
Tier IV	75,0001 to 100,000	$10,000
Tier V	100,001 to 250,000	$15,000
Tier VI	250,001 to 500,000	$25,000
Tier VII	500,001+ residents	Varies

Opening Inventory Fees

You will purchase your initial opening inventory of certain supplies from us or DPFSource. We estimate that the cost of your initial opening inventory of the supplies will range from $43,000 to $80,000. Your initial opening inventory fees are fully earned upon payment and non-refundable.

Development Area Fee

If you enter into a Development Agreement, in addition to the Initial Franchise Fee for your first Development Business you pay when you sign your first Franchise Agreement, you will pay us a non-

refundable development area fee (the "Development Area Fee") for each additional Development Business. The Development Area Fee is equal to the sum of the Initial Franchise Fees for each additional Development Business you will develop pursuant to your Development Agreement. The Development Area Fee will vary depending on your number of Development Businesses in accordance with the following table:

Number of Development Businesses	Discount of Each Initial Franchise Fee
1 to 9	None
10 to 15	5%
16 to 20	10%
21 to 25	15%
26 to 30	20%
31 or more	Varies

The minimum number of Development Businesses you may develop is three and the maximum number is 30. You will pay the Development Area Fee in addition to the applicable Initial Franchise Fee for your first Franchise Agreement. You will not pay any additional Initial Franchise Fees when you execute a Franchise Agreement for each subsequent Development Business. The Development Area Fee is paid as consideration for your Development Area, fully earned by us upon payment, and defrays our costs for providing initial training and pre-opening assistance. The Development Area Fee is uniformly calculated except that we may negotiate the Development Area Fee for franchisees who will develop more than 30 Development Businesses.

Item 6

OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty[2]	No Royalty (defined below) is due for the first two months from the date you open. You will pay $750 per month beginning on the third month.	The fifth business day of each month.	Payable to us by electronic funds transfer ("EFT") or credit card. You will pay the Royalty when due regardless if you have been invoiced or not. If you open on a day other than the first day of a month, your two-month period will begin on the first calendar day of the month following the month in which you open.
Local Advertising Costs[3]	At least $250 per month.	Monthly as incurred.	Payable to third parties or an advertising cooperative. You are required to spend a minimum amount on local advertising each

Type of Fee[1]	Amount	Due Date	Remarks
			month. We may increase this amount at any time up to $350 upon 60 days' prior written notice.
Regional Advertising Cooperative Fee[4]	The then-current fee.	As incurred.	Payable to a cooperative if one is established in your area. No cooperatives have been established, but may be established in the future. Amounts paid to a cooperative will be credited towards your monthly local advertising expenditures.
Brand Development Fund Fee[5]	The then-current fee.	Payable monthly with your Royalty.	Payable to us by EFT or credit card. We do not currently charge this fee, but reserve the right to do so in the future. We may increase this fee up to $500 at any time upon 60 days' prior written notice.
Technology Maintenance Fee[6]	The then-current fee.	As incurred.	Payable to us by EFT. We do not currently charge this fee, but we may do so in the future upon 60 days' prior written notice. If we implement this fee, we may increase this fee at any time at any time up to $500 upon 60 days' prior written notice.
Training Expenses for Additional Personnel	As charged by third parties.	As incurred.	Payable to airlines, hotels, and similar businesses. We do not charge to train additional personnel. We will train additional personnel in our discretion based on our availability and capacity. If you wish to have additional personnel trained at a later date at a site other than your DPF Business, you will be responsible for any

Type of Fee[1]	Amount	Due Date	Remarks
			associated costs payable to third parties.
Additional Operating Assistance	The then-current fee plus associated expenses.	As incurred.	If you require additional onsite assistance (including sales assistance), you will pay us our then-current fee and our associated travel expenses. The current fee is $1,000 per day. We may increase this fee at any time without limitation upon 60 days' prior written notice.
Missed Quota Remedial Training	The then-current fee plus associated expenses.	As incurred.	Payable to us or third parties. If you fail to meet your Quota (defined below), we may require you to complete additional training onsite or at another location in our discretion. The current fee is $500 per day. We may increase this fee at any time without limitation upon 60 days' prior written notice. You will also be responsible for any associated travel expenses.
Annual Conference Fee and Expenses	The then-current fee plus associated expenses.	As incurred.	Payable to us or third parties. We do not currently hold an annual conference, but may do so in the future in our discretion. If we hold a conference, you will pay the conference fee and any associated travel expenses. You will pay this fee whether or not you attend the conference.
Default Interest Rate	The greater of (i) 1.5% per month, or (ii) the highest rate permitted by applicable law.	As incurred.	Payable to us for any amounts due to us that you fail to pay when due.

Type of Fee[1]	Amount	Due Date	Remarks
Audit Expenses[7]	Cost of audit and associated expenses.	Ten days after receipt of audit report.	Payable to us if an audit reveals that you have underreported Gross Sales (defined below) by more than 3%.
Late Fee	The then-current fee.	As incurred.	Payable to us if you fail to timely make any payments due to us. The current fee is $100 per incident. The fee begins to accrue on the sixth day after the payment due date. We may increase this fee without limitation upon 60 days' prior written notice.
Successor Franchise Fee	50% of the then-current Initial Franchise Fee.	Upon our approval of a renewal.	Payable to us.
Transfer Fee	75% of the then-current Initial Franchise Fee or $7,500.	Upon our approval of a transfer.	Payable to us. If your DPF Business has begun operating, the transfer fee is 75% of the then-current Initial Franchise Fee. If your DPF Business has not begun operation, the transfer fee is $7,500.
Relocation Fee	The then-current fee.	As incurred.	Payable to us if we approve your relocation in our discretion. The current fee is $2,500. We may increase this fee at any time without limitation upon 60 days' prior written notice.
Investor Business Designated Territory Swap Fee	The greater of (i) $250, or (ii) our actual incurred legal costs.	As incurred.	Payable to us if you are an Investor Business and we approve a swap of your Designated Territory for one of equal or lesser value before your Investor Business begins operations.
Inventory	As incurred.	As incurred.	Payable to us, DPFSource, other affiliates, or approved suppliers. You will purchase your inventory of certain filters, tools, equipment, and

Type of Fee[1]	Amount	Due Date	Remarks
			consumables as we direct in our discretion.
Approval of Suppliers	As we determine.	As incurred.	Payable to us. You will pay this fee if you submit a supplier for our evaluation. This fee is payable whether or not we approve the potential supplier.
Insurance	Varies.	As incurred.	Payable to third parties.
Attorney's Fees and Other Professional Fees	Varies.	As incurred.	Payable to third parties.
Indemnification	Varies.	As incurred.	Payable to us. You will reimburse us if we are held liable for any claims arising from your DPF Business and other claims as specified in your Franchise Agreement.

Notes:

1. All fees paid to us or DPFSource are uniform and non-refundable. Fees paid to third parties may be refundable depending on the third parties. We currently require you to pay fees and other amounts due to us or our affiliates by EFT. We may require an alternative payment method or payment frequency for any amounts owed to us, DPFSource, or other affiliates in our discretion. If you enter into a Development Agreement, the fees described above are for each Development Business.

2. After your second month of operation, you will pay a $750 monthly fee (the "Royalty"). If any federal, state, or local tax other than an income tax is imposed on the Royalty fee that we cannot directly and dollar-for-dollar offset against our taxes, you will compensate us as we determine in our discretion so that the net amount or net effective Royalty we receive is not less than $750.

3. You will spend at least $250 per month on local advertising for your DPF Business within your Designated Territory in accordance with our standards and specifications.

4. If two or more DPF Businesses are operating within a geographic area we designate, we may establish and require your participation in an advertising cooperative within the designated market (a "Cooperative"). If a Cooperative is established that includes your DPF Business, you will participate in the Cooperative and make on-going payments to the Cooperative in amounts established by the Cooperative. We anticipate that each DPF Business franchisee will have one vote for each DPF Business located within the Cooperative's market and that Cooperative decisions will be made based on approval of a simple majority vote with a quorum of not less than 25% of the Cooperative's members. Contributions to a Cooperative will count toward satisfaction of your minimum local advertising requirement.

5. The "Brand Development Fund Fee" is a monthly fee we may implement in the future in our discretion as described in Item 8.

6. The "Technology Maintenance Fee" is a monthly fee that will be used to maintain our website and provide support for the POS System (defined below).

7. "Gross Sales" means the total dollar sales from all business and customers of your DPF Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay, or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or corporate entity from business conducted or which started in, on, from, or through your DPF Business or your Designated Territory whether such business is conducted in compliance with or in violation of the terms of your Franchise Agreement. Gross Sales do not include (i) sales taxes that you collect and remit to the proper taxing authority, or (ii) authorized promotional discounts that you provide.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. START-UP BUSINESS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$2,500 to $25,000	Lump sum.	When Franchise Agreement is signed.	Us
Construction and Leasehold Improvements[2]	$0 to $7,500	As arranged.	As incurred.	Contractors, suppliers, or landlord
Lease Deposit – Three Months[3]	$0 to $8,500	As arranged.	As incurred.	Landlord
Furniture, Fixtures, and Equipment[4]	$30,000 to $100,000	As arranged.	As incurred.	Suppliers
Initial Inventory[5]	$1,000 to $15,000	As arranged.	As incurred.	Us or suppliers
Signage[6]	$250 to $3,000	As arranged.	As incurred.	Us or suppliers
Computer, Software, and POS System[7]	$0 to $3,500	As arranged.	As incurred.	Suppliers
Grand Opening Marketing[8]	$250 to $1,000	As arranged.	As incurred.	Suppliers
Insurance Deposits – Three Months[9]	$500 to $2,000	As arranged.	As incurred.	Insurers
Travel for Initial Training[10]	$2,000 to $3,500	As arranged.	As incurred.	Airlines, hotels, or restaurants
Professional Fees[11]	$1,500 to $3,000	As arranged.	As incurred.	Attorneys, accountants, or professional advisors
Service Vehicle[12]	$0 to $10,000	As arranged.	As incurred.	Automobile dealers or third parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Licenses and Permits[13]	$1,000 to $2,000	As arranged.	As incurred.	Government agencies
Additional Funds – Three Months[14]	$5,000 to $15,000	As arranged.	As incurred.	Us, employees, suppliers, landlord, or utility suppliers
Total Initial Estimate[15]	$44,000 to $199,000			

Notes:

1. Initial Franchise Fee. The Initial Franchise Fee varies based on the size of the Designated Territory as described in Item 5.

2. Construction and Leasehold Improvements. This estimate is for the cost of construction and build-out of a non-retail, back-office commercial facility (an "Operations Center") for the administrative operation of your DPF Business, storage of equipment and commercial vehicles, customer pick-up and drop-off, and employee coordination. An Operations Center is typically located within an industrial park or similar facility of approximately 600 square feet to 1,250 square feet in size. This estimate assumes the location selected for your Operations Center has existing interior improvements with installed and functional heating/cooling delivery systems, essential lighting, electrical switches and outlets, lavatories, and finished ceilings, walls, and floors. Your Operations Center should not be accessible to the general public except for customers dropping off or requesting walk-in services.

3. Lease Deposit – Three Months. This estimate assumes you will lease your Operations Center's premises and is for the estimated amount of the initial lease deposit you will be required to pay to the landlord which is typically equal to three months of rent payments. You will negotiate the amount of your lease deposit directly negotiate with the landlord. This estimate does not include the cost of real property if you purchase the real property of your Operations Center.

4. Furniture, Fixtures, and Equipment. You will purchase the patented or proprietary equipment we designate in the Manual (defined below) or otherwise in writing. You will be required to purchase certain types of equipment including, without limitation, waiting area furniture, front counter and waiting area decor, interior and exterior signage, inventory shelving, work benches, filing cabinets, and basic office equipment from us, DPFSource, designated suppliers, or approved suppliers subject to our specifications. This estimate does not include any transportation or setup costs.

5. Initial Inventory. You will purchase an initial opening inventory of Services and Products, supplies, equipment, and other items for your DPF Business. You will continuously maintain your inventory while you operate your DPF Business.

6. Signage. You will purchase promotional signs and displays that we designate.

7. Computer, Software, and POS System. You will purchase, license, and use the point of sale systems, ordering systems, and applications (the "POS System") that we designate. In addition to the POS System, you will purchase computer hardware and software (the "Computer System") that we designate.

8. Grand Opening Marketing. You will spend a minimum of $250 before opening your DPF Business to promote your grand opening. You will submit your grand opening marketing plan to us for our approval.

9. Insurance Deposits – Three Months. You will maintain certain insurance coverage. Your payments for insurance and payment timing will be determined based on your agreements with your insurance providers. This estimate is for the cost of an initial deposit to obtain the minimum required insurance and is equal to three months of estimated monthly insurance premium payments. We recommend you consult with an insurance agent before signing your Franchise Agreement.

10. Travel for Initial Training. You will complete our initial training program before opening your DPF Business. We do not charge a fee for our initial training program. This estimate is for estimated travel and lodging expenses you will incur to attend our initial training program.

11. Professional Fees. This estimate is for costs associated with engaging professionals such as attorneys and accountants. We recommend you seek the assistance of professional advisors to evaluate our franchise opportunity, the FDD, the Franchise Agreement, the Development Agreement (if applicable), any lease, and any other contracts you will enter into in connection with your DPF Business.

12. Service Vehicle. You will use an approved, branded service vehicle for all customer visits. The low estimate assumes you already have a dedicated service vehicle that meets our standards and specifications and the high estimate is for an initial deposit and three months of installment payments for one leased or financed service vehicle. These payments will be an ongoing expense throughout the operation of your DPF Business. The service vehicle will be well-maintained, registered and insured as a commercial vehicle, and meet our standards and specifications at all times.

13. Licenses and Permits. You will obtain and maintain all required permits and licenses necessary to operate your DPF Business. The licenses will vary depending on applicable regulations.

14. Additional Funds. This estimate is for the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities during your DPF Business's initial three-month period of operations. This estimate does not include compensation to you or your owners, interest charges, finance charges, or other payments you may incur if you finance the development of your DPF Business. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your DPF Business. Before signing your Franchise Agreement, you should consult with your accountant and advisor to budget and determine the amount of additional funds that should be reserved to support and capitalize the long-term operations of your DPF Business.

15. Total Initial Investment. This estimate is for the initial start-up expenses for a typical DPF Business. We have based this estimate on the experiences of DPFSource and existing franchisees with the development of DPF Businesses. This figure is only an estimate and your costs may vary. Factors that may influence your costs include the size of your DPF Business, local geographic market and economic conditions, local licensing costs, competition, the construction of your Operations Center, landlord-funded improvements and allowances, the capabilities of your management team, and the level of sales achieved by your DPF Business. This estimate is for only one DPF Business.

B. CO-BRANDED BUSINESS, CONVERSION BUSINESS, COMPETITIVE CONVERSION BUSINESS, AND INVESTOR BUSINESS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$2,500 to $25,000	Lump sum.	When Franchise Agreement is signed.	Us
Construction and Leasehold Improvements[2]	$0 to $2,500	As arranged.	As incurred.	Contractors, suppliers, or landlord
Furniture, Fixtures, and Equipment[3]	$15,000 to $100,000	As arranged.	As incurred.	Suppliers
Initial Inventory[4]	$1,000 to $4,500	As arranged.	As incurred.	Us or suppliers
Signage[5]	$250 to $3,000	As arranged.	As incurred.	Us or suppliers
Computer, Software, and POS System[6]	$0 to $3,500	As arranged.	As incurred.	Suppliers.
Grand Opening Marketing[7]	$250 to $500	As arranged.	As incurred.	Suppliers.
Insurance Deposits – Three Months[8]	$0 to $1,500	As arranged.	As incurred.	Insurers
Travel for Initial Training[9]	$1,500 to $2,500	As arranged.	As incurred.	Airlines, hotels, or restaurants
Professional Fees[10]	$1,500 to $3,000	As arranged.	As incurred.	Attorneys, accountants, or professional advisors
Service Vehicle[11]	$0 to $10,000	As arranged.	As incurred.	Automobile dealers
Licenses and Permits[12]	$0 to $2,000	As arranged.	As incurred.	Governmental agencies
Additional Funds – Three Months[13]	$0 to $15,000	As arranged	As incurred	Us, employees, suppliers, landlord, utility suppliers
Total Initial Estimate[14]	$22,000 to $173,000			

Notes:

1. Initial Franchise Fee. The Initial Franchise Fee varies based on the size of the Designated Territory as described in Item 5. We must approve your existing business's location before you purchase a Co-Branded Business, a Conversion Business, or Competitive Conversion Business.

2. Construction and Leasehold Improvements. This estimate is for the cost of construction and build-out of an Operations Center for the administrative operation of your DPF Business, storage of equipment and commercial vehicles, customer pick-up and drop-off, and employee coordination at your existing business's location. An Operations Center is typically approximately 600 square feet to 1,250 square feet in size. This estimate assumes the location selected for your Operations Center has existing interior improvements with installed and functional heating/cooling delivery systems, essential lighting,

electrical switches and outlets, lavatories, and finished ceilings, walls, and floors. Your Operations Center should not be accessible to the general public except for customers dropping off or requesting walk-in services. Your expenses will be greater if you need to relocate your existing business.

3. Lease Deposit – Three Months. This estimate assumes you will lease your Operations Center's premises and is for the estimated amount of the initial lease deposit you will be required to pay to the landlord which is typically equal to three months of rent payments. You will negotiate the amount of your lease deposit directly negotiate with the landlord. This estimate does not include the cost of real property if you purchase the real property of your Operations Center.

4. Furniture, Fixtures, and Equipment. You will purchase the patented or proprietary equipment we designate in the Manual (defined below) or otherwise in writing. You will be required to purchase certain types of equipment including, without limitation, waiting area furniture, front counter and waiting area decor, interior and exterior signage, inventory shelving, work benches, filing cabinets, and basic office equipment from us, DPFSource, other affiliates, designated suppliers, or approved suppliers subject to our specifications. This estimate does not include any transportation or setup costs.

5. Initial Inventory. You will purchase an initial opening inventory of supplies, equipment, and inventory for your DPF Business. You will continuously maintain your inventory of supplies, equipment, and inventory while you operate your DPF Business.

6. Signage. You will purchase promotional signs and displays that we designate.

7. Computer, Software, and POS System. You will purchase, license, and use the POS System. You will purchase the Computer System.

8. Grand Opening Marketing. You will spend a minimum of $250 before opening your DPF Business to promote your grand opening. You will discuss your grand opening marketing plan with us to ensure your plan benefits from our experience. Implementation of your plan is subject to our approval.

9. Insurance Deposits – Three Months. You will maintain certain insurance coverage. Your payments for insurance and payment timing will be determined based on your agreements with your insurance providers. This estimate is for the cost of an initial deposit to obtain the minimum required insurance and is equal to three months of estimated monthly insurance premium payments. We recommend you consult with an insurance agent before signing your Franchise Agreement.

10. Travel for Initial Training. You will complete our initial training program before opening your DPF Business. We do not charge a fee for our initial training program. This estimate is for estimated travel and lodging expenses you will incur to attend our initial training program.

11. Professional Fees. This estimate is for costs associated with engaging professionals such as attorneys and accountants. We recommend you seek the assistance of professional advisors to evaluate our franchise opportunity, the FDD, the Franchise Agreement, the Development Agreement (if applicable), any lease, and any other contracts you will enter into in connection with your DPF Business.

12. Service Vehicle. You will use an approved service vehicle for all customer visits. The low estimate assumes you already have a dedicated service vehicle that meets our standards and specifications and the high estimate is for an initial deposit and three months of installment payments for one leased or financed service vehicle. These payments will be an ongoing expense throughout the operation of your DPF Business. The service vehicle will be well-maintained, registered and insured as a commercial vehicle, and meet our standards and specifications at all times.

13. Licenses and Permits. You will obtain and maintain all required permits and licenses necessary to operate your DPF Business. The licenses will vary depending on applicable regulations.

14. Additional Funds. This estimate is for the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities during your DPF Business's initial three-month period of operations. This estimate does not include compensation to you or your owners, interest charges, finance charges, or other payments you may incur if you finance the development of your DPF Business. This is only an estimate for your initial three months of operations and more working capital and additional funds may be required depending on the sales and performance of your DPF Business. Before signing your Franchise Agreement, you should consult with your accountant and advisor to budget and determine the amount of additional funds that should be reserved to support and capitalize the long-term operations of your DPF Business.

15. Total Initial Investment. This estimate is for the initial start-up expenses for a typical DPF Business. We have based this estimate on the experiences of DPFSource and existing franchisees with the development of DPF Businesses. This figure is only an estimate and your costs may vary. Factors that may influence your costs include the size of your DPF Business, local geographic market and economic conditions, local licensing costs, competition, the construction of your Operations Center, landlord-funded improvements and allowances, the capabilities of your management team, and the level of sales achieved by your DPF Business. This estimate is for only one DPF Business.

C. DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Area Fee[1]	$5,000 to $580,000	Lump sum.	When Franchise Agreement and Development Agreement are signed.	Us
Estimated Initial Investment to Open One Development Business[2]	$41,500 to $174,000	Estimated Initial Investment is the estimate contained in Chart A above for a Start-Up Business less the first Initial Franchise Fee.		
Total Estimate[3]	$46,500 to $754,000			

Notes:

1. Development Area Fee. Your Development Area Fee reserves your right to open one Development Business within each of those Territory Tiers. For example, if you purchase ten Tier I franchises, you will pay a total of $25,000 comprised of a $2,500 Initial Franchise Fee for your first Territory Tier I Development Business and a $22,500 Development Area Fee for your right to open nine additional Tier I Development Businesses with your Development Area.

2. Estimated Initial Investment. This is the estimated initial investment for the development of one Start-Up Business. This estimate may vary if your first Development Business is a Co-Branded Business, a Conversion Business, a Competitive Conversion Business, or an Investor Business.

3. Total Initial Estimate. This is the total estimated investment to enter into your Development Agreement and Franchise Agreement for your first Development Business. You will be granted the right to develop and operate between three and 30 Development Businesses pursuant to your

Development Agreement. This estimate is only for the development of your first Development Business. This estimate does not include the estimated initial investment you will incur to develop additional Development Businesses.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You will adhere to the standards and specifications we establish while developing and operating your DPF Business including, without limitation, standards and specifications for your delivery of Services and Products, appearance, design, service quality, and performance. The specifications are based on our Affiliate's experience with operating businesses similar to DPF Businesses.

We will communicate our standards and specifications to you during training, at other times before you open, and through other materials which may consist of written or electronic documents, bulletins, manuals, or other documents (collectively, the "Manual"). We may periodically issue new standards and specifications through written notice. We may modify any standard or specification on a regional or national basis by amendments to the Manual or written notice. You will implement any modifications following notification.

Required and Approved Suppliers

You will purchase all equipment used to service diesel filters in accordance with our approved standards from us, DPFSource, other affiliates, designated suppliers, or our approved suppliers. We may communicate our standards and specifications directly to approved suppliers who supply you with Services and Products, furniture, fixtures, equipment, inventory, and signage. We, DPFSource, and our approved suppliers are the only currently approved suppliers for this equipment. We may modify our approved suppliers at any time in our discretion.

Your initial inventory of Services and Products and certain other tools, equipment, and consumables necessary to operate your DPF Business must be purchased from us or DPFSource. You will maintain your DPF Business as needed to ensure a clean, safe, and attractive location. To the extent that this maintenance requires the purchase of additional goods that may only be purchased from us or DPFSource, you must make that purchase from us or DPFSource. You must purchase the POS System only from our approved supplier.

You may be required to renovate your DPF Business no more often than every five years to meet our then-current standards and specifications. Such renovation may also be required if you are awarded Successor Franchise Rights, after each subsequent five-year period, and in connection with a transfer.

If implemented, we will be the only supplier of the services for which the Technology Maintenance Fee will be paid.

We may add new goods or services to the Services and Products in the future. You may incur additional expenses in connection with such additions that may be payable to us, DPFSource, or third parties. If we add new goods or services, we will notify you in writing and give you a reasonable time to begin offering the new goods or services which will not exceed 60 days.

Except as described above, you may purchase all other furniture, fixtures, equipment, and materials from any approved source. A list of approved products and suppliers from whom other products may be purchased is published in our Manual. We may amend the list in our discretion.

Except for those items that must be purchased from us or DPFSource, there are no approved suppliers in which any of our officers own an interest. Except as stated, we and DPFSource are not approved suppliers.

Insurance

You will purchase and maintain the following insurance coverage during the entire term of the Franchise Agreement:

(i) Commercial general liability, including coverage for products-completed operations, contractual liability, personal and advertising injury, product liability, fire damage and medical expenses, having a combined single limit for bodily injury and property damage of $1,000,000 per occurrence and $2,000,000 in the aggregate;

(ii) Automobile liability insurance for your service vehicles including coverage for owned, non-owned, scheduled, and hired vehicles with bodily injury limits of $500,000 per person and $1,000,000 per accident, and property damage limits of $50,000 per occurrence;

(iii) Business interruption insurance of not less than $50,000 for loss of income and other expenses with a limit of not less than nine months of coverage;

(iv) Comprehensive crime and blanket employee dishonesty insurance in an amount of not less than $5,000; and

(v) Employer's liability and worker's compensation insurance as required by applicable state law.

Alternative Suppliers

You may wish to purchase a required good or service from a supplier that we have not previously approved. We will evaluate any proposed supplier and may charge you our then-current fee for this service. We do not maintain written criteria for approving suppliers and such criteria are not available to you or a proposed supplier. To obtain our approval, you must submit such information as we reasonably require in order to evaluate the supplier. We will evaluate the supplier and provide written notice of our decision to you within 30 days. We may grant or deny approval for any reason or no reason at all. Except as stated here, we have no process for approving suppliers.

We may revoke our approval of an approved supplier at any time if we determine in good faith that the goods or services they are supplying no longer meet our standards. We will notify you if we revoke our approval of any suppliers. You will immediately stop purchasing disapproved goods or services or purchases from a disapproved supplier.

Purchase Agreements and Cooperatives

We may negotiate purchase agreements, including price terms, with designated suppliers for source-restricted goods and services on behalf of the System in our discretion. We may establish preferred vendor programs with suppliers on behalf of some or all DPF Businesses and in doing so, we may limit the

number of approved suppliers you may use. We may designate one supplier as your sole approved supplier. There are no current purchase or supply agreements in effect for source-restricted products or services. There are currently no purchasing or distribution cooperatives that you must join. You will not receive any material benefits by using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue From Source-Restricted Purchases

We, DPFSource, or other affiliates may receive rebates, payments, or other material benefits from approved suppliers based on franchisee purchases. We may institute rebate programs in the future in our discretion. We did not receive revenue from suppliers of franchisee purchases of source-restricted products or services as of the date of the FDD. In 2021, we did not receive revenue from suppliers of source-restricted purchases. DPFSource receives revenue from the sale of cleaning equipment to franchisees.

Establishment and Ongoing Expenses

We estimate that your purchase of goods and services from designated or approved suppliers will represent approximately 85% of your total purchases made to establish your DPF Business and approximately 50% of the ongoing operating expenses of your DPF Business.

Item 9

FRANCHISEE'S OBLIGATIONS

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

"FA" – Franchise Agreement, "DA" – Development Agreement

Obligation	Section in Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	FA: 2.A DA: 2, 5.5, and 5.6	Items 7 and 11
(b) Pre-opening purchase/leases	FA: 3 and 8 DA: N/A	Items 7 and 8
(c) Site development and other pre-opening requirements	FA: 3, 4, 7, 8, and 9.B DA: 2, 5.5, and 5.6	Items 6, 7, and 11
(d) Initial and ongoing training	FA: 4 and 7.I DA: N/A	Item 11
(e) Opening	FA: 2.1 DA: 2, 3, 4, and 9.B	Item 11
(f) Fees	FA: 3, 4.A, 5, 9, 12, 13, 14, 15, 16, and 18.N DA: 2, 4, and 5.2	Items 5, 6, and 7
(g) Compliance with standards and policies/manual	FA: 3, 4, 7, 8, 9, and 12 DA: 2 and 5	Items 8 and 11
(h) Trademarks and proprietary information	FA: 6, 7, and 11 DA: 2 and 5	Items 13 and 14
(i) Restrictions on products/services offered	FA: 3, 4.C, 7.A, 7.E, 7.F, 7.I, and 8 DA: 2 and 5	Items 8, 11, and 16

Obligation	Section in Agreement	Disclosure Document Item
(j) Warranty and customer service requirements	FA: 7 DA: N/A	Item 8
(k) Territorial development and sales quotas	FA: 2 DA: 4	Item 12
(l) On-going product/service purchases	FA: 3, 4.C, 5, and 7 DA: N/A	Item 8
(m) Maintenance, appearance and remodeling requirements	FA: 7 DA: 5	Items 7 and 11
(n) Insurance	FA: 8 DA: N/A	Items 7 and 8
(o) Advertising	FA: 3.F, 4.C, 7.E, 7.F, 9, and 11 DA: N/A	Items 6, 7, 8, and 11
(p) Indemnification	FA: 10.B and 10.C DA: N/A	Item 6
(q) Owner's participation/ management/staffing	FA: 4, 6, and 7 DA: N/A	Items 11 and 15
(r) Records and reports	FA: 12 DA: N/A	Item 11
(s) Inspections and audits	FA: 13 DA: N/A	Item 6
(t) Transfer	FA: 14 DA: 6	Item 17
(u) Renewal	FA: 15 DA: 3	Item 17
(v) Post-termination obligations	FA: 6, 17, and 18 DA: N/A	Item 17
(w) Non-competition covenants	FA: 6, 17, and 18 DA: N/A	Items 15 and 17
(x) Dispute resolution	FA: 18.F and 18.G DA: 2.5 and 6.2	Item 17

Item 10

FINANCING

Neither we nor DPFSource offer direct or indirect financing arrangements to you. Neither we nor DPFSource guarantee your notes, leases, or any other obligation. Neither we nor DPFSource receive any direct or indirect payments or other consideration for the placement of any financing that you may need.

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Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance

Before you open, we will:

1. Grant to you the right to operate your DPF Business within a Designated Territory (Franchise Agreement, Article 2.A).

2. Provide you with site selection guidelines for your Operations Center's location. Your Operations Center must be located within your Designated Territory at a site that we approve before you enter into a lease or similar agreement. You must secure an approved Operations Center location within 120 days after you execute your Franchise Agreement (Franchise Agreement, Article 3.C).

3. Designate your Development Area if you execute a Development Agreement. Your Development Businesses must be located within your Development Area. We will define the specific Designated Territory for each of your Development Businesses when you execute each Development Agreement's respective Franchise Agreement. Our approval of future Development Business locations will be based on our then-current criteria (Development Agreement, Article 2.1).

4. Provide you with one copy of the Manual as constituted when you sign your Franchise Agreement (Franchise Agreement, Article 4.C).

5. Provide you with a list of our approved suppliers to the extent we designate them as part of the Manual or otherwise in writing (Franchise Agreement, Article 3.E).

6. Provide you with a list of our approved signage, equipment, furniture, and fixtures to the extent we designate them as part of the Manual or otherwise in writing. You must obtain our prior approval of your proposed signage, equipment, furniture, and fixtures. We do not provide assistance with the delivery or installation of your signage, equipment, furniture, or fixtures (Franchise Agreement, Article 3.H and Article 9.E).

7. Identify your DPF Business on our website. We strictly control your use of websites and digital media. You will assign all website media and digital media accounts to us (Franchise Agreement, Article 9.E).

8. Provide you and one other person with training at our initial training program. If you are a business entity, you may designate a person who is one of your owners (a "Principal Operator") or a person who is not one of your owners (a "Designated Manager") to operate your DPF Business from day to day. Not less than 45 days before you open your DPF Business, you and your Designated Manager, Principal Operator, or other additional person must successfully complete our initial training program (Franchise Agreement, Article 4.A).

Typical Length of Time Before Opening

The typical length of time between execution of a Franchise Agreement and opening the DPF Business is between one to six months. You must open your DPF Business on or before the end of the sixth month (the "Opening Deadline") from the date of your Franchise Agreement. We may reasonably extend the Opening Deadline if factors beyond your control prevent you from meeting the Opening Deadline and you request an extension in writing at least 15 days before the Opening Deadline.

Continuing Obligations

During your operation of your DPF Business, we will:

1. Establish or modify standards, procedures, and requirements for your DPF Business's operations including, without limitation, for Services and Products, System Supplies, and marketing materials. We may modify these standards, procedures, and requirements in our discretion at any time. We will communicate these standards, procedures, and requirements to you through the Manual or otherwise in writing (Franchise Agreement, Article 3.E).

2. We will review your proposed marketing materials upon your request. You may not use any marketing materials that we have not previously approved (Franchise Agreement, Article 9.C).

3. Provide you with a list of our approved suppliers to the extent we designate them as part of the Manual or otherwise in writing. We may modify this list in our discretion at any time (Franchise Agreement, Article 3.E).

4. Coordinate an annual conference for you to attend in our discretion (Franchise Agreement, Article 7.I(5)).

5. Provide supplemental training in our discretion. We may require that you or your managers participate in supplemental onsite training as we determine. You will be pay our then-current supplemental training fee per day per each of our personnel plus our associated travel and other expenses incurred in connection with any supplemental training (Franchise Agreement, Article 4.A).

6. Offer our initial training program to any replacement Designated Managers or Principal Operators. Any replacement Designated Manager and Principal Operator must successfully complete our initial training program. You will be pay our then-current supplemental training fee per day per replacement Designated Manager or Principal Operator plus your associated travel and other expenses incurred in connection with the training. We do not currently charge a supplemental training fee, but we may do so in the future in our discretion (Franchise Agreement, Article 4.A).

7. Administer a fund comprised of all Brand Development Fund Fees (the "Brand Development Fund") for the benefit of the System. We do not currently administer a Brand Development Fund, but we may do so in the future in our discretion (Franchise Agreement, Article 9.A).

8. We may suggest recommended pricing levels. Notwithstanding the foregoing, you will determine the prices that you charge for the Services and Products (Franchise Agreement, Article 4.C).

We may delegate the performance of any of our obligations to third parties as we determine in our discretion.

Advertising

Local Advertising

You will spend at least $250 per month on advertising within your Designated Territory (the "Local Advertising Fee"). You will submit an accounting of your Local Advertising Fee expenditures within 15 days after the end of each calendar quarter showing your expenditures in our discretion. We may increase the Local Advertising Fee to no more than $350 in our discretion upon 60 days' notice.

You must submit any proposed advertising materials to us for approval before use. Advertising materials must be submitted to us for review no later than 30 days before use. We will have 15 days to review submitted proposed advertising materials. If we do not provide you with notice of our disapproval within the 15-day period, the proposed advertising materials will be deemed approved.

Regional Advertising

We may require you to join a Cooperative or participate in a regional advertising program we organize in our discretion upon 30 days' notice. If a regional advertising program is implemented, all DPF Businesses in the applicable region will participate. Your expenditures towards Cooperative membership or a regional advertising program will be credited against your Local Advertising Fees.

Brand Development Fund, Advertising Cooperatives, and Advertising Council

We may impose a Brand Development Fund Fee in our discretion at any time. The Brand Development Fund Fee will be up to $500 per month as we determine. We will give you 60 days' notice before implementing a Brand Development Fund Fee. The Brand Development Fund Fee will be due at the same time as your Royalties via EFT, a charge to a credit card that we have on file for you, or other collection methods we determine. All DPF Businesses will pay Brand Development Fund Fees on an equivalent basis.

Brand Development Fund Fees will be placed in the Brand Development Fund which may be an interest-bearing checking account, savings account, or any other account we determine. We will administer the Brand Development Fund in our discretion. Any Brand Development Fund monies not used in any year will be carried over to the next year. The Brand Development Fund will be used for the benefit of the System including, without limitation, for the creation, production, and placement of commercial advertising on the Internet or in traditional media, our in-house or outside agency costs and commissions, and any other related expenses. We may use the Brand Development Fund to solicit franchisees in our discretion. We may use the Brand Development Fund to reimburse our associated administrative costs, salaries, and overhead expenses.

The Brand Development Fund is not a trust and we assume no fiduciary duty by administering it. We make no guarantee to you or any other franchisee that advertising expenditures from the Brand Development Fund will benefit you or any other franchisee directly or on a *pro rata* basis. We have no direct or indirect liability or obligation to you with respect to the Brand Development Fund.

Upon your written request no later than 120 days after the end of each calendar year, we will provide you with an annual unaudited financial statement for the Brand Development Fund.

We collected no Brand Development Fund Fees in 2021.

We may create an advertising council in the future in our discretion which will be comprised of no more than 15 franchisees we select. The council will serve in an advisory capacity only. We may change or dissolve an advertising council at any time in our discretion.

Computer Requirements

We do not currently designate a POS System. You will purchase a POS System if required. You will purchase the POS System only from us, an affiliate, or our approved suppliers. The POS System will consist of a computer, software, a printer, and an integrated cash drawer that will track, without limitation, inventory, sales, discounts you offer, and tax payments. You will be required to have at least one complete POS System. The cost of a future POS System is estimated to be between $1,000 and $2,500. You will not be required to have a maintenance contract for your POS System, but you must maintain your POS System at all times. Future maintenance costs are estimated to be between $50 and $200 per year. We may require modifications to your POS System at any time in our discretion.

We do not currently designate a Computer System. You will purchase a Computer System if required. The Computer System may be of any make or model that meets our requirements. You may already have a Computer System that meets our requirements. If you purchase a Computer System, the Computer System may cost up to $1,000. You will not be required to have a maintenance contract for your Computer System, but you must maintain your Computer System at all times. Future maintenance costs are estimated to be between $50 and $200 per year. We may require modifications to your Computer System at any time in our discretion.

You will maintain high-speed Internet access to any POS System and Computer System at all times. While we do not require your use of a POS system or Computer System, if we require such use in the future, we will have independent access to your POS System and Computer System at all times. There are no contractual limitations on our right to access this information.

Initial Training Program

We will provide the initial training program for your first DPF Business. The initial training program takes place over an approximate five-day period. If more than two individuals attend the initial training program, you will pay the additional fee described in Item 7 per additional attendee. Although we conduct the initial training program at no additional fee to you, you will be responsible for all associated expenses. We currently provide our initial training program no less frequently than quarterly and on an as-needed basis.

The following chart summarizes our initial training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome and Facility Layout	2	0	Our then-current headquarters or such other place we designate.
General Operations	8	0	Our then-current headquarters or such other place we designate.
Filter Cleaning	8	12	Our then-current headquarters or such other place we designate.
Products/Services Sales and Marketing	4	12	Our then-current headquarters or such other place we designate.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Warranty Services	1	0	Our then-current headquarters or such other place we designate.
Billing and Collection	1	0	Our then-current headquarters or such other place we designate.
Subtotal	24	24	
Total Hours	48		

Instructional materials used in our initial training process includes our Manual, live instruction, presentation slides, videos, hands-on exercises, role-playing, and handouts. The initial training program will be conducted under the direction and supervision of Pedro Junior Reyes. Mr. Reyes has been involved with the diesel particulate filter cleaning industry and operated DPF Businesses since 2010. Other trainers will conduct aspects of the initial training program in our discretion. The level of experience of our trainers will, at a minimum, include each trainer's satisfactory completion of our initial training program. In addition to the initial training program, you will participate in any other training programs we may designate in our discretion.

Manual Table of Contents

The Manual is proprietary, part of the System, and our trade secret. The Manual is loaned to you and always remain our property. The Manual consists of approximately 140 items. The Manual's table of contents is attached as Exhibit D.

Conference

We do not currently conduct an annual conference, but may do so in the future in our discretion. If we conduct an annual conference, your attendance will be mandatory. We may impose a fee for any annual conference. In addition to any fee we impose, you will be responsible for all travel and other expenses.

Item 12

TERRITORY

You will not receive an exclusive territory. You will operate your DPF Business only from your Operations Center in your Designated Territory. Your Designated Territory will be determined when you execute your Franchise Agreement. Your Designated Territory will be defined by physical boundaries such as streets, geographic boundaries such as mountains and waterways, ZIP codes, political boundaries such as counties or cities, or other boundaries we designate.

You may relocate your DPF Business only with our prior written permission. Before you relocate your DPF Business, you must first have the new location approved by us in the same manner as we are then approving locations for new franchisees. You will pay us our then-current relocation fee (Item 6). Your relocated DPF Business cannot be in another franchisee's Designated 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. As long as you have complied with your Franchise Agreement, we will not license, franchise, or operate a DPF Business in your Designated Territory.

You may advertise your DPF Business only within your Designated Territory unless you are a member of a Cooperative or participating in a regional advertising program. You may serve all customers who enter your DPF Business regardless of origin.

You have no other option, right of first refusal, or similar rights to acquire additional franchise rights.

You must earn minimum Gross Sales each month (the "Quota") to maintain your rights in your Designated Territory. Beginning with your seventh full month of operations, the Quota will be a minimum of $5,000 in Gross Sales per month. Beginning in the 18th full month of operations, the Quota will be a minimum of $10,000 in Gross Sales per month. Beginning in the 31st month of operation and for each month thereafter, the Quota will be a minimum of $15,000 in Gross Sales per month.

If you fail to reach the Quota in any two of four successive quarters, in addition to terminating your rights to your Designated Territory, we may require you to complete additional training or we may terminate your Franchise Agreement in our discretion.

Reservation of Rights

Notwithstanding the foregoing, we and our affiliates may:

(i) Own, franchise, or operate businesses that are similar to your DPF Business using the Marks or the System at any location outside of your Designated Territory;

(ii) Use the Marks or the System to sell any products or services (which may be similar to those that you will sell) through any alternate channels of distribution within or outside of your Designated Territory. These alternate channels include, without limitation, wholesale outlets, retail outlets, to unrelated vehicle dealerships, or over the Internet. You cannot use alternate channels of distribution without our prior written permission;

(iii) Purchase, be purchased by, merge, or combine with any other business including, without limitation, a business that competes directly with your DPF Business, wherever located; and

(iv) Acquire and convert to our System any businesses offering services and products similar to those you offer including, without limitation, businesses operated by competitors or otherwise operated independently, as part of, or in association with any other system or chain, whether franchised or corporately owned, and whether located inside or outside of your Designated Territory.

Though we may use alternative channels of distribution within a Designated Territory to make sales of goods, items, and services associated with the System or the Marks, or associated with any other system or trademarks, service marks, trade names, logos, and the like, we have not done so as of the date of this FDD. We may do so at any time in our discretion.

Item 13

TRADEMARKS

You will be granted a license to use the Marks and such other trademarks we designate only in connection with the operation of your DPF Business. We may supplement and modify the trademarks you may use at any time in our discretion. You may not use the Marks in the name of any corporate entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

The principal trademarks identified in the schedule below are a part of the Marks, registered with the United States Patent and Trademark Office (the "USPTO"), and will be used by you in the operations of your DPF Business. All required affidavits for the following trademarks have been filed with the USPTO.

Mark	USPTO Registration Number	Registration Type	Registration Date
	87549007	Principal	August 7, 2018
DPF Alternatives (word)	87549007	Principal	December 11, 2018
	5626492	Principal	December 11, 2018

There are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state relating to our principal trademarks (including the Marks). There are no pending infringement, opposition, or cancellation proceedings and no pending litigation involving our principal marks. We know of no superior rights or infringing uses that could materially affect your use of our principal marks or other related rights in any state.

You will provide us with written notice of all claims you become aware of concerning the Marks including claims relating to your use of the Marks or associated with a third party's use of a trademark that is identical or confusingly similar to the Marks. We may take any action we believe appropriate in response to any trademark infringement, challenge, or claim in our discretion. We will exclusively control any litigation, legal proceedings, administrative proceedings, or settlements concerning any infringement, challenge, or claim relating to the Marks. You will execute any instruments or agreements and undertake any actions that we determine advisable to protect the Marks in any proceeding. We will reimburse you for the reasonable out-of-pocket administrative expenses that you incur to comply with our directions.

We will protect your rights to use the Marks and defend you against claims of infringement and unfair competition relating to the Marks provided that your use of the Marks is in accordance with your Franchise Agreement, the Manual, and our instructions. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your compliant, permitted use of the Marks provided that you timely notify us of the associated claim, give us sole control of the defense and settlement of the claim, and are otherwise in material compliance with your Franchise Agreement. Notwithstanding the foregoing, if we defend a claim at our expense, we have no obligation to indemnify or reimburse you for any legal expenses you incur if you retain your own counsel.

If any third party establishes to our satisfaction that its rights to the Marks are superior to our rights or of a nature that we believe makes it advisable to discontinue using or modify the Marks, then we may discontinue or modify the Marks and you will use any substitutions, replacements, or variations of or to the Marks we designate. In such event, our sole liability and obligation will be to reimburse you for the direct out-of-pocket costs you incur to comply with this obligation, which you must document to our satisfaction including, without limitation, alterations in signage and the replacement of marketing materials.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We hold no patents. We claim common law copyright protection of our Manual and related materials. We own proprietary information including, without limitation, our methods, techniques, formats, specifications, procedures, information, the System, and knowledge of and experience in the operation of and franchising of DPF Businesses (collectively, the "Proprietary Information").

We will disclose certain elements of the Proprietary Information to you during training programs, seminars and conferences, in the Manual and other materials, and through guidance we furnish to you. These Proprietary Information is confidential, our property, and may be used by you only as provided in your Franchise Agreement. We may register any of our copyrighted materials at any time we determine in our discretion.

There are no agreements in effect that significantly limit your right to use the Proprietary Information. There are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress), or any court pertaining to, or affecting any of our rights to the Proprietary Information.

There are no infringing uses actually known to us that could materially affect your use of the Proprietary Information. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

The Proprietary Information is disclosed to you solely on the conditions that you (i) not use the Proprietary Information in any other business or capacity; (ii) maintain the absolute confidentiality of the Proprietary Information during and after the term of your Franchise Agreement; (iii) not make unauthorized copies of any portion of the Proprietary Information disclosed in written form; and (iv) adopt and implement all reasonable procedures we require to prevent unauthorized use or disclosure of the Proprietary Information including, without limitation, restrictions on disclosure to your employees and the use of nondisclosure and non-competition clauses in your employment agreements.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You, your Principal Operator, or your Designated Manager, must successfully complete our training and personally participate in the direct day-to-day operation of your DPF Business. Your Designated Manager will be required to sign a non-disclosure and non-competition agreement. If you are or become a business entity, then your Principal Operator, all of your owners and any officer, director, manager, or member as we determine may be required to sign a non-disclosure and non-competition agreement. A Principal Operator is not required to own a minimum equity interest in your business entity in order to operate the Business day-to-day.

You, your Principal Operator, or your Designated Manager must attend our monthly "Franchisee Workshops," operate your DPF Business during the times we designate, and respond to our communications in a timely manner.

Your Principal Operator and any equity owners of your business entity must sign our then-current form of personal guarantee (Franchise Agreement, Exhibit 1) pursuant to which each guarantor agrees to assume and discharge all your obligations under your Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You will sell all products and services (including the Products and Services) we designate in the Manual or otherwise in writing. You may not offer for sale any products or services not specifically approved by us. If you are a Start-Up Business or a Conversion Business, you may not use your DPF Business for any purpose other than the operation of your DPF Business. If you are a Co-Branded Business or Competitive Conversion Business, you may sell any products and services that do not directly compete with the Products and Services and any other products and services subject to our reasonable approval.

We may add to, delete from, or modify the approved products and services (including the Products and Services) offered by your DPF Business. There are no limitations on our rights to do so. You will implement modifications within a reasonable time after written notice.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4.2	Eight years.
b. Renewal or extension	4.2	Three five-year terms if you meet certain conditions.
c. Requirements for franchisee to renew or extend	4.2	Give written notice, receive our approval, full compliance, remodel, sign our then-current Franchise Agreement, sign a release, be in compliance with your Franchise Agreement or any other agreement, and renovate your DPF Business. Our then-current Franchise Agreement may have terms and conditions that are significantly different than in your original Franchise Agreement. The Royalty, Brand Development Fund Fee, and other fees may be adjusted to conform with our then-current fees.
d. Termination by franchisee	10.10	If we materially fail to comply with the terms of your Franchise Agreement and cure such non-compliance within 60 days after receiving written notice.

Provision	Section in Franchise Agreement	Summary
e. Termination by franchisor without cause	None	
f. Termination by franchisor with cause	10.1	We can terminate only if you commit any one of several specific violations. See subparagraphs (g) and (h) below.
g. "Cause" defined – curable defaults	10.2	Any breach of your Franchise Agreement not otherwise listed in Section 10.1. See (h) below. You have a ten-day cure period after receiving written notice.
h "Cause" defined – non curable defaults	10.1	(i) Abandonment of your DPF Business; (ii) bankruptcy or insolvency; (iii) surrender of control; (iv) accumulation of material judgements; (v) criminal activity; (vi) violation of civil law; (vii) misrepresentation or omission in application; (viii) unauthorized business practices; (ix) failure to timely pay amounts due; (x) misuse of the Marks or Proprietary Information; (xi) failure to pay taxes; (xii) unauthorized assignment or transfer; (xiii) violation of covenants in your Franchise Agreement that contain their own cure rights; (xiv) cross-default; and (xv) failure to add required new products or services.
i. Franchisee's obligations on termination/non-renewable	11.1	(i) Cease operations; (ii) pay outstanding amounts; (iii) de-identify; (iv) return the Manual and Proprietary Information; (v) assign telephone numbers and other accounts; (vi) comply with restrictive covenants; (vii) cancel assumed names; (viii) contact vendors; and (ix) honor restrictive covenants.
j. Assignment of contract by franchisor	9.1	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	9.2	Includes (i) any voluntary, involuntary, direct, or indirect assignment or transfer, (ii) the gift of your DPF Business, (iii) subfranchising activities, (iv) the sale of your DPF Business, its assets, or any interest in you, or (v) by any other similar direct or indirect transaction.
l. Franchisor approval of transfer by franchisee	9.2 and 9.3	We must approve all transfers.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	9.3	(i) Transferee qualifies, (ii) you are in full compliance with your Franchise Agreement and any other agreements, (iii) all amounts due from you are paid in full, (iv) all required reports submitted, (v) you give timely written notice, (vi) transferee attends training, (viii) transfer fee paid, (ix) our then-current Franchise Agreement is executed, (x) a general release is signed, and (xi) we consent to the transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	9.6	We have the right to match any offer.
o. Franchisor's option to purchase franchisee's Business	12	We may, but are not obligated to, buy all or a portion of the assets of your DPF Business for fair market value upon transfer, expiration, or termination.
p. Death or disability of franchisee	9.5	Your Franchise Agreement must be assigned or your DPF Business must transferred to an approved party within 180 days.
q. Non-competition covenants during the term of the franchise	15.1	If you are a Start-Up Business, a Conversion Business, or an Investor Business, you may have no involvement in a competing business that receives 10% or more of its gross revenue from the cleaning of diesel engine filtration systems including diesel particulate filters, diesel oxidation catalyst filters, selective catalyst reduction systems, and similar components of diesel engines.
r. Non-competition covenants after the franchise is terminated or expires	15.2	No involvement with a competing business for three years within (i) 15 miles of the perimeter of your Designated Territory, (ii) 15 miles of the perimeter of the Designated Territory of another franchisee, or (iii) 15 miles of any DPF Business.
s. Modification of the agreement	18.2	No modifications unless in writing and dated and signed by all parties. The System is subject to changes that you may be required to adopt.
t. Integration/ merger clause	18.1	Only terms of your Franchise Agreement and its exhibits and addenda are binding subject to applicable state law.
u. Dispute resolution by arbitration or mediation	16	Other than situations specified in your Franchise Agreement, mediation and then arbitration in the city in which our then-current headquarters is located (currently Highlands Ranch, Colorado).

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	16.4	State in which our then-current headquarters is located (currently, Colorado) subject to applicable state law.
w. Choice of law	16.4	The law of the state in which our then-current headquarters is located at the time subject to applicable state law.

Item 18

PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's or regional developer's future financial performance or the past financial performance of company-owned or franchise 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 Pedro Junior Reyes or Cory Reyes at DPF Alternatives, LLC, 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129, (720) 697-3810, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2019 TO 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	19	34	+15
	2020	35	42	+7
	2021	43	56	+13
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2029	19	34	+15
	2020	35	42	+7
	2021	43	56	+13

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2019 TO 2021

State	Year	Number of Transfers
Ohio	2019	1
	2020	0
	2021	0
Colorado	2019	1
	2020	0
	2021	1
North Carolina	2019	0
	2020	0
	2021	0
Utah	2019	0
	2020	1
	2021	0
Nevada	2019	0
	2020	1
	2021	0
Total Outlets	2019	2
	2020	2
	2021	1

TABLE NO. 3
STATUS OF FRANCHISED OWNED OUTLETS
FOR YEARS 2019 TO 2021

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Arizona	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Arkansas	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	2	0	0	0	0	4
California	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Colorado	2019	3	1	0	0	0	0	3
	2020	4	0	0	0	0	0	4
	2021	4	3	0	0	0	1	6
Florida	2019	0	3	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
Georgia	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	2	0	0	0	0	4
Idaho	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Indiana	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Kansas	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Kentucky	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Mississippi	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Nebraska	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Nevada	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
North Carolina	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
New Mexico	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
Ohio	2019	3	2	0	0	0	1	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Oregon	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Pennsylvania	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Tennessee	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	2	1	0	0	0	0	3
	2020	3	1	0	0	0	0	4
	2021	4	3	0	0	0	0	7
Utah	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	1	1
	2021	1	1	0	0	0	0	2
Virginia	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Washington	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Wisconsin	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Wyoming	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
Total	2019	19	16	0	0	0	1	34
	2020	35	8	0	0	0	2	42
	2021	43	16	0	0	0	2	56

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2019 TO 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

TABLE NO. 5
PROJECTED OPENINGS
AS OF JANUARY 1, 2022

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
California	15	3	0
Colorado	1	1	0
Florida	4	2	0
Illinois	1	1	0
Minnesota	6	3	0
Missouri	2	1	0
Montana	1	1	0
New York	2	2	0
Nevada	1	1	0
North Dakota	3	1	0
Oklahoma	1	1	0
Oregon	1	1	0
South Carolina	1	1	0
South Dakota	2	1	0
Tennessee	3	1	0
Texas	2	4	0
Utah	1	1	0
Total	51	27	0

Notes:

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this FDD.

Exhibit E to this FDD contains a list of our then-current franchisees as of the date of this FDD.

Exhibit E to this FDD contains a list of franchisees that had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within ten weeks of the date of this FDD.

Item 21

FINANCIAL STATEMENTS

Attached as Exhibit H are our audited financial statements for December 31, 2019, December 31, 2020, and December 31, 2021, and our balance sheet and profit and loss statement dated June 30, 2022. Our fiscal year ends on December 31.

Item 22

CONTRACTS

Attached to this FDD or to the exhibits attached to and comprising the Franchise Agreement attached to this FDD are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibit B	DPF Alternatives, LLC Franchise Agreement
Exhibit C	DPF Alternatives, LLC Multi-Unit Development Agreement
Exhibit F	State Specific Addenda and Riders

Item 23

RECEIPT

Two copies of a detachable receipt are located at the very end of this FDD in Exhibit I. Please sign one copy of the receipt and return it to us at the following address: Pedro Junior Reyes or Corey Reyes, DPF Alternatives, LLC, 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado, 80129. The duplicate is for your records.

EXHIBIT A

NAMES AND ADDRESSES OF STATE REGULATORY AUTHORITIES AND REGISTERED AGENTS IN STATES

The following is a list of state administrators responsible for registration of these states. We may register in one or more of these states.

California
Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, California 94104

Commissioner of Department of Business Oversight
320 West Fourth Street, Suite 700
Los Angeles, California 90013

Commissioner of Department of Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814
(866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103
(860) 240-8299

Florida
Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

Hawaii
Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Kentucky
Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Maine
Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

Maryland
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, Sixth Floor
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101

Nebraska
Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

New York
Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

North Carolina
Secretary of State
Securities Division
Old Revenue Complex
2 South Salisbury Street
Raleigh, North Carolina 27601

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, Rhode Island 02920

South Carolina
Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 87501

Texas
Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

Utah
Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, Ninth Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California
Commissioner of Department of
Business Oversight
One Sansome Street, Suite 600
San Francisco, California 94104

Commissioner of Department of
Business Oversight
320 West Fourth Street, Suite 700
Los Angeles, California 90013

Commissioner of Department of
Business Oversight
1515 K Street, Suite 200
Sacramento, California 95814
(866) 275-2677

Connecticut
Connecticut Banking Commissioner
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103
(860) 240-8299

Hawaii
Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland
Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan
Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, Minnesota 55101

New York
Secretary of the State of New York
41 State Street
Albany, New York 12231

North Dakota
North Dakota Securities Department
State Capitol, Fifth Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island
Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, First Floor
Cranston, Rhode Island 02920

South Dakota
Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia
Clerk, State Corporation Commission
Tyler Building, First Floor
1300 East Main Street
Richmond, Virginia 23219

Washington
Director
Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin
Commissioner of Securities
345 West Washington Street, Fourth Floor
Madison, Wisconsin 53703

Colorado (not a state agency)
Pedro Junior Reyes
1745 Shea Center Drive
Fourth Floor
Highlands Ranch, Colorado 80123

EXHIBIT B

DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT

DPF ALTERNATIVES, LLC

FRANCHISE AGREEMENT

FRANCHISEE:

DPF Alternatives, LLC
Franchise Agreement

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DPF ALTERNATIVES, LLC
FRANCHISE AGREEMENT

This DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT (the "Agreement") is entered into on _____, 20__ (the "Effective Date"), by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company located at 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado, 80129 ("Franchisor"), and _____, a _____ located at _____ ("Franchisee").

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the "System") for the establishment, development, and operation of a business (a "DPF Business") that offers, sells, and provides diesel filter cleaning services using state-of-the-art ultrasonic equipment and other products and services that Franchisor authorizes (the "Approved Services and Products") under the Licensed Marks (defined below);

WHEREAS, the System and each DPF Business is identified by the Licensed Marks and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time; and

WHEREAS, Franchisee desires to obtain a non-exclusive license and right to use the System in the development and operation of a DPF Business within a designated geographic territory pursuant to the terms of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree, as follows:

ARTICLE 1
DEFINITIONS

"AAA" means the American Arbitration Association.

"Accounting Period" means the period of time Franchisor determines for the measurement and reporting of financial information and payment of Franchisee's financial obligations. The applicable measurement period will be determined by Franchisor from time to time in Franchisor's discretion. Each Accounting Period will commence on the earlier of the: (i) Scheduled Business Commencement Date, or (ii) the Actual Business Commencement Date and continue throughout the Term. Unless otherwise designated by Franchisor at any time or otherwise specified in the Agreement, the Accounting Period will be a monthly period for each month during the Term.

"Actual Business Commencement Date" means the date of Franchisee's DPF Business's grand opening or the date upon which Franchisee's DPF Business opens to the public.

"Advertising Contributions" means any obligations of Franchisee to contribute or pay fees to Franchisor, Franchisor's affiliates, and/or Franchisor's designees as set forth in this Agreement.

"Advertising Cooperative" means a local or regional advertising cooperative within markets that Franchisor designates.

"Alternative Channels of Distribution" means retail and/or wholesale-based sales or distribution outlets including, without limitation, the Internet, print catalogs, and mail order channels.

"Ancillary Agreements" means collectively every agreement between: (i) Franchisor and Franchisee not including the Agreement, (ii) Franchisor and each of Franchisee's Owners, whether individually and/or collectively, and (iii) Franchisor and each Spouse of Franchisee's Owners, whether individually and/or collectively. Without limiting the foregoing, Ancillary Agreements include the Guarantee, Lease Agreement Rider, Collateral Assignment of Lease, and the Assignment of Telephone Numbers and Digital Media Accounts.

"Annual Conference Fee" means a conference fee in an amount determined by Franchisor paid by Franchisee for an Annual Conference.

"Annual Conference" means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among DPF Business franchisees and general education. Franchisor will designate and determine whether or not an Annual Conference will occur and if so, the dates, content, and location of the Annual Conference. Any Annual Conference will be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee's travel to and attendance of the Annual Conference.

"Approved Services and Products" will have the meaning defined in the "Recitals" section of this Agreement and will further mean products and services that Franchisor authorizes for sale by Franchisee's DPF Businesses. Franchisor will exclusively designate and determine the Approved Services and Products and may modify, reduce, or supplement the Approved Services and Products in Franchisor's discretion at any time. The Operations Manual will designate the Approved Services and Products. Franchisee's DPF Business may only offer and sell the Approved Services and Products.

"Assigned Area" means a designated area or territory of current and future DPF Businesses other than the Designated Territory of Franchisee's DPF Business. Franchisor will determine Assigned Areas in Franchisor's discretion.

"Assignment of Telephone Numbers and Digital Media Accounts" means the Assignment of Telephone Numbers and Digital Media Accounts agreement attached as Exhibit 4.

"Brand Development Fund" will have the meaning forth in Article 9.A.

"Brand Development Fund Fee" will have the meaning set forth in Article 9.A.

"Business Management System" means the point of sale systems and/or customer relationship management systems, as they may be individually or collectively designated by Franchisor in Franchisor's business judgment, as being required for use by Franchisee's DPF Business including, without limitation, the day-to-day sales, ordering, operations, and management of Franchisee's DPF Business. Franchisor may modify and designate alternative Business Management Systems as Franchisor determines. Franchisor will have access to the Business Management System and Business Management System Data at all times.

"Business Management System Data" means the forms, data, tools, customer information, inventory, and sales information that: (a) is pre-populated or entered into the Business Management System, (b) is entered into the Business Management System, or (c) is recorded, stored, and/or maintained by the Business Management System.

"Co-Branded Business" means an Existing Business that is approved to add a DPF Business to their qualifying business as a co-branded joint business located in the same facility

"Competitive Business" means an Existing Business that is the same as or similar to a DPF Business including, without limitation, any business that offers and/or provides services and/or products relating to diesel particulate filter cleaning services that becomes a DPF Business.

"Competitive Conversion Business" means an Existing Business that is a competitive existing engine maintenance business that becomes a DPF Business.

"Conversion Business" means an Existing Business that is a non-competitive existing engine maintenance business that becomes a DPF Business.

"Confidential Information" means any of Franchisor's and/or Franchisor's affiliates' trade secrets, methods, standards, techniques, procedures, data, and information as they may exist as of the Effective Date and as they may be developed, modified, and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs, and systems relating to the development, establishment, marketing, promotion, and operation of DPF Businesses, (b) information concerning consumer preferences for services, products, materials, and supplies used or sold by, and specifications for and knowledge of, suppliers of certain materials, equipment, products, supplies, and procedures used or sold by DPF Businesses, (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance, and other financial data of DPF Businesses, (d) customer lists and information related to DPF Businesses and Franchisee's DPF Business, (e) Business Management System Data, (f) current and future information contained in the Operations Manual, and (g) Know-How.

"Confidentiality Agreement" means the Confidentiality Agreement attached as Exhibit 3.

"Controlling Interest" an ownership interest that: (a) will permit voting control of Franchisee on any issue and/or (b) will prevent any other person, group, or entity from blocking voting control on any issue or exercising any veto power.

"Conversion Business" means an Existing Business that is converted into a DPF Business.

"Copyrights" means any works or materials for which Franchisor or any affiliate has secured common law or registered copyright protection and that Franchisor utilizes and/or allows DPF Business franchisees to use, sell, or display in connection with the development, marketing, and/or operation of a DPF Business at any time.

"Corporate Entity" means a legal entity that is not a natural person.

"Customer Vouchers" means any gift cards, vouchers, receipts, cards, or other evidence of a pre-paid purchase transaction concerning a DPF Business.

"Designated Territory" means a defined geographic territory within which a DPF Business operates and provides the Approved Products and Services.

"Digital Media" means any interactive or static electronic document, application, or media that is connected to and/or in a network of computers, servers, and/or other devices linked by communications software, part of the Internet (including, without limitation, websites), software application, social media platform including, without limitation, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, and YouTube, and the System Website that relates in any way to DPF Businesses, Franchisee's DPF Business, the Licensed Marks, the System, and/or Franchisor.

"Direct Solicitation" means communications and/or contacts occurring through personal contact, telephone, mail, electronic mail, direct mail, distributed print media, Digital Media, Marketing Media, Media Distribution, and/or marketing directed toward customers, potential customers, or referral sources of a DPF Business.

"DPF Business" will have the meaning defined in the Recitals section and further mean every business owned and/or operated by Franchisor, Franchisor's affiliates, and/or authorized parties that uses the System and/or Licensed Marks including, without limitation, Franchisee's DPF Business.

"Due Date" will have the meaning set forth in Article 5.B.

"Effective Date" will have the meaning set forth in the Preamble.

"Franchisee Disclosure Questionnaire" means the Franchise Disclosure Questionnaire attached as Exhibit 2.

"Guarantee and Assignment of Franchisee's Obligations" means the Guarantee and Assignment of Franchisee's Obligations attached as Exhibit 1.

"GAAP" means United States Generally Accepted Accounting Principles.

"Gross Sales" means the total dollar sales from all business and customers of Franchisee's DPF Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, agreements to pay, or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from, or through Franchisee's DPF Business or Franchisee's Designated Territory whether such business is conducted in compliance with or in violation of the terms of the Agreement. Gross Sales do not include (i) sales taxes that Franchisee collects and remits to the proper taxing authority, or (ii) authorized promotional discounts that Franchisee provides.

"Immediate Family Member" means the spouse, children, grandchildren, and other members of the household of Franchisee and each Owner.

"Investor Business" means an Existing Business that is a non-competitive engine maintenance business owned by a third party that is co-branded with a DPF Business.

"IP Claim" will have the meaning set forth in Article 11.E.

"Know-How" means Franchisor's trade secrets and proprietary information relating to the development, establishment, marketing, promotion, and/or operation of a DPF Business including, without limitation, methods, techniques, specifications, procedures, policies, marketing strategies, the Operations Manual, Confidential Information, and any other information constituting a part of the System.

"Late Fee" means a $100 fee payable to Franchisor by Franchisee if Franchisee fails to make any payment due to Franchisor or Franchisor's affiliates in a timely manner.

"Licensed Marks" means the trademarks, service marks, emblems, and indicia of origin including the "DPF Alternatives" trademark, the DPF Alternatives logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans, and designs authorized by Franchisor for the identification of DPF Businesses and the Approved Services and Products, provided that such trade names, trademarks, service

marks, logos, and designs are subject to modification, replacement, and discontinuance by Franchisor in Franchisor's discretion.

"Management Service Fees" will have the meaning set forth in Article 7.J.

"Managers" means the Managing Owner, all assistant managers of Franchisee's DPF Business, and all other employees, independent contractors, consultants, directors, officers, and board members who may have access to the Confidential Information.

"Managing Owner" means the Owner responsible for the day-to-day oversight, management, and operation of Franchisee's DPF Business.

"Marketing Media" means all communications used for and/or designed to market, advertise, and/or promote Franchisee's DPF Business including, without limitation, Direct Solicitations, Web-Based Media, Digital Media, social media, print publications, print mailers, email communications, and public relations.

"Media Distribution" means any methods for the publication, transmission, dissemination, distribution, and/or delivery of Marketing Media.

"National Accounts" means customers or potential customers of the Approved Services and Products that possess and/or maintain stores, outlets, shopping centers, venues, facilities, and/or operations at multiple locations as Franchisor designates in Franchisor's discretion.

"Notice Period" will have the meaning set forth in Article 16.A.

"Open Area" means a geographic territory and area that: (a) is not an Assigned Area, and (b) is located within a ten-mile radius of Franchisee's Designated Territory.

"Operating Manager" means the Manager who is responsible for supervising and managing the day-to-day operations of Franchisee's DPF Business The Operating Manager must: (a) meet all of Franchisor's minimum training and brand quality control standards and criteria for managers as set forth in the Operations Manual, (b) successfully complete Franchisor's initial training program, (c) sign the Confidentiality Agreement, and (d) agree to assume responsibility for the onsite management and supervision of Franchisee's DPF Business in writing.

"Operations Center" means a fixed back-office office and operational facility from which a DPF Business is administratively managed and operationally coordinated.

"Operations Manual" means the materials designated by Franchisor relating to the development and/or operations of DPF Businesses. The Operations Manual may consist of one of more volumes, handbooks, manuals, written materials, videos, electronic media files, list-services, intranet, Internet-based databases, computer media, email, webinars, and other materials as they may be modified, supplemented, or replaced by Franchisor from time to time in Franchisor's discretion. The Operations Manual will designate the Approved Services and Products and the System Supplies that must be used by Franchisee's DPF Business.

"Out of Territory Service" means the provision of Approved Services and Products within an Open Area in accordance with the Territory Rules.

"Out of Territory Service Request" means written documentation submitted in accordance with Franchisor's standards and specifications wherein Franchisee: (a) identifies the name and contact

information of a prospective customer located in an Open Area that has requested services from Franchisee's DPF Business, (b) identifies the date for the proposed services and/or products to be provided by Franchisee's DPF Business, and (c) seeks Franchisor's written notification of Franchisor's approval of Franchisee's request.

"Owner" means: (a) an officer or director of Franchisee (including the officers and directors of any general partner of Franchisee) who holds an ownership interest in Franchisee, and (b) all holders of a 5% or more direct or indirect ownership interest in Franchisee or any entity directly or indirectly controlling Franchisee. Franchisee's Owners are identified in Schedule 2.

"Post-Term Restricted Period" means the 24-month period after the earliest to occur of: (a) the expiration or termination of the Agreement for any reason, or (b) the date on which Franchisee Transfers the Agreement to another person or Corporate Entity; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the Post-Term Restricted Period means the 18-month period after the earliest to occur of: (a) the expiration or termination of the Agreement for any reason, or (b) the date on which Franchisee Transfers the Agreement to another person or Corporate Entity.

"Prohibited Activities" will have the meaning set forth in Article 6.D.

"Published Content" means any information, data, articles, blog posts, press releases, frequently asked questions, special offers, product information, service information, web posts, videos, and other information concerning Franchisee's DPF Business, the System, or the Licensed Marks that is made available by Franchisee or Franchisee's agents to the public.

"Renewal Ancillary Agreements" will have the meaning set forth in Article 15.B.

"Renewal Franchise Agreement" will have the meaning set forth in Article 15.B.

"Renewal Notice" will have the meaning set forth in Article 15.B.

"Renewal Term" will have the meaning set forth in Article 15.A.

"Reserved Rights" will have the meaning set forth in Article 2.D.

"Restricted Territory" means the geographic area: (a) comprising Franchisee's Designated Territory, (b) comprising a 25-mile radius surrounding Franchisee's Designated Territory or, if Franchisee is not granted or designated a Designated Territory, then a 25-mile radius surrounding Franchisee's Operations Center, (c) comprising any of the operating territories of other DPF Businesses that are in operation or under development during any part of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the Restricted Territory means the geographic area within: (a) Franchisee's Designated Territory plus a 25-mile radius surrounding Franchisee's Designated Territory, or (b) if Franchisee is not granted or designated a Designated Territory, then a 25-mile radius surrounding Franchisee's Operations Center.

"Royalty and Activity Report" will have the meaning set forth in Article 5.B.

"Royalty Fee" will have the meaning set forth in Article 5.B.

"Scheduled Business Commencement Date" means the date falling 180 days after the Effective Date.

"Service Vehicle" means a Franchisor-approved commercial vehicle used by DPF Business franchisees in connection with the day-to-day operations of their DPF Business. Franchisee's Service Vehicles must: (a) be dedicated to the day-to-day operations of Franchisee's DPF Business, (b) be approved by Franchisor, and (c) meet Franchisor's specifications.

"Spouse" means the legal spouse of an Owner.

"Start-Up Business" means a franchised DPF Business that is not a Co-Branded Business, Conversion Business, Investor Business, or Competitive Conversion Business.

"Supplemental Training" will have the meaning set forth in Article 4.A.

"Supplemental Training Fee" will have the meaning set forth in Article 4.A.

"Supplier Evaluation Fee" means the fee determined by Franchisor in connection with the evaluation of a request by Franchisee for Franchisor's consideration and/or review of a potential supplier. Under no circumstance is Franchisor required to approve of suppliers requested by Franchisee.

"System" will have the meaning defined in the Recitals. System will further mean: (a) the Approved Services and Products, System Supplies, and the services, procedures, and systems that are designated by Franchisor for use in connection with the development, establishment, marketing, promotion, and operation of a DPF Business, (b) the Licensed Marks, (c) the Trade Dress, (d) Copyrights, (e) other trade names, service marks, signs, and logos, copyrights, and trade dress designated by Franchisor for use in connection with the development, establishment, marketing, promotion, and operation of a DPF Business, (f) the Operations Manual, (g) Business Management System Data, (h) Know-How, (i) Confidential Information, and (j) Digital Media.

"System Supplies" means the equipment and supplies designated by Franchisor as required for use in connection with Franchisee's DPF Business and the Approved Services and Products. System Supplies include, without limitation, DPF Alternatives branded, non-branded, and third party-branded equipment and supplies designated by Franchisor for use in the day-to-day operations of Franchisee's DPF Business including, without limitation, consumables materials, equipment necessary to provide the Approved Services and Products, stationery, waiting room décor, signage, work benches, shelving, sales slips, receipts, customer notices, and other forms and materials designated by Franchisor in the Operations Manual and/or otherwise in writing as they may be modified and supplemented by Franchisor from time to time in Franchisor's discretion.

"System Website" means the webpage and pages located at the www.dpfalternatives.com domain and will further include all webpages and subdomains including those that are franchisee- and/or geography-specific that are a part of www.dpfalternatives.com.

"Technology Maintenance Fee" will have the meaning set forth in Article 5.C(1).

"Term" means the period of time defined in Article 2.B and the Renewal Term if Franchisee exercises renewal rights.

"Territory Rules" will have the meaning set forth in Article 3.J.

"Trade Dress" means the DPF Business designs, images, marketing materials, packaging, branding, and/or branding images that Franchisor authorizes and requires Franchisee to use in connection with the operation of Franchisee's DPF Business.

"Training Program" will have the meaning set forth in Article 4.A.

"Transfer" means, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise, (b) the grant of a mortgage, charge, lien or security interest including, without limitation, the grant of a collateral assignment, (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests, (d) a sale or exchange of voting interests or securities convertible to voting interests or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee, and/or (e) the legal and/or equitable transfer and/or sale of an Owner's interests and/or voting rights in Franchisee.

"Transfer Fee" will have the meaning set forth in Article 14.C(11). The Transfer Fee is equal to either 75% of the then-current initial franchise fee or $7,500 if your DPF Business has not begun operations.

ARTICLE 2
GRANT OF FRANCHISE

2.A GRANT OF FRANCHISE

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own, and operate a DPF Business within a specified territory. Franchisee's request has been approved by Franchisor as follows:

(1) During the Term, Franchisor grants to Franchisee and Franchisee accepts the non-exclusive license, right, and obligation to develop and operate a DPF Business within the Designated Territory designated and set forth in Schedule 1. If Schedule 1 does not specifically identify and designate Franchisee's Designated Territory and/or if Schedule 1 is not signed by Franchisor, there will be no Designated Territory;

(2) If Franchisee has selected a proposed Operations Center that Franchisor approves as Franchisee's Operations Center as of the Effective Date, then the location of Franchisee's Operations Center will be identified in Schedule 3. Schedule 3 must be signed by Franchisor to be effective;

(3) If Franchisee has not selected a proposed Operations Center location that is approved by Franchisor as of the Effective Date, or if Schedule 3 is left incomplete or unsigned by Franchisor, Franchisee must locate, identify, and secure an Operations Center for Franchisee's DPF Business in accordance with the terms of the Agreement including the requirement that Franchisee must obtain Franchisor's written approval of Franchisee's Operations Center as evidenced by the designation of Franchisee's Operations Center in Schedule 3 and the execution of Schedule 3 by Franchisor;

(4) Franchisee must administratively manage and coordinate the operations of Franchisee's DPF Business from Franchisee's Operations Center;

(5) Franchisee may only operate Franchisee's DPF Business within Franchisee's Designated Territory and only offer and sell the Approved Services and Products within Franchisee's Designated Territory in accordance with the requirements set forth in the Operations Manual; and

(6) Except as otherwise provided in the Agreement, provided that Franchisee is and remains in compliance with the terms of the Agreement during the Term, Franchisor and Franchisor's affiliates will not operate or grant another party the right to operate a DPF Business using the Licensed Marks and System within Franchisee's Designated Territory. Franchisee may face competition from other DPF Businesses

and other System franchisees with operating territories located adjacent to and/or within a close proximity to Franchisee's Designated Territory.

The foregoing rights are subject to and contingent upon each and every term and condition of the Agreement and the rights of any prior user. Except as explicitly described above, the foregoing rights are non-exclusive and subordinate to the Reserved Rights.

2.B TERM

The Term will be a period of eight consecutive years commencing from the Effective Date unless terminated earlier pursuant to the terms of the Agreement.

2.C GUARANTEES, CONFIDENTIALITY, AND RESTRICTIVE COVENANTS

If Franchisee is a Corporate Entity, each Owner and their respective Spouse will execute the Guarantee to individually, jointly, and severally guarantee Franchisee's obligations under the Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

2.D RESERVATION OF RIGHTS

Franchisor, on behalf of itself, its affiliates, and its assigns retains all rights on any terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the "Reserved Rights"): (a) to operate and grant to others the right to operate a DPF Business and/or other businesses using the System and Licensed Marks at locations outside of Franchisee's Designated Territory, (b) to acquire, merge with, or otherwise affiliate with one or more businesses of any kind including businesses that are Competitive Businesses, and after such acquisition, merger, or affiliation to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses including Competitive Businesses (but not using the Licensed Marks) within Franchisee's Designated Territory, (c) to be acquired by, merged with, or otherwise affiliated with one or more businesses of any kind, including businesses that are Competitive Businesses, even if such business or businesses presently or in the future own, operate, franchise, or license others to own and operate such businesses, including Competitive Businesses (but not using the Licensed Marks) within Franchisee's Designated Territory, (d) to use the Licensed Marks and System to offer, sell, and provide Approved Services and Products or products and services similar to the approved products and services offered and sold by Franchisee's DPF Business on behalf of National Accounts within or outside Franchisee's Designated Territory, and (e) to use the Licensed Marks and System and to license others to use the Licensed Marks and System to engage in all other activities not expressly prohibited by the Agreement.

2.E MODIFICATION OF SYSTEM

Franchisor may supplement, modify, alter, and/or amend the System including any components of the System at any time in Franchisor's discretion. Franchisee will promptly comply with all such modifications to the System. Franchisor will provide Franchisee with a reasonable time period to comply with any modification to the System, which will be communicated to Franchisee by Franchisor including, without limitation, communication through the Operations Manual. Franchisor's modifications to the System will not materially alter Franchisee's fundamental rights under the Agreement.

2.F CORPORATE ENTITY OWNERSHIP

If Franchisee is a Corporate Entity, Franchisee represents that the information contained in Schedule 2 is and will remain complete, true, and accurate throughout the Term.

ARTICLE 3
DEVELOPMENT AND OPERATION OF FRANCHISEE'S DPF BUSINESS

3.A DEVELOPMENT OF FRANCHISEE'S DPF BUSINESS

Franchisee must develop and open Franchisee's DPF Business on or before the Scheduled Business Commencement Date. Notwithstanding the foregoing, prior to opening and commencing the operations of Franchisee's DPF Business, Franchisee must: (a) be in compliance with the terms and conditions of the Agreement, (b) have satisfied the pre-opening obligations designated by Franchisor in the Operations Manual, (c) have completed and satisfied the training obligations designated by Franchisor, (d) have timely secured an Operations Center location within 120 days of the Effective Date as evidenced by a binding lease with a duration equal to the full Term, (e) have developed Franchisee's Operations Center in conformity with Franchisor's standards and specifications or as otherwise required by Franchisor in the Operations Manual, (f) have obtained the necessary licenses and permits to operate Franchisee's DPF Business, and (g) have obtained Franchisor's written consent to open.

3.B OPERATIONS OF FRANCHISEE'S DPF BUSINESS

Franchisee's DPF Business will at all times: (a) be operated within Franchisee's Designated Territory, (b) be operated from an approved Operations Center located within the Designated Territory, (c) offer, sell, and provide the Approved Services and Products in accordance with Franchisor's standards, specifications, and requirements, (d) ensure that the Approved Services and Products are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements determined by Franchisor, (e) exclusively use, maintain, and stock in inventory the System Supplies in such quantities as designated by Franchisor, (f) exclusively purchase the System Supplies from the suppliers and vendors approved and designated by Franchisor in Franchisor's discretion, (g) be exclusively managed and operated by Franchisee or Franchisee's Managing Owner, (h) maintain the necessary licenses and permits for Franchisee's development, ownership, and operation of Franchisee's DPF Business, (i) exclusively provide the Approved Services and Products from Service Vehicles, and (j) be operated in conformity with Franchisor's standards, specifications, criteria, and requirements as set forth by Franchisor in the Operations Manual. Notwithstanding anything in the Agreement to the contrary, if Franchisee is a Co-Branded Business, Conversion Business, Investor Business, or Competing Conversion Business, Franchisee may continue to offer those products and services Franchisee or Franchisee's predecessor offered before execution of the Agreement.

3.C FRANCHISEE'S OPERATIONS CENTER

Franchisee must operate Franchisee's DPF Business from an Operations Center located within Franchisee's Designated Territory that conforms to Franchisor's standards, specifications, and such other requirements as set forth in the Operations Manual. Franchisee must obtain Franchisor's written approval of the location of Franchisee's Operations Center. If applicable, Franchisor will furnish Franchisee with Franchisor's then-current preliminary plans and specifications for an Operations Center. Franchisee will develop, operate, and manage Franchisee's DPF Business from an Operations Center that: (a) is identified and evaluated by Franchisee, (b) complies with the terms and conditions of the Agreement, (c) satisfies and meets Franchisor's standards and specifications, (d) is timely presented by Franchisee to Franchisor for approval, (e) is approved by Franchisor, (f) is timely secured by Franchisee within 120 days of the Effective Date as evidenced by a binding lease with a duration equal to the full Term, and (g) otherwise meets the terms and conditions of the Agreement and Franchisor's standards and specifications.

Franchisee will not lease, purchase, or otherwise acquire a location for a proposed Operations Center until such information as Franchisor may require about the proposed Operations Center has been

provided to Franchisor by Franchisee and Franchisor has approved the proposed Operations Center. Franchisor will respond to Franchisee's request for approval of a proposed Operations Center within 30 days following Franchisor's receipt from Franchisee of complete written information about Franchisee's proposed Operations Center. If Franchisor rejects or disapproves Franchisee's proposed Operations Center, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Operations Center within the time requirements set forth in the Agreement. Franchisor's disapproval of a proposed Operations Center will not serve as a basis to extend any deadline or requirement set forth in the Agreement.

Franchisor's approval of a proposed Operations Center will not constitute a representation or warranty of any kind other than that Franchisor does not object to the proposed Operations Center. No provision of the Agreement will be construed or interpreted to impose an obligation on Franchisor to locate an Operations Center for Franchisee's DPF Business, to assist Franchisee in the selection of a suitable Operations Center, or to provide assistance to Franchisee with the purchase or lease of an Operations Center.

3.D FURNITURE, FIXTURES, EQUIPMENT, AND SIGNS

Franchisee will use in the construction and operation of Franchisee's Operations Center only those types of construction and decorating materials, fixtures, equipment, furniture, and signs that Franchisor has approved or designated in the Operations Manual for Franchisee's DPF Business as meeting Franchisor's specifications and standards for appearance, function, and performance. Franchisee will purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture, and signs including, without limitation, System Supplies, only from suppliers approved or designated by Franchisor from time to time in writing and/or in the Operations Manual.

3.E SYSTEM SUPPLIES

Franchisee will exclusively purchase and use the System Supplies in the operations of Franchisee's DPF Business. Franchisee will exclusively purchase the System Supplies from the suppliers and vendors designated by Franchisor from time to time in Franchisor's discretion. Franchisee acknowledges that control over the nature, quality, branding, and source of the System Supplies is critical to the System and that irrespective of the availability of substitute products, supplies, equipment and/or sources of supply, Franchisee will only purchase and use the System Supplies as designated by Franchisor and only from those suppliers designated and approved by Franchisor. Franchisor and/or Franchisor's affiliates may be and/or may become the sole and exclusive supplier of the System Supplies.

3.F SERVICE VEHICLES

Franchisee will purchase and/or lease, and exclusively use in the operations of Franchisee's DPF Business, only those Service Vehicles that meet Franchisor's brand standards and specifications and are approved by Franchisor. Franchisee will maintain the Service Vehicles in a clean, safe, and well maintained condition at all times and operate same in accordance with all applicable laws, rules, and regulations. Franchisee may only offer and provide the Approved Services and Products using Service Vehicles approved by Franchisor that meet Franchisor's brand standards and specifications.

3.G BUSINESS MANAGEMENT SYSTEM

Franchisee will exclusively use the Business Management System designated by Franchisor as it may be modified by Franchisor from time to time in Franchisor's discretion. Franchisee will purchase, license, and maintain such Business Management System from Franchisor and/or such third party suppliers designated by Franchisor. Franchisor may require that Franchisee's license and use of the Business Management System occur through accounts registered to Franchisor, controlled by Franchisor, or licensed through Franchisor in Franchisor's discretion. Franchisee will provide Franchisor unlimited and

uninterrupted direct Internet-based and/or remote access to the Business Management System at all times. Franchisee will be responsible for all fees associated with the Business Management Systems including, without limitation, initial and ongoing license fees. The parties acknowledge that:

(1) The Business Management System will contain proprietary and confidential information owned by Franchisor;

(2) The Business Management System will be exclusively used by Franchisee in connection with the operations of Franchisee's DPF Business in accordance with the terms of this Agreement and the standards and specifications set forth by Franchisor in the Operations Manual;

(3) As between Franchisee and Franchisor, Franchisor will be the exclusive owner of the Business Management System Data. Franchisee will store and maintain such data in accordance with all applicable local, state, and federal privacy, data collection, and solicitation laws. Upon expiration or termination of this Agreement for any reason, Franchisee will preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;

(4) Franchisee will provide and permit Franchisor to maintain direct and independent access to the Business Management System and the Business Management System Data and to duplicate and evaluate the data at all times;

(5) Franchisee will modify the Business Management System at the request of Franchisor in accordance with Franchisor's written instructions;

(6) Other than permitting access to employees of Franchisee's DPF Business for the purpose of conducting the authorized operations of Franchisee's DPF Business, Franchisee will not permit or allow any third party to access, use, or duplicate the Business Management System or the Business Management System Data;

(7) Franchisee will keep the Business Management System and the Business Management System Data confidential and maintain security precautions to maintain the confidentiality of the Business Management System and the Business Management System Data; and

(8) In no event will Franchisor be liable to Franchisee for any damages relating to Franchisee's use of the Business Management System even if Franchisor has been advised of the possibility of such damages or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

3.H DIGITAL MEDIA, SYSTEM WEBSITE, AND TELEPHONE NUMBERS

Franchisee acknowledges the significance of Digital Media to the System and necessity for Franchisor's control over Digital Media. As between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media and nothing contained in this Agreement grants to Franchisee any ownership interest in or to the Digital Media. Franchisee will not use, access, or open accounts relating to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold as determined by Franchisor in Franchisor's discretion and which approval, if given, will be limited to the marketing and promotion of Franchisee's DPF Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, any prior authorization by Franchisor regarding Franchisee's right to use the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media will automatically terminate and the right to any accounts and/or sites associated with Digital Media utilized by Franchisee will be transferred to Franchisor in Franchisor's

discretion. Under no circumstance will Franchisee utilize the Digital Media for the purposes of or with the effect of libeling or disparaging another nor will Franchisee violate any copyrights. With respect to such actions between Franchisee and any third party, Franchisee is exclusively responsible for disparagement, libel, and/or copyright infringement if Franchisee publishes and/or causes such content to be published.

Digital Media and/or Published Content, if permitted by Franchisor, must be approved by Franchisor prior to publication or use in any form. Published Content that is approved by Franchisor or that otherwise is acceptable to Franchisor will be owned by Franchisor. Any interest and right in or to the Digital Media and/or Published Content will be the exclusive property of Franchisor both during the Term and after the expiration or termination of this Agreement. The System Website and all improvements and modifications made to the System Website, Digital Media, and Published Content will be the exclusive property of Franchisor. During the Term and subject to Franchisee's compliance with the terms and conditions of this Agreement, the System Website will include information related to Franchisee's DPF Business as determined by Franchisor in Franchisor's discretion. If the Agreement is terminated for any reason, the accounts related to all telephone numbers associated with Franchisee's DPF Business and all rights in and to the telephone numbers associated with Franchisee's DPF Business will be transferred to Franchisor in Franchisor's discretion.

Without limitation to the foregoing, Franchisee will execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts. Franchisee represents that any third party is authorized to rely on the Assignment of Telephone Numbers and Digital Media Agreement irrespective of any dispute and/or controversy between Franchisor and Franchisee or any contrary instructions of Franchisee.

3.I RELOCATION

Under no circumstance will Franchisee relocate Franchisee's Operations Center to a facility or location outside the Designated Territory. If Franchisee wishes to relocate Franchisee's Operations Center to a suitable commercial facility located within the Designated Territory, Franchisee must obtain Franchisor's prior written consent which will not be unreasonably withheld provided that Franchisee is in compliance with the terms and conditions of this Agreement and provided that the new location and/or facility meets Franchisor's then-current standards and specifications. Under no circumstance may Franchisee relocate Franchisee's Designated Territory.

3.J OUT OF TERRITORY SERVICE

The license and rights granted to Franchisee in this Agreement are limited to the Designated Territory, the grant of franchise rights set forth in Article 2.A, and the reservation of rights set forth in Article 2.D. Subject to the existence of an Open Area and Franchisee's compliance with following rules and requirements (the "Territory Rules"), Franchisee may provide the Approved Services and Products on behalf of customers located within an Open Area:

Territory Rules

(1) Franchisee must conduct the operations of Franchisee's DPF Business from within Franchisee's Designated Territory and Franchisee provide the Approved Services and Products on behalf of customers located within Franchisee's Designated Territory. The marketing of Franchisee's DPF Business must be targeted to Franchisee's Designated Territory and comply with the restrictions set forth in Article 9.F;

(2) Provided that Franchisee: (a) does not engage in any Direct Solicitation of customers or potential customers outside of Franchisee's Designated Territory or, within the Designated Territory of

another DPF Business, (b) does not otherwise violate the restrictions set forth in Article 9.F, and (iii) in each instance Franchisee provides Franchisor with an Out of Territory Service Request that is approved by Franchisor in writing, Franchisee's DPF Business may, on a non-exclusive basis, provide an Approved Services and Products to a customer within an Open Area. Franchisee must obtain Franchisor's approval in each and every instance and Franchisor may reject or disapprove of Franchisee's Out of Territory Service Request in Franchisor's discretion; and

(3) Once an Open Area becomes an Assigned Area, Franchisee will cease communicating with customers previously serviced by Franchisee in the Open Area and Franchisee will turn over to Franchisor all information and records related to the Approved Services and Products provided within the Open Area for the benefit of Franchisor or another DPF Business.

Nothing contained in this Article 3.J will expand either the non-exclusive franchise rights granted to franchisee in Article 2 or Franchisee's Designated Territory. If any inconsistency or conflict between the terms of this Article 3.J and Article 2 arises, Article 2 will take precedence and govern.

ARTICLE 4
TRAINING AND OPERATING ASSISTANCE

4.A INITIAL TRAINING, SUPPLEMENTAL TRAINING, AND SYSTEM-WIDE TRAINING

(1) Within 45 days of the earlier of the Scheduled Business Commencement Date or the Actual Business Commencement Date, Franchisee's Managing Owner and one manager must complete Franchisor's initial training program (the "Training Program") to Franchisor's satisfaction. Franchisor will provide Franchisee or Franchisee's Managing Owner and one designated manager with Franchisor's Training Program. If Franchisee would like more than two individuals to attend the initial Training Program, subject to Franchisor's approval, Franchisee will pay to Franchisor an additional fee of $300 per additional person attending Initial Training. Additional initial Training Fees will be prepaid in advance of training upon submission of invoice.

Prior to opening and commencing the operations of Franchisee's DPF Business, the Managing Owner and other personnel as designated or determined by Franchisor must successfully complete the Training Program or other training designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor and/or may be conducted remotely. Following completion of the Training Program or other training, Franchisee will be responsible for the ongoing training of Franchisee' employees, staff, and all other employees of Franchisee's DPF Business. Any ongoing training must conform to Franchisors standards and specifications. The Training Program will be structured, configured, and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases.

(2) Franchisee and/or Franchisee's Managing Owner and Manager must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars at Franchisee's sole cost and expense as Franchisor designates in Franchisor's discretion. Franchisor will provide instructors and training materials for those programs and seminars, but Franchisor may assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employees incur in connection with attendance and participation in these programs and seminars including, without limitation, the cost of transportation, lodging, meals, and any salaries or other wages.

(3) Subject to Franchisor's approval, Franchisor may offer supplemental training to Franchisee at Franchisee's Operations Center, within Franchisee's Designated Territory or remotely ("Supplemental Training") as determined by Franchisor. Franchisor may reject or approve any request by

Franchisee for Supplemental Training in Franchisor's discretion. If Franchisor provides Supplemental Training, Franchisee will pay to Franchisor a supplemental training fee at the rate of $300 per trainer per day plus reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). In each instance where Franchisee hires a new Operating Manager and/or Franchisor determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, Franchisor may require that Franchisee and/or Franchisee's Operating Manager successfully complete Supplemental Training and pay the Supplemental Training Fees designated by Franchisor. Supplemental Training Fees will be prepaid in advance of training upon submission of invoice.

(4) Franchisor will approve of all individuals attending and participating in the Training Program and all Supplemental Training programs in Franchisor's discretion. All participants must qualify as either an Owner or Operating Manager and execute the Guarantee or the Confidentiality Agreement as Franchisor requires.

4.B OPERATING ASSISTANCE

Franchisor will advise Franchisee of the applicable standards, procedures, and System requirements for Franchisee's DPF Business from time to time as determined by Franchisor in Franchisor's discretion. Operating assistance will be determined by Franchisor in Franchisor's discretion and may consist of:

(1) Establishing and communicating systems and procedures related to the development and operation of Franchisee's DPF Business;

(2) Establishing and communicating Approved Services and Products including modifications to the Approved Services and Products;

(3) Designating and communicating System Supplies including modifications to the System Supplies;

(4) Designating and communicating approved and designated suppliers for Franchisee's DPF Business including modifications to the approved and designated suppliers;

(5) Establishing and communicating marketing and brand standards related to the promotion of Franchisee's DPF Business;

(6) Approving or disapproving Franchisee's requests relating to marketing materials and Digital Media that may be used to market Franchisee's DPF Business; and

(7) Establishing and communicating System standards and requirements in the Operations Manual or otherwise in Franchisor's discretion.

4.C OPERATIONS MANUAL

Franchisor will provide Franchisee with access to the Operations Manual. The Operations Manual contains the mandatory and suggested specifications, standards, and operating procedures that Franchisor prescribes for DPF Businesses. Franchisee will operate Franchisee's DPF Business in strict accordance with the standards, specifications, and requirements set forth in the Operations Manual as they may be modified from time to time by Franchisor in Franchisor's discretion. Franchisee will maintain the confidentiality of the Operations Manual and all files, data, and information contained in the Operations Manual in a secure location and/or in a protected confidential state or as otherwise directed by Franchisor. The master copy and official version of the Operations Manual will be the version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor will provide Franchisee with reasonable notice of modifications and changes made to the Operations Manual. Such notice may take form of electronic communications including emails and, if the Operations Manual is maintained on an online web based platform, notifications within said platform. Franchisor will provide Franchisee with a reasonable period of time as determined by Franchisor in Franchisor's discretion to implement modifications to the Operations Manual. Without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products and utilize the System Supplies as designated in the Operations Manual or otherwise by Franchisor in Franchisor's discretion.

ARTICLE 5
FEES

5.A INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee will pay to Franchisor a non-recurring initial franchisee fee (the "Initial Franchise Fee"). The Initial Franchisee Fee will be based upon the size of the Designated Territory as set forth in Schedule 1 in accordance with the table below:

The Initial Franchise Fee varies based on the population of the territory as set forth below:

Designated Territory Tier	Territory Population	Initial Franchise Fee
Tier I	1 to 25,000	$2,500
Tier II	25,001 to 50,000	$5,0000
Tier III	50,001 to 75,00	$7,500
Tier IV	75,0001 to 100,000	$10,000
Tier V	100,001 to 250,000	$15,000
Tier VI	250,001 to 500,000	$25,000
Tier VII	500,001+ residents	Varies

The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable except that Franchisor will refund 50% of the Initial Franchise Fee if Franchisee fails to attend the Initial Training Program prior to the Scheduled Business Commencement Date and the Agreement is terminated.

5.B ROYALTY FEES

(1) Royalty Fees. Beginning two months after the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee will pay to Franchisor a continuing monthly non-refundable $750 royalty fee (the "Royalty Fee") during the Term. The Royalty Fee will be calculated and payable on a monthly basis for each respective monthly Accounting Period. During any Renewal Term, the Royalty Fee will be determined by Franchisor, but will not be less than the Royalty Fee and Royalty Rate set forth in this Agreement.

(2) Payment and Due Date. The Royalty Fee will be calculated on a monthly basis for each respective monthly Accounting Period. Royalty Fee payments will be paid by Franchisee to Franchisor monthly by ACH, electronic funds transfer, or as otherwise designated by Franchisor and will be due on the Thursday of each monthly Accounting Period for the preceding month or such other specific day of the month that Franchisor designates from time to time (the "Due Date").

(3) Tax Obligations. If any federal, state, or local tax other than an income tax is imposed on the Royalty Fee paid by Franchisee to Franchisor that Franchisor cannot directly and dollar-for-dollar offset against taxes required to be paid by Franchisor under any applicable laws, Franchisee will compensate

Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor for the Royalty Fee is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement.

(4) Payment Authorization. Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee will execute Franchisor's designated ACH Authorization form and such other authorization agreements in the form proscribed by Franchisor to permit Franchisor's direct withdrawal and/or electronic transfer of sums from Franchisee's designated business bank account for the ongoing payment of Royalty Fees and all other sums due from Franchisee under this Agreement. Franchisor may require Franchisee to pay the Royalty Fees and any other amounts due under this Agreement by means other than ACH and/or automatic debit as Franchisor deems appropriate and Franchisee will comply with Franchisor's payment instructions.

(5) Royalty and Activity Reports. On the Due Date of each month, Franchisee will provide Royalty and Activity Reports containing information as designated by Franchisor relating to the Gross Sales, financial performance, and operations of Franchisee's DPF Business for the preceding monthly Accounting Period (the "Royalty and Activity Report"). Franchisor may verify such royalty payments from time to time as Franchisor deems necessary in any reasonable manner.

5.C OTHER FEES

As designated by Franchisor in this Agreement, the Operations Manual, or otherwise, Franchisee will pay to Franchisor and/or as otherwise directed by Franchisor each of the following additional fees:

(1) Technology Maintenance Fee. Upon notice of implementation of such fee to Franchisee by Franchisor, Franchisee will pay to Franchisor a continuing monthly non-refundable technology fee (the "Technology Maintenance Fee"). Franchisor may implement a monthly Technology Fee in Franchisor's discretion at any time in an amount designated by Franchisor upon 60 days' notice provided that such monthly fee will not exceed $500. The Technology Maintenance Fee is a general administrative fee and is not connected to any particular service. The Technology Maintenance Fee will be paid to Franchisor each month on the Due Date.

(2) Brand Development Fund Fee. Franchisee will pay the Brand Development Fund Fee to Franchisor, Franchisor's affiliates, or Franchisor's designees as set forth in Article 9.A.

(3) Online Ordering, Customer Rewards, and Gift Card System Fees. Franchisee will pay ongoing weekly, monthly, and/or per use fees related to licensing and utilizing the technology systems and platforms used for facilitating, managing, and integrating online ordering, customer rewards and/or gift card processing to Franchisor, Franchisor's affiliates, or Franchisor's designees as designated by Franchisor in Franchisor's discretion.

(4) Quality Assurance Audit Fees. Franchisee will pay expenses related to periodic inspections of Franchisee's DPF Business and secret shopper evaluations to Franchisor, Franchisor's affiliates, or Franchisor's designees if an audit shows that Franchisee has underreported Gross Sales by more than 3%.

(5) Relocation. Franchisee will pay Franchisor's then-current fee for Franchisor's approval of any proposed new location for the Operations Center.

(6) Late Fees. If Franchisee fails to make any payment to Franchisee or Franchisee's affiliates in a timely manner, Franchisee will pay the Late Fee in Franchisor's discretion.

(7) All Other Fees and Obligations Set Forth in This Agreement. Franchisee will pay all other fees, charges, and/or expenses set forth in this Agreement to Franchisor, Franchisor's affiliates, or Franchisor's designees in accordance with the terms of this Agreement. If no particular due date is stated in this Agreement, then such date will be determined by Franchisor in Franchisor's discretion.

5.D APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest, or any other indebtedness of Franchisee to Franchisor or Franchisee's affiliates.

5.E WITHHOLDING PAYMENTS UNLAWFUL

Under no circumstance is Franchisee entitled to withhold payments due to Franchisor under this Agreement. Without limitation to the foregoing, any claim by Franchisee regarding the alleged non-performance of Franchisor's obligations will not permit and/or entitle Franchisee to withhold payments due Franchisor under this Agreement.

ARTICLE 6
RESTRICTIVE COVENANTS AND OBLIGATIONS

6.A NECESSITY FOR RESTRICTIVE COVENANTS

Only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Licensed Marks, and access to the Operations Manual and Confidential Information. Competition by Franchisee, Owners, Spouses, and/or Immediate Family Members may jeopardize the entire System and cause irreparable harm to Franchisor and franchisees of DPF Businesses. Accordingly, Franchisee and Franchisee's Owners and Spouses will comply with the restrictive covenants set forth in the Agreement.

6.B RESTRICTIVE COVENANTS: KNOW-HOW

During the Term and after expiration, termination, or Transfer of the Agreement, Franchisee will: (a) not use the Know-How in any business or capacity other than the operation of Franchisee's DPF Business pursuant to this Agreement or as instructed by Franchisor, (b) maintain the confidentiality of the Know-how at all times, (c) not make unauthorized copies of documents containing any Know-How, (d) take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How, and (e) stop using the Know-How immediately upon the expiration, termination, or Transfer of this Agreement. The foregoing covenants and obligations will also apply to: (a) Franchisee's Owners and Spouses and Franchisee's Owners and Spouses will each execute and deliver to Franchisor the Guarantee, and (b) Franchisee's directors, officers, employees, and/or agents where disclosure of the Know-How was necessary for the operations of Franchisee's DPF Business and where such director, officer, employee, and/or agent previously executed and timely delivered the Confidentiality Agreement to Franchisor.

6.C RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION

During the Term and after expiration, termination, or Transfer of the Agreement, Franchisee will: (a) not use the Confidential Information in any business or capacity other than the DPF Business operated by Franchisee, (b) maintain the confidentiality of the Confidential Information at all times, (c) not make unauthorized copies of documents containing any Confidential Information, (d) take such reasonable steps

as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information, and (e) stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. The foregoing covenants and obligations will also apply to: (a) Franchisee's Owners and Spouses, and Franchisee's Owners and Spouses will each execute and deliver the Guarantee to Franchisor, and (b) Franchisee's directors, officers, employees, and/or agents where disclosure of the Confidential Information was necessary for the operations of Franchisee's DPF Business and where such director, officer, employee, and/or agent previously executed and timely delivered the Confidentiality Agreement to Franchisor.

6.D RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS

During the Term, Franchisee will not engage in the following activities (the "Prohibited Activities"): (a) owning and/or having any legal or equitable interest whether, as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or, in any similar capacity, in a Competitive Business other than, owning an interest of 3% or less in a publicly traded company that is a Competitive Business, (b) operating, managing, funding and/or performing services whether, as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or, in any similar capacity, for or benefitting a Competitive Business, (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or franchisees, (d) inducing any customer or client of Franchisor, Franchisor's affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a DPF Business; and/or (e) engaging in any actions, inactions, and/or activities in violation of Article 6.B and/or Article 6.C. If Franchisee engages in the Prohibited Activities, such actions would be unfair, constitute unfair competition, and cause irreparable harm to Franchisor, the System, and other DPF Business franchisees. The foregoing covenants and obligations will also apply to Franchisee's Owners and Spouses. Franchisee's Owners and Spouses will each execute and deliver the Guarantee to Franchisor.

The restrictions of this Article 6.D may not apply to a Competitive Conversion Business in Franchisor's discretion.

6.E RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS

During the Post-Term Restricted Period, Franchisee will not engage in any Prohibited Activities; provided, however, that the Prohibited Activities relating to Franchisee's having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee's Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and any such extension of time will not be construed as a waiver of Franchisee's breach or otherwise impair any of Franchisor's rights or remedies relating to Franchisee's breach. The foregoing covenants and restrictions will also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses will each execute and deliver the Guarantee to Franchisor. Franchisee acknowledges that the covenants and restrictions set forth in this Article 6 are fair and reasonable and that if Franchisee engaged in any Prohibited Activity, such actions will constitute acts of unfair competition causing irreparably harm to Franchisor and the System.

The restrictions of this Article 6.E may not apply to a Competitive Conversion Business in Franchisor's discretion.

6.F IMMEDIATE FAMILY MEMBERS

If Franchisee circumvents the restrictive covenants and obligations of this Article 6 by disclosing Confidential Information to an Immediate Family Member, Franchisor and the System will be irreparably harmed. If Franchisee or one of Franchisee's Owners discloses Confidential Information to an Immediate Family Member and the Immediate Family Member uses the Confidential Information to engage in activities that qualify as Prohibited Activities, Franchisor and the System will be irreparably harmed. As between Franchisee and Franchisor, Franchisee and Franchisee's Owners are in a better position to know if Franchisee permitted and/or provided an Immediate Family Member with access to the Confidential Information and therefore Franchisee will be presumed to have violated the terms of this Agreement if any Immediate Family Member: (a) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities, and/or (b) uses or discloses the Confidential Information and/or Know-how. Franchisee may rebut the foregoing presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee's Owners disclosed the Confidential Information and did not permit disclosure of the Confidential Information to the Immediate Family Member. The foregoing covenants, obligations, representations, and burden of proof will also apply to Franchisee's Owners and Spouses. Franchisee's Owners and Spouses will each execute and deliver the Guarantee to Franchisor.

6.G REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee acknowledges that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area, and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. Franchisee hereby waives any right to challenge the terms of this Article 6 as being overly broad, unreasonable, or otherwise unenforceable. Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration, and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Post-Term Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

6.H BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee's and/or Franchisee's Owners' failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other DPF Business franchisees for which there is no adequate remedy at law. Any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owners will entitle Franchisor to injunctive relief. Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee in the event of the entry of such injunction will be the dissolution of such injunction upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the amount of the bond will not exceed $1,000. Franchisor's remedies under this Article 6.H are not exclusive of any other remedies, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

6.I OWNERSHIP OF INNOVATIONS, IMPROVEMENTS, AND INFORMATION

With regard to Franchisee's DPF Business, all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information

was supplied by Franchisor. During the Term and in connection with the development, establishment, marketing, promotion, and/or operation of Franchisee's DPF Business, Franchisee will disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of DPF Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates, and employees assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.I. Franchisor will have no obligation to make any lump sum or ongoing payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, or product. Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method, or product without obtaining Franchisor's prior written approval.

ARTICLE 7
OPERATING STANDARDS

7.A OPERATING REQUIREMENTS

Franchisee and Franchisee's DPF Business will: (a) exclusively offer and sell the Approved Services and Products, (b) exclusively purchase and use the System Supplies, (c) maintain a complete and updated inventory and supply of System Supplies, (d) maintain, update, replenish and replace Franchisee's System Supplies, (e) maintain, update, replenish and recondition Franchisee's Operations Center, and (f) maintain Franchisee's Service Vehicles and System Supplies in a clean and safe condition in conformity with Franchisor's standards for the Licensed Marks and System.

The restrictions of this Article 7.A may not apply to a Co-Branded Business, a Conversion Business, or a Competitive Conversion Business in Franchisor's discretion.

7.B MAINTENANCE, UPDATES, AND UPGRADES

Franchisee will maintain Franchisee's System Supplies, Service Vehicles, and Franchisee's Operations Center as specified by Franchisor in the Operations Manual and/or otherwise in writing in Franchisor's discretion from time to time. Notwithstanding the foregoing, Franchisee expressly acknowledges that the foregoing obligations relate to brand standards and specifications associated with the Licensed Marks and the Approved Services and Products. Franchisee is exclusively responsible for conditions involving the safety of customers and employees in connection with the operations of Franchisee's DPF Business.

7.C DAMAGE CAUSED BY CASUALTY

If Franchisee's Operations Center, Service Vehicles, and/or System Supplies are damaged or destroyed by fire or any other casualty, Franchisee must initiate repairs or reconstruction as soon as practicable but in no event later than one month after such casualty in good faith with due diligence, and continue until completion of the repairs or reconstruction to meet Franchisor's standards and specifications.

7.D ALTERATIONS

Franchisee will maintain Franchisee's System Supplies, Service Vehicles, and Operations Center in accordance with Franchisor's standards and specifications. Franchisee will not materially alter or modify same.

7.E BRAND STANDARDS AND FRANCHISOR-DESIGNATED REQUIREMENTS

Franchisee will develop and operate Franchisee's DPF Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements determined by Franchisor in Franchisor's discretion and/or as set forth in the Operations Manual. The standards, specifications, procedures, and operational requirements may include, without limitation, the Approved Services and Products, the System Supplies, System standards as designated by Franchisor, authorized and mandatory supplies, inventory levels, and inventory items, designated suppliers, standards related to brand uniformity including, standards regarding uniforms, marketing materials, marketing media, the appearance and operations of Franchisee's DPF Business, customer service and satisfaction standards including, without limitation, customer rewards programs, refund policies, gift card policies, special promotions, and other customer incentive and goodwill programs, Franchisor-designated secret quality control inspections, payment processing systems, and the overall operations of Franchisee's DPF Business.

The restrictions of this Article 7.E may not apply to a Co-Branded Business, a Conversion Business, or a Competitive Conversion Business in Franchisor's discretion.

7.F APPROVED SERVICES, PRODUCTS, EQUIPMENT, AND SUPPLIERS

The products and services to be offered and sold by Franchisee's DPF Business, the supplies, suppliers and equipment utilized by Franchisee's DPF Business, the methods for monitoring customer satisfaction, and the methods for marketing and promoting Franchisee's DPF Business must conform to Franchisor's System standards and specifications as determined by Franchisor in Franchisor's discretion, as designated by Franchisor in the Operations Manual, and/or as otherwise designated by Franchisor in writing. Without limitation to the foregoing:

(1) Franchisee's DPF Business will exclusively offer and sell the Approved Services and Products to customers located within Franchisee's Designated Territory;

(2) Franchisee's DPF Business will, in accordance with Franchisor's standards and specifications as exclusively determined by Franchisor: (a) offer the Approved Services and Products, (b) provide the Approved Services and Products in accordance with the System's standards and specifications, (c) exclusively purchase and use System Supplies from Franchisor or Franchisor's designated suppliers, (d) exclusively purchase and use equipment, supplies, promotional materials, point of sale systems, and Business Management Systems designated by Franchisor and, subject to Franchisor's specifications, (e) Purchase displays, point of sale displays, uniforms, supplies, marketing materials, and promotional materials including, without limitation, System Supplies as designated by Franchisor and only from Franchisor or Franchisor's approved suppliers, and (f) purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies including, without limitation, System Supplies used in preparing, offering, and providing the Approved Services and Products;

(3) Franchisor may periodically approve suppliers and distributors of the equipment, materials, supplies, and products including, without limitation, System Supplies and Service Vehicles, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used by Franchisee's DPF Business;

(4) Franchisor may modify the list of approved brands, suppliers, and distributors of System Supplies, Service Vehicles, and approved equipment, supplies, and services to be used by Franchisee's DPF Business from time to time in Franchisor's discretion. Franchisee will abide by same after receipt in writing of such modification and not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor;

(5) Franchisor may designate a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, without limitation, the System Supplies and Service Vehicles and require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors for such supplier's or distributor's dealings with Franchisee and other franchisees of the System and Franchisor may use all amounts so received without restriction and for any purpose including Franchisor's profit; and

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in Franchisee's DPF Business where such products, services, equipment, supplies, suppliers and/or distributors are not, presently, at the time of Franchisee's request, approved for use in the System, Franchisee: (a) must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request, (b) will timely submit to Franchisor such information, reports, specifications, and samples as Franchisor requests in Franchisor's discretion, (c) will pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, without limitation, the Supplier Evaluation Fees that Franchisor establishes in Franchisor's discretion. The foregoing fees and payments will be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all evaluations, Franchisor will notify Franchisee of Franchisor's approval or disapproval which will be determined by Franchisor in Franchisor's discretion. Under no circumstance will the foregoing be construed as implying that Franchisor is required to approve alternative suppliers and Franchisor will exclusively determine the level of evaluation to be conducted by Franchisor in Franchisor's discretion.

The restrictions of this Article 7.F may not apply to a Co-Branded Business, a Conversion Business, or a Competitive Conversion Business in Franchisor's discretion.

7.G MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee will participate in Franchisor's market research programs that may be conducted by Franchisor in Franchisor's discretion by test marketing services and/or products from Franchisee's DPF Business. Franchisee will provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee will purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

7.H COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee will maintain all required licenses, permits, and certificates relating to the operation of Franchisee's DPF Business.

(2) Franchisee will comply with all laws applicable to the operation of Franchisee's DPF Business including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers' compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules, and obligations.

(3) Franchisee will comply with all laws, rules, and regulations related to customer and employee privacy obligations, the privacy and protection of customer and employee information and data, and customer and employee solicitations.

(4) Franchisee will immediately notify Franchisor in writing of any of the following concerning Franchisee and/or Franchisee's DPF Business: (a) any cause of action, claim, lawsuit, proceeding, and investigation, (b) issuance of any order, writ, injunction, award, and/or decree by any court, agency, or other governmental entity, and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(5) Franchisee will ensure that all advertising and promotion of Franchisee's DPF Business by Franchisee is completely factual and conforms to the highest standards of ethical advertising and Franchisor's standards and specifications. Franchisee will refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, DPF Businesses, and/or the Licensed Marks. Franchisor has the unilateral right to reject any advertising relating to Franchisee's DPF Business, Franchisor, the System, or DPF Businesses, and/or that uses the Licensed Marks.

(6) Franchisee will comply and cause Franchisee's Owners to comply with and/or assist Franchisor with Franchisor's efforts to comply with Anti-Terrorism Laws. In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being "blocked" under any of the Anti-Terrorism Laws and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at http://www.treasury.gov) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee will immediately notify Franchisor if Franchisee or any Owner becomes so listed. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

In connection with Franchisee's compliance with the terms of this Article 7.H, if Franchisee becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7.H with Franchisor's standards and/or specifications as contained in this Agreement, in the Operations Manual, and/or as otherwise designated by Franchisor, Franchisee will immediately notify Franchisor in writing of such discrepancy. If any conflict or ambiguity arises, Franchisor's determination and/or resolution made by Franchisor in writing with regard to the presented conflict or ambiguity will be determinative as between Franchisor and Franchisee and the operations of Franchisee's DPF Business.

7.I MANAGEMENT OF FRANCHISEE'S DPF BUSINESS

(1) The development and operation of Franchisee's DPF Business will be managed, operated, and maintained under the active, continuing management, substantial personal involvement, and hands-on supervision of Franchisee and/or Franchisee's Managing Owner. The Managing Owner must at all times be actively involved in the operation of Franchisee's DPF Business unless Franchisee delegates management functions to an authorized Operating Manager who satisfactorily completes Franchisor's Initial Training program and otherwise meets the criteria and conditions for qualification as an Operating Manager as designated and determined by Franchisor. If the Operating Manager is an Immediate Family Member of Franchisee or an Owner, the Operating Manager will execute the Guarantee.

(2) Franchisee must faithfully, honestly, and diligently perform Franchisee's obligations hereunder and continuously exert best efforts to promote and enhance Franchisee's DPF Business and the goodwill of the Licensed Marks and the System.

(3) If Franchisee's DPF Business is not being managed by a Managing Owner or Operating Manager at any time who satisfactorily completed the Training Program, Franchisor is authorized, but not required, to immediately appoint a manager to maintain the operations of Franchisee's DPF Business. Franchisor's appointment of a manager of Franchisee's DPF Business does not relieve Franchisee of Franchisee's obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's DPF Business or to any creditor of Franchisee for any products, materials, supplies, or services purchased by Franchisee's DPF Business while it is managed by Franchisor's appointed manager. Franchisor may charge fees and expenses as determined by Franchisor for management services (the "Management Service Fees") in Franchisor's discretion. Any determination as to whether or not Franchisor may elect to provide management services, the extent of such services, and/or the discontinuation thereof will be exclusively determined by Franchisor in Franchisor's discretion. Management Service Fees will be immediately payable upon invoice.

(4) Franchisee will maintain sufficient working capital to fulfill Franchisee's obligations under this Agreement at all times.

(5) Franchisee will attend any Annual Conference and pay an Annual Conference Fee as determined by Franchisee.

7.J REMEDIES FOR NONCOMPLIANCE WITH OPERATIONAL STANDARDS

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor to determine whether or not a default under the Agreement has been cured in accordance with Franchisor's standards and specifications, Franchisee will pay to Franchisor the costs and expenses incurred by Franchisor in connection with Franchisor's determination. The foregoing does not constitute Franchisor's consent to and/or acquiescence to any default. Nothing contained in this Article 7.J will be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16 or as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and will be interpreted as cumulative to one another.

ARTICLE 8
INSURANCE

Franchisee will purchase and maintain in full force insurance policies protecting Franchisee and naming Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor as additional insureds. The policies must be written by a carrier or carriers with an A.M. Best Rating of at least A-, VII that is reasonably acceptable to Franchisor. Franchisor may designate preferred insurance brokers and insurance carriers.

The required insurance policies, insurance coverage requirements, and insurance coverage amounts are set forth in the Operations Manual. Franchisor may periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time in Franchisor's discretion. Notwithstanding the foregoing, Franchisor will not increase such minimum coverage more than once every two years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor,

Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees. By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice will be given to Franchisor if a material alteration to or cancellation of any insurance policy occurs. Franchisee is required to maintain in accordance with this Agreement.

If Franchisee fails to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority, but not the obligation, to immediately to procure insurance and charge all costs, fees, and expenses associated with same to Franchisee. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity. Franchisee will provide a copy of any certificate to Franchisor either annually or upon a change to the policy.

ARTICLE 9
BRAND DEVELOPMENT AND MARKETING

9.A BRAND DEVELOPMENT FUND

Franchisor may institute and administer a fund for the development of the System brand (the "Brand Development Fund") at any time in Franchisor's discretion. The following will apply to the Brand Development Fund:

(1) If Franchisor institutes the Brand Development Fund, Franchisee will pay, on the Due Date, a monthly fee to the Brand Development Fund (the "Brand Development Fund Fee"); provided, however, that the Brand Development Fund Fee will not exceed $500;

(2) Franchisor will provide Franchisee with at least 60 days' written notice before instituting a Brand Development Fund or increasing the Brand Development Fund Fee;

(3) Franchisor will direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund in Franchisor's discretion with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) The purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is for the general enhancement of the System brand. The Brand Development Fund may not be utilized to directly or indirectly market or promote Franchisee's DPF Business or pay for media placements that may benefit or include any media market that includes Franchisee's Operations Center or Designated Territory;

(5) The Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities, and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative

development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor; provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund will be commensurate with the amount of that time spent by such personnel on Brand Development Fund matters. Franchisor will not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all DPF Businesses to the Brand Development Fund in that year;

(6) Franchisee will participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Brand Development Fund;

(7) DPF Businesses owned by Franchisor or Franchisor's affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund. Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year will be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity will have all rights and duties of Franchisor pursuant to this Article 9.A(8);

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by DPF Businesses operating in that geographic area or that any DPF Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of DPF Businesses in the System. Franchisor may use the Brand Development Fund to promote or benefit DPF Businesses located within a particular region of the United States. Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. The failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund will not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with respect to the maintenance, direction, and/or administration of the Brand Development Fund;

(10) Franchisor may use the Brand Development Fund to advertise Franchisor's offer of franchises; and

(11) Franchisor may establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund in Franchisor's discretion. The council will only serve in an advisory capacity and Franchisor will select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System, and/or third parties.

9.B LOCAL MARKETING

On an ongoing calendar year quarterly basis, Franchisee must spend not less than $250 per month on the local marketing of Franchisee's DPF Business within and/or targeted to Franchisee's Designated Territory. This amount may be increased up to $350 per month in Franchisor's discretion upon 60 days' written notice. On or before the fifth day of each calendar year quarter or such other dates as specified by Franchisor, Franchisee will provide Franchisor with an accurate accounting of Franchisee's local marketing expenditures, placements, activities, and metrics for the immediately preceding calendar year quarter. At the request of Franchisor, Franchisee will provide Franchisor with ongoing access to any data and systems that record and/or report information related to Franchisee's local marketing activities and expenditures and to provide Franchisor such other periodic reports and records as may be requested by Franchisor.

All marketing of Franchisee's DPF Business by Franchisee must be preapproved in writing by Franchisor. Franchisor may reject any marketing efforts requested by Franchisee and prescribe all marketing, marketing media, marketing channels, promotions, copy, creative, and messaging that Franchisee may or may not use in Franchisee's marketing of Franchisee's DPF Business. Further:

(1) In addition to calendar year quarterly reports, Franchisee will provide Franchisor with monthly reports documenting Franchisee's marketing initiatives, expenses incurred, placements secured, and other metrics and financial information as designated by Franchisor;

(2) Prior to opening Franchisee's DPF Business, Franchisee will submit to Franchisor, Franchisee's grand opening marketing plan for review and approval by Franchisor. Franchisee will use only those portions of its grand opening marketing that are preapproved by Franchisor and consistent with Franchisor's standards and specifications. Not less than 30 days prior to the opening of Franchisee's DPF Business, Franchisee will spend not less than $250 to market and promote the grand opening of Franchisee's DPF Business in accordance with Franchisor's standards and specifications;

(3) Franchisee's marketing efforts and the distribution of each marketing channel and media engaged by Franchisee must be directly targeted to Franchisee's Designated Territory. Franchisee will not direct or target Franchisee's marketing efforts with the purpose or effect of soliciting or attracting customers outside of Franchisee's Designated Territory. To the extent that Franchisee's marketing efforts involve a marketing medium or distribution channel that is targeted to Franchisee's Designated Territory but reaches outside of and beyond Franchisee's Designated Territory, Franchisor may direct and require Franchisee to discontinue such marketing in Franchisor's discretion; and

(4) Franchisee hereby grants to Franchisor the right, without compensation to Franchisee, to use Franchisee's name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of DPF Business franchises.

9.C REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of Franchisee's DPF Business and all marketing media, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the Operations Manual or as otherwise determined by Franchisor. If Franchisee wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee will submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that will be at the sole discretion of Franchisor in Franchisor's discretion. Provided that Franchisee has satisfied the written notice requirements set forth in this Article 9.C and provided that Franchisee otherwise timely responds in writing to any requests by Franchisor for additional information, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. Franchisor may still disapprove such materials by notice to Franchisee and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

9.D WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund and/or, if applicable, Advertising Cooperative. In no event will such waiver or deferral extend beyond six months. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund and/or, if applicable, Advertising Cooperative. Under no circumstance will Franchisor be under any obligation to grant any waiver of deferral. Franchisor may reject Franchisees request for a waiver or deferral based on any reason or no reason at all and, nevertheless grant the request of another system franchisee.

9.E DIGITAL MEDIA AND WEBSITE PROHIBITIONS

Franchisee's use of Digital Media will be subject to and require Franchisor's express written consent which will and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possess no right or authority to utilize Digital Media and Franchisor reserves all rights respecting the marketing, sale, and distribution of Approved Services and Products through Digital Media. All Digital Media and Digital Media accounts associated with and/or relating to Franchisee's DPF Business and/or the System will, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any future dates demanded by Franchisor, Franchisee will execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts Agreement. The foregoing will not be interpreted or construed as permitting Franchisee to establish accounts using Digital Media that relate to Franchisee's DPF Business and/or the System.

9.F NO MARKETING OUTSIDE FRANCHISEE'S DESIGNATED TERRITORY

Franchisee's marketing and Marketing Media must be directed toward Franchisee's Designated Territory and that under no circumstance will Franchisee cause, authorize or engage in any Media Distribution to customers, potential customers and/or customer referral sources outside of Franchisee's Designated Territory, unless: (a) such Media Distribution is a joint distribution with other DPF Businesses pursuant to an Advertising Cooperative authorized by Franchisor in writing, and (b) Franchisor agrees to same in writing in Franchisor's discretion.

9.G ADVERTISING COOPERATIVES

At all times Franchisor, possesses the right to authorize, establish, designate, and de-authorize a local or regional advertising cooperative within those markets that Franchisor designates (the "Advertising Cooperative") in Franchisor's discretion. Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more DPF Business franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee's DPF Business or Designated Territory is located within the geographic area of an Advertising Cooperative, Franchisee must participate in and contribute to the Advertising Cooperative. Further:

(1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee's Designated Territory or Franchisee's DPF Business Location, Franchisee will participate in and make such ongoing financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee DPF Business located within the designated area of the Advertising Cooperative) with a quorum constituting twenty-five percent of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative will be organized for the exclusive purpose of administering marketing programs and the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee's DPF Business location or Designated Territory, or if such Advertising Cooperative is established during the Term of this Agreement, Franchisee will fully participate in the Advertising Cooperative and Franchisee will execute, at the request of Franchisor, all documents required by Franchisor and Franchisee will become a member of the Advertising Cooperative subject to the terms of those documents;

(5) Franchisee will contribute to the Advertising Cooperative in the amounts as determined and required by the Advertising or otherwise in accordance with those documents governing the operation of the Advertising Cooperative; provided, however, that Franchisee's contributions to the Advertising Cooperative will not exceed Franchisee's local minimum marketing obligations set forth in Article 9.B and Franchisee's contributions to the Advertising Cooperative will count toward satisfaction of Franchisee's minimum local marketing obligations set forth in Article 9.B;

(6) Franchisee will submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative will be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative will be operated solely for the purpose of collection and expenditure of the Advertising Cooperative's fees for the purpose set forth in this Article 9;

(7) No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;

(8) DPF Businesses owned by Franchisor and/or Franchisor's affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and

(9) The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the Operations Manual which may be modified by Franchisor from time to time.

ARTICLE 10
RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A INDEPENDENT CONTRACTORS

This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose. The parties' relationship is strictly a franchisor-and-franchisee relationship. Franchisee is the sole employer of the employees of Franchisee's DPF Business. Franchisee has the sole right to select, hire, and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling, and paying wages to and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors, and employees will not be construed, considered, or represented as Franchisor's employees, representatives, or agents. There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. Franchisee's compliance with all federal, state, and local labor laws rules and regulations will be exclusively determined and managed by Franchisee. To the extent that the Operations Manual includes information, specifications, procedures, criteria, and/or requirements regarding employees of Franchisee's DPF Business, such requirements will be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the Approved Services and Products, and under no circumstance will same relate to the employer-employee relationship. As to the foregoing issue of "joint employer" and the non-existence thereof, if any inconsistency or conflict between this Agreement and the Operations Manual arises, the terms of this Agreement will take precedence and govern.

Franchisee must conspicuously identify itself at the premises of Franchisee's DPF Business and in all dealings with customers, lessors, contractors, suppliers, public officials, and others as the owner of a DPF Business under a franchise from Franchisor. Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising, and other materials as Franchisor requires.

Franchisee will not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee will not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee will not make any express or implied agreements, guaranties or representations, or incur any debt, in the name or on behalf of the other. Franchisor and Franchisee will not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee will not be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of Franchisee's DPF Business, whether or not caused by Franchisee's negligent, willful act, or failure to act.

Franchisor will have no liability for any sales, use, excise, gross receipts, property, or other taxes, whether levied upon Franchisee, Franchisee's DPF Business or its assets, or upon Franchisor in connection with sales made, services performed, or business conducted by Franchisee.

10.B INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner will indemnify, defend through counsel acceptable to Franchisor, and hold Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages arising out of, or relating to, Franchisee's Operations Center, and/or Franchisee's DPF Business (including, without limitation, the ownership and operation of Franchisee's DPF Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee will pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense will not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B will survive the termination, expiration or Transfer of this Agreement.

Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

10.C INDEMNIFICATION BY FRANCHISOR

Franchisor will indemnify, defend, and hold Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's DPF Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor will pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. The terms of this Article 10.C will survive the termination, expiration, or Transfer of this Agreement.

ARTICLE 11
LICENSED MARKS, SYSTEM AND INNOVATIONS

11.A OWNERSHIP AND GOODWILL

Franchisor is the owner of all right, title, and interest in and to the Licensed Marks, the System, Web Based Media, Published Content, and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published Content, and the goodwill associated with the Licensed Marks and the System. Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates will constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. All usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, will exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of Franchisee's DPF Business, subject to the terms and conditions of this Agreement. Franchisee will not at any time during the Term or after the expiration, termination, or Transfer of this Agreement contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. At no time will Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner will not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Published Content, and/or the goodwill associated with the Licensed Marks and the System.

11.B USE OF THE LICENSED MARKS

The Licensed Marks will be the sole identification of Franchisee's DPF Business. Franchisee must operate, advertise and market Franchisee's DPF Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's discretion. Franchisee will not use the Licensed Marks as part of its corporate or other legal name, and Franchise will not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee will comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

11.C NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of, or challenge to, Franchisee's use of any Licensed Mark and/or the System or of any claim by any person claiming any rights in any manner with respect to the Licensed Mark, the System, or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge, or claim by any third party to the Licensed Marks and/or the System. Franchisor and/or Franchisor's licensor will possess sole and complete discretion to take any action and/or to refrain from taking action Franchisor and/or Franchisor's licensor deems appropriate including, without limitation, the right to exclusively control any litigation or administrative proceeding arising out of, or relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the System. Franchisee will execute all documents, render assistance, and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or Franchisor's licensor in any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor and/or Franchisor's licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by

Franchisee in assisting Franchisor in any such litigation or administrative proceeding provided Franchisee timely notifies Franchisor of such proceeding and Franchisee complies with the written instructions of Franchisor respecting any such proceeding.

11.D DISCONTINUANCE OF USE OF LICENSED MARKS

If Franchisor determines in Franchisor's discretion at any time that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any of Licensed Marks, then Franchisee will comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Marks. Franchisee will comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this Article 11.D or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any of Licensed Marks, the sole liability and obligation of Franchisor to Franchisee will be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee will document to the satisfaction of Franchisor. Franchisor has the exclusive right to modify any features and/or components of the Licensed Marks and/or the System at any time in Franchisor's discretion.

11.E INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "IP Claim"), then Franchisor will indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (a) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier, (b) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing, and (c) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Time is of the essence with respect to notifying Franchisor of an IP Claim.

11.F OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND INFORMATION

With regard to Franchisee's DPF Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, in connection with Franchisee's DPF Business, Franchisee will disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to Franchisee's DPF Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of, any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 11.F from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor will have no obligation to tender any lump sum payment, ongoing payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee will not use, or allow any other person or entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

ARTICLE 12
RECORDS AND REPORTS

12.A MAINTENANCE AND PRESERVATION OF RECORDS

Franchisee will maintain during the Term, and preserve for at least three years from the dates of their preparation, full, complete, and accurate books, records, and accounts from Franchisee's DPF Business. Such records will be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

12.B REPORTING OBLIGATIONS

In additional to the reporting obligations otherwise set forth in this Agreement, Franchisee will comply with the following additional reporting obligations as they may be modified by Franchisor from time to time:

(1) Royalty and Activity Reports. On the Due Date each month, Franchisee will report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.

(2) Monthly Financial Statements and Reports. Within 30 days of the end of each calendar month Franchisee will submit to Franchisor monthly financial statements and other reports related to the operations of Franchisee's DPF Business including, without limitation, income statements, statements of cash flows, balance sheets, and other operational reports designated by Franchisor. Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor will be true and accurate. Financial statements must be prepared in accordance with GAAP and will reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(3) Annual Financial Statements and Reports. Within 60 days of the end of each calendar year, Franchisee will submit to Franchisor Franchisee's annual financial statements and other reports related to the operations of Franchisee's DPF Business including, without limitation, income statements, statements of cash flows, balance sheets, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA in accordance with GAAP and will reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

(4) Tax Returns. Franchisee will provide to Franchisor, Franchisee's annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns will be submitted to Franchisor within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities; and

(5) Other Reports. Franchisee will timely submit to Franchisor all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the Operations Manuals.

ARTICLE 13
INSPECTION AND AUDITS

13.A FRANCHISOR'S RIGHT TO INSPECT

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee's Operations Center, Service Vehicles and System Supplies. Franchisee will fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to

take photographs, videos, and/or recordings of Franchisee's DPF Business, operations of Franchisee's DPF Business, interview employees and customers of Franchisee's DPF Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor will undertake reasonable efforts to minimize the impact of any inspection on the operations of Franchisee's DPF Business.

13.B FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of Franchisee's DPF Business and Franchisee. Franchisee will maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee's Operations Center. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit.

ARTICLE 14
TRANSFER OF INTEREST

14.A TRANSFER BY THE FRANCHISOR

Franchisor has the sole, absolute, and unilateral right to Transfer and/or assign Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity, and/or third party without the consent of Franchisee and without the approval of Franchisee or any other party. Nothing contained in this Agreement will restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole discretion. If Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, will survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements.

14.B FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL

Franchisee represents and warrants that Franchisee's Owners understand and agree that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Accordingly:

(1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;

(2) No obligations, rights, or interest of Franchisee in: (a) this Agreement, (b) the lease or ownership interests in Franchisee's Operations Center, (c) Franchisee's DPF Business, or (d) all or substantially all of the assets of Franchisee's DPF Business may be Transferred without the prior written consent of Franchisor. This restriction will not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of Franchisee's DPF Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Business Commencement Date) of Franchisee's DPF Business;

(3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or Franchisee's DPF Business and/or assets associated with Franchisee's DPF Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage, (b) insolvency, (c) dissolution of a Corporate Entity, (d) last will and testament, (e) intestate succession, or (f) declaration of or transfer in trust;

(4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, without limitation, this Article 14.B will constitute a breach of this Agreement and will convey to the transferee no rights or interests in this Agreement; and

(5) If a Transfer of this Agreement that is approved by Franchisor occurs, Franchisee will not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

14.C CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and each Owner and Spouse are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F, Franchisor will not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owners and spouses if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a DPF Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. The proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

(1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F;

(2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;

(3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;

(4) The transferee will be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses will personally execute the Guarantee;

(5) All obligations of Franchisee under this Agreement and the Ancillary Agreements will be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;

(6) Franchisee, each Owner, and each Spouse must execute the General Release releasing Franchisor, Franchisor's affiliates, and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any claims against Franchisor for matters arising on, or before, the effective date of the Transfer;

(7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of Franchisee's DPF Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of Franchisee's DPF Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, will cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then-current form of franchise agreement offered to new franchisees of DPF Businesses and any other agreements as Franchisor requires. Such agreements will supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then-current agreements may differ from the terms in this Agreement, provided that such agreements will provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;

(8) The transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's Operations Center to conform to the then-current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;

(9) Franchisee, each Owner, and each Spouse will remain liable for all obligations to Franchisor set forth in this Agreement;

(10) At the transferee's expense, the transferee, and the transferee's managing owner, managers and/or any other applicable employees of transferee's DPF Business must complete any training programs then in effect for franchisees of DPF Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee to Franchisor;

(12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's discretion that the price and terms of payment are not so burdensome as to be detrimental to the future operations of Franchisee's DPF Business by the transferee;

(13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information will execute the Confidentiality Agreement;

(14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor including, without limitation, transferee's obligations with respect to Royalty Fees and Advertising Contributions;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guarantee by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of Franchisee's DPF Business;

(16) Franchisee and the transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(17) The Transfer must be made in compliance with all applicable laws;

(18) The Transfer of Franchisee's DPF Business, the lease for Franchisee's Operations Center, and the assets of Franchisee's DPF Business will be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and

(19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement will not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

14.D DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which will not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's DPF Business is not being managed by a Franchisor-approved Operating Manager within 30 days after such death or permanent disability, Franchisor is authorized, but not required, to immediately appoint a manager to maintain the operations of Franchisee's DPF Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume the management and operation of Franchisee's DPF Business. Franchisor's appointment of a manager for Franchisee's DPF Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D, or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16. At all times, including while Franchisee's DPF Business may be managed by Franchisor's appointed manager, Franchisor will not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's DPF Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's DPF Business. Franchisor has the right to charge a reasonable fee (the "Management Service Fees") for such management services and may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which will not exceed 30 days from the date of death or permanent disability, must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's DPF Business is not being managed by a Franchisor approved Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of Franchisee's DPF Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's DPF Business. Franchisor's appointment of a manager for Franchisee's DPF Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D, or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16. At all times, including while Franchisee's DPF Business may be managed by Franchisor's appointed manager, Franchisor will not be liable for any debts, losses, costs, or expenses incurred in the operations of Franchisee's DPF Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's DPF Business. Franchisor may charge a Management Service Fee for such management services and may cease to provide management services at any time. Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then Article 14.D.(1) will apply as if the Managing Owner were the sole individual Franchisee.

(3) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed twelve months from the date of death.

(4) If Franchisee is an individual, then if the death or permanent disability of Franchisee occurs, this Agreement may be Transferred to any designated person, heir or beneficiary without the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee will be subject to the applicable terms and conditions of this Article 14, and the Transfer will not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to properly and legally document such Transfer of this Agreement. Said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement and execute the Guarantee.

14.E TRANSFER TO WHOLLY-OWNED CORPORATE ENTITY

If Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days' prior written notice of the proposed Assignment of this Agreement, (b) Franchisee (individually, jointly, and severally as to each individual Franchisee) sign and be bound by the Guarantee, (c) the Spouse of each Franchisee (individually, jointly, and severally as to each individual Spouse) sign and be bound by the Guarantee, (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchise may request concerning the proposed assignment and/or Assignee Corporate Entity, and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. An assignment to an Assignee Corporate Entity will not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

14.F FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or an Owner desires to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, Franchisee's DPF Business, Franchisee's Operations Center, and/or Franchisee's Operations Center, then Franchisee or such Owner (as applicable) must obtain a *bona fide*, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor will have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, Franchisee's DPF Business, Franchisee's Operations Center, and/or Franchisee's Operations Center for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30-day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor will be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal will not apply to any Transfer pursuant to Article 14.E.

ARTICLE 15
RENEWAL OF FRANCHISE

15.A FRANCHISEE'S RIGHT TO RENEW

Subject to Franchisee's satisfaction of the terms of this Agreement, including this Article 15, Franchisee will possess the option to renew the franchise for Franchisee's continued license and franchised operation of Franchisee's DPF Business for three additional five-year terms (the "Renewal Term"). The foregoing Renewal Term will not be afforded to or available to Franchisee if, prior to the Effective Date of this Agreement, Franchisee's DPF Business was previously operated or developed pursuant to a prior franchise agreement with Franchisor or Franchisor's predecessors respecting Franchisee's DPF Business.

15.B CONDITIONS FOR RENEWAL

Franchisee's renewal rights under this Article 15 are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

(1) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor written notice (the "Renewal Notice") of Franchisee's election to renew;

(2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee's Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;

(3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor's reasonable satisfaction, that: (a) Franchisee maintains the ability to continue to operate Franchisee's DPF Business within Franchisee's Designated Territory, and (b) Franchisee possesses the right to occupy and maintain Franchisee's Operations Center in accordance with Franchisor's then-current standards and specifications;

(4) Franchisee must satisfy the maintenance, update, and upgrade obligations as set forth in Article 7.B;

(5) Franchisee will deliver to Franchisor Franchisor's then-current form of franchise agreement for the Renewal Term (the "Renewal Franchise Agreement") within 30 days of the date of delivery by Franchisor to Franchisee;

(6) Franchisee's Owners and their Spouses must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then-current individual guarantee agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, without limitation, payment obligations, non-competition obligations, and restrictive covenants (the "Renewal Ancillary Agreements");

(7) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor's discretion; and

(8) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then-current form of general release whereby Franchisee and Franchisee's Owners will each fully release and discharge Franchisor, Franchisor's affiliates and it's officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any claims, causes of action, and suits arising

from and/or related to this Agreement. If local law precludes Franchisee's issuance of a general release, Franchisor at Franchisor's election, may condition renewal on Franchisee and each Owners delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of this Agreement by Franchisor or Franchisor's agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions will be deemed an election by Franchisee not to renew the franchise.

15.C RENEWAL FRANCHISE AGREEMENT

Franchisee expressly acknowledges that the Renewal Franchise Agreement and Renewal Ancillary Agreements may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement as determined by Franchisor in Franchisor's sole discretion.

ARTICLE 16
DEFAULTS AND REMEDIES

16.A DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(1) Defaults and Automatic Termination. Franchisee will be in default of this Agreement, and, this Agreement will be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee admits in writing Franchisee's inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency, or similar relief for debtors;

(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;

(e) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian, or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;

(f) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against Franchisee's DPF Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee is dissolved;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against the assets of Franchisee's DPF Business;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of Franchisee's DPF Business and not dismissed within 60 days after the summons is served on Franchisee;

(l) Real or personal property of Franchisee used in the operation of Franchisee's DPF Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or

(m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4), and/or upon termination by Franchisor pursuant to Article 16.A.(3).

(2) Defaults and Automatic Termination Upon Written Notice Without Cure Period. Franchisee will be in default of this Agreement and this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

(a) Franchisee, on three or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Article 16.A.(3) and/or Article 16.A.(4), irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Article 16.A.(3) and/or Article 16.A.(4) and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisees, and/or customers of Franchisee's DPF Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates Franchisee's DPF Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate Franchisee's DPF Business, unless prevented from doing so by casualty that is the subject of Article 7.C and that is cured/remedied in accordance with Article 7.C;

(e) Franchisee, as to applicable, laws, rules and/or regulations, loses and/or fails to continuously possess, the legal right to operate Franchisee's DPF Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the Operations Manual and/or as otherwise communicated by Franchisor from time to time;

(f) Franchisee and/or Franchisee's Owners intentionally misrepresent and/or omit material information in the Franchisee Disclosure Questionnaire;

(g) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(h) Franchisee attempts to Transfers or, purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(i) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer or, purportedly Transfers, the Owners equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the Operations Manual to any third party not otherwise authorized by Franchisor;

(k) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;

(l) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, DPF Businesses, Franchisee's DPF Business, and/or the reputation of the DPF Alternatives brand;

(m) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Guarantee;

(n) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or *nolo contendere* to a felony crime;

(o) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that results in embarrassment to Franchisor, the System, the Licensed Marks, DPF Businesses, Franchisee's DPF Business, and/or the reputation of the DPF Alternatives brand as determined by Franchisor in Franchisor's discretion;

(p) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program, and/or supplemental training programs designated by Franchisor;

(q) Franchisee fails, upon receiving actual or constructive notice, will: (i) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity, (ii)

immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement, and (iii) take reasonable steps including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel, to prevent any person or entity from violating the terms of the Confidentiality Agreement and/or otherwise publicly disseminating Confidential Information;

(r) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(s) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) Defaults and Automatic Termination After 10-Day Cure Period. Franchisee will be in default of this Agreement and this Agreement will be terminated upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within ten calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay and/or satisfy the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay and/or satisfy any payment, fee, financial obligation, charge, and/or monetary obligation payable to Franchisor and/or Franchisor's Affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's Affiliate, Franchisee and/or Franchisee's affiliate; and/or

(c) Franchisee fails or refuses at any time without legal justification, as may be determined by Franchisor in Franchisor's discretion, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit Franchisee's DPF Business.

The foregoing events of default set forth in this Article 16.A.(3) will exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). If any inconsistency or conflict arises between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) will take precedence and govern. If any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2) arises, Article 16.A.(2) will take precedence and govern.

(4) Defaults and Automatic Termination After 30-Day Cure Period. Franchisee will be in default of this Agreement and, this Agreement will be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default / action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:

(a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Article 16.A.(1), Article 16.A.(2), or Article 16.A.(3);

(b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;

(c) Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest in an approved location for Franchisee's Operations Center;

(d) Franchisee fails or refuses to develop and open Franchisee's DPF Business on or before the Scheduled Business Commencement Date, in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;

(e) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate Franchisee's DPF Business in compliance with the terms of this Agreement, as designated or specified in the Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;

(f) Franchisee fails or refuses to develop, manage, maintain, and/or operate Franchisee's DPF Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;

(g) An inspection and/or evaluation of the operations of Franchisee's DPF Business whether by mystery shopper programs, third party inspection services, or otherwise determines that the operations of Franchisee's DPF Business do not meet the operational standards and requirements set forth in this Agreement, the Operations Manual, and/or as otherwise communicated to Franchisee from time to time;

(h) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the Operations Manual, and/or as requested by Franchisor

(i) If any inspection or review of Franchisee's records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee's Gross Sales, and/or any other metrics or data, resulting in the underpayment, by 5% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;

(j) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for Franchisee's DPF Business as set forth in this Agreement, and/or in the Operations Manual; and/or

(k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of Franchisee's DPF Business.

The foregoing events of default set forth in this Article 16.A.(4) will exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). If any inconsistency or conflict arises between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) will take precedence and govern. If any inconsistency or conflict arises between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) will take precedence and govern.

16.B TERMINATION BY FRANCHISEE

If Franchisee, Owners, and Spouses are in full compliance with each term and provision of this Agreement, any amendment, successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

(1) Franchisor does not correct the material breach within 30 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor; or

(2) In a case where Franchisor's material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor's receipt of Franchisee's written notice of Franchisor's material breach, Franchisor will be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing, and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement will not take effect until expiration of the 30-day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be at least ten days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in this and in compliance with this Article 16.B will not constitute the termination of this Agreement and will constitute a material breach of this Agreement by Franchisee.

16.C FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES

Article 16.A sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A are in addition to any other grounds for default as may be otherwise set forth in the Franchise Agreement. If an event of default of this Agreement by Franchisee occurs, termination of this Agreement is neither the sole nor exclusive remedy of Franchisor and that Franchisor's right or remedy of termination will be in addition to any other rights set forth in this Agreement and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, if the termination of this Agreement as a result of a default or breach by Franchisee and/or Franchisee's Owners and/or affiliates of any Ancillary Agreements occurs, Franchisor will possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee;

(2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor including, without limitation, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately;

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, without limitation, Royalty Fees, Brand Development Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. Franchisee acknowledges that to calculate and determine such damages, it is fair and reasonable to use Franchisee's most recent calendar year Gross Sales and assume that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. If, however, Franchisee's DPF Business has been open and in operation for less than one calendar year, Franchisee acknowledges that it is fair and reasonable to use an average of DPF Business Gross Sales across the System during the year in which this Agreement was terminated for the purpose of calculating and determining Franchisor's lost revenues and fees. The foregoing is a form of liquidated damages;

(4) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a reach or termination including, without limitation, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions, and other related expenses;

(5) To enjoin, restrain, and otherwise prohibit Franchisee from operating Franchisee's DPF Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction, or other means;

(6) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null, and void; and/or

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement and/or as may be otherwise available by law or equity.

If a breach or default of this Agreement occurs and Franchisor elects, at Franchisor's sole discretion, to not terminate this Agreement, such action will be without prejudice and without waiver of Franchisor's future rights. Franchisor may: (a) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees, (b) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery, (c) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees, and/or (d) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and/or Advertising Cooperative.

If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchise, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any additional remedies set forth in this Agreement, at law, or in equity. Franchisor's such rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

16.D GUARANTEE

The payment of all payments and other financial obligations payable by Franchisee to Franchisor pursuant to this Agreement, and Franchisee's observance and performance of all terms and conditions of this Agreement, are guaranteed pursuant to the Guarantee.

16.E NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR

Franchisee will give Franchisor advance written notice of Franchisee's intent to commence or otherwise institute any legal action or proceeding against Franchisor, specifying the basis for such proposed action, and Franchisee will grant Franchisor 30 days from receipt of said notice to cure the alleged act upon which such legal action is to be based (the "30-Day Cure Notice"). The 30-Day Cure Notice is a strict condition precedent to Franchisee commencing, or otherwise instituting, legal action or proceeding against Franchisor for any reason whatsoever.

ARTICLE 17
OBLIGATIONS UPON TERMINATION, EXPIRATION AND CONTINUING OBLIGATIONS

17.A PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee will immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, without limitation, Royalty Fees, Advertising Contributions, and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, without limitation, the System Supplies.

17.B CEASE OPERATIONS AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee will immediately:

(1) Permanently cease to be a franchise owner of the DPF Business that was the subject of this Agreement and cease to operate such DPF Business under the System;

(2) Directly or indirectly, hold itself out to any person or entity, or represent itself, as a present or former DPF Business franchisee;

(3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual, (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or constitute Franchisor's trade secrets, (c) System Supplies, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Supplies, (d) the Approved Services and Products, and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, DPF Businesses, Franchisee's DPF Business, and Franchisee's former DPF Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationery, advertising material, articles, logos, devices, items, and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and DPF Businesses;

(4) Return to Franchisor the Operations Manual (including any parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any digital media, intra-nets, cloud based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) Except in the event an authorized transferee continues to operate Franchisee's former DPF Business at Franchisee's Operations Center subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former DPF Business, Franchisee's former DPF Alternatives Operations Center and Franchisee's Operations Center, as reasonably necessary or otherwise required by Franchisor to ensure that Franchisee's Operations Center has been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a DPF Business at your Operations Center, (b) remove from Franchisee's Operations Center all distinctive physical and structural features identifying a DPF Business and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks, and (c) make specific additional changes to Franchisee's Operations Center as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former DPF Business. Franchisee will immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Operations Center at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee's failure to timely make modifications and alterations to Franchisee's Operations Center will cause irreparable injury to Franchisor and Franchisee consents to the entry, at Franchisee's expense, of any *ex parte* order by any court of competent jurisdiction authorizing Franchisor or its agents to take action if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data, (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former DPF Business and/or otherwise associated with the System and/or the Licensed Marks, (c) cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and (d) comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6.B through Article 6.E; and

(11) Provide Franchisor, within thirty (30) days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

17.C CONTINUING OBLIGATIONS

All obligations under this Agreement that expressly or by their nature survive or are intended to survive the expiration, termination, or Transfer of this Agreement will continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

If a Transfer of this Agreement by Franchisee occurs, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, under no circumstance will Franchisee be relieved of Franchisee's Obligations under this Agreement and under no circumstance will each Owners and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Guarantee. The immediately foregoing will not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

ARTICLE 18
ENFORCEMENT AND CONSTRUCTION

18.A SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in the Agreement, each term and provision of the Agreement will be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition will be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement will be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule will be substituted for the comparable provisions, and Franchisor has the right, in Franchisor's sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee will bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard, or operating

procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement will be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement will be enforced as originally made in all other jurisdictions.

18.B WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance will constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement will not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any additional remedies set forth in this Agreement, at law, or in equity. Franchisor will likewise not be deemed to have waived or impaired any term and condition, right, option, or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with Franchisee's obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement will be valid unless in writing and signed by Franchisor.

18.C FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God and/or labor strikes unassociated with Franchisee or Franchisor (collectively, "*Force Majeure*"), then the time period for performing such obligation will be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from *Force Majeure* will not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure will not be extended or otherwise excused for more than six months.

18.D SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement will prohibit Franchisor from obtaining specific performance of the provisions of this Agreement or injunctive relief against threatened conduct that will cause damages or loss to Franchisor, the Licensed Marks, or the System. Without limitation to the rights set forth in Article 6, Franchisor may obtain such injunctive relief. Franchisor will not be required to post a bond (other than as set forth in Article 6.H) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.H are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing, if a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks occurs, it

will cause irreparable harm to Franchisor, the System, and the Licensed Marks. The foregoing will not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G.

18.E RIGHTS OF PARTIES ARE CUMULATIVE

The rights under the Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

18.F GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF COLORADO, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES WILL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY COLORADO WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

18.G CHOICE OF LAW, NON-BINDING MEDIATION, BINDING ARBITRATION, AND CONSENT TO JURISDICTION

(1) Non-Binding Mediation. Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation will be non-binding and will be conducted by the AAA in accordance with the AAA's then-current rules for the mediation of commercial disputes. All mediation proceedings will be conducted in Douglas County, Colorado or, if a mediator is not available in Douglas County, Colorado then at a suitable location selected by the mediator that is located closest to Douglas County, Colorado. Mediation will be conducted by one mediator and if Franchisor and Franchisee cannot agree on a mediator then the mediator will be selected by the AAA. Mediation will be conducted within 45 days of the AAA's designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing and signed by each respective party. Franchisor and Franchisee will each be responsible for their own costs associated with mediation and Franchisor and Franchisee will each be responsible for and will each pay 50% of the mediator's fee and the AAA's mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Article 18.G(1) and, thereby, the prerequisite requirement of non-binding mediation, will not, at Franchisor's election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, without limitation, Franchisee's violation or purported violation of Article 6 and/or (b) claims by either Franchisor or Franchisee under this Agreement that relate to either Franchisor's or Franchisee's failure to pay fees or other monetary obligations due under this Agreement.

(2) Arbitration. Subject to the prerequisite requirements of non-binding mediation as set forth in Article 18.G(1), and except, at Franchisor's election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that under the terms of this Agreement may entitle Franchisor to the award of injunctive relief including, without limitation, Franchisee's violation or purported violation of Article 6, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the

validity of this Agreement and/or the Ancillary Agreements will be submitted, on demand of either Franchisor or Franchisee, to the AAA for binding arbitration. Arbitration will be conducted by one arbitrator in accordance with the AAA's then-current rules for commercial disputes, except as may be otherwise required in this Article 18.G. All arbitration proceedings will be conducted in Douglas County, Colorado, or if suitable AAA facilities are not available in Douglas County, Colorado, then at a suitable AAA location selected by the arbitrator that is located closest to Douglas County, Colorado.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

(a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(b) The arbitration hearing will be conducted within 180 days of the demand for arbitration;

(c) The arbitrator will render written findings of fact and conclusions of law;

(d) Except as may be otherwise required and/or prohibited by this Agreement including, without limitation, Article 18.I, Article 18.J, Article 18.N, Article 18.O, Article 18.R, Article 18.T, and Article 18.X, the arbitrator may award or include in the arbitrator's award any relief that the arbitrator determines to be proper including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance will the arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;

(e) They will each be bound to the limitations periods set forth in Article 18.I and that in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required will be forever barred;

(f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction; and

(g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, without limitation, the requirements set forth in this Article 18.

(3) Consent to Jurisdiction and Venue. Subject to the non-binding mediation and arbitration provisions set forth in Article 18.G(1) and Article 18.G(2), any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Colorado and within Highlands Ranch, Colorado, or the county closest to Highlands Ranch, Colorado. Franchisor and Franchisee hereby irrevocably consent to and waive any objection to the jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either Franchisee's DPF Business is or was located or where Franchisee resides.

18.H VARIANCES

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS

DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

18.I LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY CLAIMS AND/OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, WILL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

18.J WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT; PROVIDED THAT SUCH WAIVER WILL NOT APPLY TO ANY CLAIM (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT, AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES WILL CONTINUE IN FULL FORCE AND EFFECT.

18.K WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

18.L BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and will not be modified except by written agreement signed by both Franchisee and Franchisor.

18.M COMPLETE AGREEMENT

This Agreement and the Schedules and Exhibits to this Agreement, as executed and, as applicable, constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee.

18.N ATTORNEY FEES AND EXPENSES

If an arbitrator in any arbitration proceeding and/or a court of competent jurisdiction issues an award, judgment, decision, and/or order finding, holding, and/or declaring Franchisee's breach of this Agreement, then Franchisor will be entitled to the recovery of all reasonable attorney fees, costs, and expenses associated with and/or related to such proceeding. Said fees, costs, and expenses will include, without limitation, attorney fees, arbitrator fees, deposition expenses, expert witness fees, and filing fees.

18.O NO CLASS ACTION OR MULTI-PARTY ACTIONS

ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE DPF BUSINESS FRANCHISE FROM FRANCHISOR TO FRANCHISEE WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS. ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES, AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS, AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18.P ACCEPTANCE BY FRANCHISOR

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

18.Q OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisee acknowledges and represents that prior to the signing of this Agreement that Franchisor recommended and that Franchisee had the opportunity to have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant, and other business advisors.

18.R. NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS, OR AGENTS

The fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law will be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents will be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers. The foregoing will not be construed to imply that Franchisor and/or Franchisor's agents have made any oral promises pursuant to Article 18.M. This Agreement represents the sole agreement between Franchisor and Franchisee.

18.S NON-UNIFORM AGREEMENTS

Franchisee acknowledges that Franchisor makes no representations or warranties that all other agreements with franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisor may waive or modify comparable provisions of other franchise agreements to other System franchisees in a non-uniform manner.

18.T NO RIGHT TO OFFSET

Franchisee will not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement including, without limitation, the payment of the Royalty Fee and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee will not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

18.U HEADINGS

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they will not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

18.V AUTHORITY TO EXECUTE

Each party warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

18.W COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts will be deemed originals and taken together will constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures will be deemed originals.

18.X JOINT AND SEVERAL LIABILITY

If Franchisee consists of more than one person or entity, then their liability under this Agreement will be deemed joint and several.

18.Y RECITALS

The Recitals constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

ARTICLE 19
NOTICES

All written notices and reports permitted or required to be delivered by this Agreement will be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified Mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery will be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement will be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement will not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee will request such approval in writing, and Franchisor will respond within ten business days after receiving Franchisee's written request and all supporting documentation, provided if Franchisor does not respond, such request will be deemed unapproved. Franchisor's consent to, or approval of, any act or request by Franchisee will be effective only to the extent specifically stated, and Franchisor's consent or approval will not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

FRANCHISE AGREEMENT – SCHEDULE 1

Designated Territory Acknowledgment

Franchisee's Designated Territory. Franchisee's Designated Territory is identified as follows:

The foregoing Designated Territory has been determined based on negotiations initiated by Franchisee and benefitting Franchisee. To the extent that the foregoing description of the Designated Territory includes and/or delineates geographic or political boundaries such determinations will be considered fixed as of the Effective Date of the Franchise Agreement and will not change for the purpose of this Agreement notwithstanding a change or reorganization to such boundaries or regions. All street boundaries, if any, will be deemed to end at the street center lines unless otherwise specified above.

Territory Tier Type and Initial Franchise Fee. Franchisor and Franchisee acknowledge that in consideration of the population of the area comprising Designated Territory, the Initial Franchise Fee will be equal to _____.

Franchisee's DPF Business Type. Franchisee and Franchisor acknowledge and agree that Franchisee's DPF Business is a _____.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

FRANCHISE AGREEMENT – SCHEDULE 2

Statement of Franchisee's Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee's Owners, Franchisee's Managing Owner, and their respective ownership interests in Franchisee. Defined terms will have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests.		
Owner Name	**Owner Address**	**Ownership Interest Percentage**
Name of designated **Managing Owner:**		

FRANCHISOR:

DPF ALTERNATIVES, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

_____

By: _____

Name: _____

Title: _____

FRANCHISE AGREEMENT – SCHEDULE 3

Operations Center Location Acknowledgment

Franchisee's Operations Center. Franchisee's Operations Center is identified as the following location:

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Guarantee and Assumption of Franchisee's Obligations

DPF ALTERNATIVES, LLC
GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of a DPF Alternatives, LLC Franchise Agreement dated _____, 20__ (the "Agreement"), by DPF ALTERNATIVES, LLC ("DPF") in favor of _____ ("Franchisee"), each of the undersigned ("Guarantor(s)") hereby personally and unconditionally guarantees to DPF, Affiliates, and their successors and assigns for the Term and thereafter that Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement. To the extent not defined herein, all capitalized references in this DPF Alternatives, LLC Guarantee and Assumption of Franchisee's Obligations (the "Guarantee") will have the meanings defined in the Agreement. Guarantor(s) will be personally and unconditionally bound by each and every undertaking, agreement, and covenant of Franchisee set forth in the Agreement. Guarantor(s) will personally comply with and abide by the non-competition provisions, other restrictive covenants, and non-disclosure provisions of the Agreement and by the provisions in the Agreement relating to trademarks, assignment, and transfer to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of Guarantor(s) will survive any expiration, transfer, or termination of the Agreement or the Guarantee.

Guarantor(s) waives the following:

(a) Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

(b) Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(c) Any right Guarantor(s) may have to require that any action be brought against Franchisee or any other person as a condition of liability.

Guarantor(s) consents and agrees that:

(a) Guarantor(s)'s direct and immediate liability as defined herein will be joint and several;

(b) Guarantor(s) will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

(c) Guarantor(s)'s liability will not be contingent or conditioned upon pursuit by DPF of any remedies against Franchisee or any other person; and

(d) Guarantor(s)'s liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence that DPF may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend the Guarantee that will irrevocably continue for the Term.

If DPF or Affiliates are required to enforce the Guarantee in any judicial proceeding or appeal thereof, Guarantor(s) will reimburse DPF and Affiliates for costs and expenses, including, without limitation, reasonable fees for accountants, attorneys, attorney assistants, and expert

witnesses, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the Guarantee.

Guarantor(s) acknowledges that certain disputes relating to the Agreement will be resolved by arbitration and hereby consents to such arbitration in accordance with the Agreement. The terms contained in the Agreement, any applicable Addendum, and the Guarantee constitute the entire agreement between the parties relating to the Guarantee, and there are no representations, inducements, promises, or agreements between the parties not embodied herein.

IN WITNESS WHEREOF, Guarantor(s) has affixed Guarantor(s)'s signature to this DPF Alternatives, LLC Guarantee and Assumption of Franchisee's Obligations effective as of the same day and year as the Agreement was executed.

GUARANTOR(S):

By:_____	By:_____
Name:_____	Name:_____
Address:_____	Address:_____
_____	_____
_____	_____
Date:_____	Date:_____

Franchisee Disclosure Questionnaire

FRANCHISEE DISCLOSURE QUESTIONNAIRE

The undersigned individual ("you") who, individually or on behalf of a corporate entity, is about to sign a DPF Alternatives, LLC Franchise Agreement or has signed a DPF Alternatives, LLC Franchise Agreement, represent to DPF Alternatives, LLC ("we" or "us"), the franchisor of the DPF Alternatives franchise system, that your response to the questions contained this document are true and represent accurate representations on your behalf. You acknowledge and represent that we are relying on your responses and the information provided by you.

[AS TO THE QUESTIONS BELOW PLEASE RESPOND "YES" OR "NO" IN RESPONSE TO THE QUESTION]

Yes/No ____	l.	Have you received and personally reviewed the Franchise Agreement and each schedule and exhibit attached to it?
Yes/No ____	2.	Have you received and personally reviewed the Franchise Disclosure Document that we provided?
Yes/No ____	3.	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
Yes/No ____	4.	Did you receive the Franchise Disclosure Document at least 14 calendar days before signing any agreement relating to the franchise or paying any money?
Yes/No ____	5.	Do you understand that the success or failure of your DPF business will depend, in large measure, on your skills, abilities and efforts and those of the persons you employ as well as many other factors beyond your control such as competition, cash flow, interest rates, the economy, inflation, labor and supply costs and other relevant factors?
Yes/No ____	6.	Do you understand that you must satisfactorily complete the initial training before we allow you to open your DPF business?
Yes/No ____	7.	Do you agree that no employee or other person speaking on our behalf made any statement or promises to you as to the costs that you may incur in establishing, operating, or running your DPF business, except as to the specific information disclosed in writing in the Franchise Disclosure Document?
Yes/No ____	8.	Do you agree that no employee or other person speaking on our behalf made any statements or promises to you about how much income, money, profits or return on investment that your DPF business may or could potentially earn?
Yes/No ____	9.	Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings of a DPF business?
Yes/No ____	10.	Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the likelihood of success of your DPF business or the amount of money you may earn?
Yes/No ____	11.	Do you understand that the Franchise Agreement and the schedules and exhibits attached to the Franchise Agreement contain the entire agreement between us and that you are not relying on any oral promises or representations that are not explicitly stated in the Franchise Agreement?

YOU ACKNOWLEDGE AND AGREE THAT WE ARE RELYING ON YOUR ANSWERS TO THIS QUESTIONNAIRE AND YOU REPRESENT THAT EACH RESPONSE IS TRUE AND ACCURATE.

YOU:

_____

By: _____

Name: _____

Title: _____

Date: _____

By: _____
individually

Name: _____

Date: _____

Confidentiality Agreement

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE. BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR, FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]

CONFIDENTIALITY AGREEMENT
(sample only)

This Confidentiality Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of _____ ("us," "our," or "we").

RECITALS

WHEREAS, we are the owners of a licensed DPF Alternatives, LLC business (the "DPF Business") that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of the DPF business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, DPF Alternatives, LLC is not a party to this agreement and does not own or manage the DPF business, but is an intended third party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the DPF business.

NOW THEREFORE, you acknowledge and agree as follows:

(1) Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and will constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

(2) For purposes of this Agreement, the following terms have the meanings given to them below:

"Business Management System" means the software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the DPF Business.

"Business Management System Data" means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the DPF Business.

"Confidential Information" means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the DPF business, (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the DPF Business, (c) customer lists and information related to the DPF Business, (d) Business Management System Data, (e) current and future information contained in the Operations Manual made

available to the DPF business by DPF Alternatives, LLC, and (f) recipes, production, cooking, and service procedures that are not disclosed to the public but used by the DPF business.

"Digital Media" means any interactive or static electronic document, application or media including, without limitation, www.dpfalternatives.com social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snap Chat, YouTube, and Internet-based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the DPF business.

"Licensed Marks" means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a DPF business including, without limitation, the "DPF Alternatives" word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a DPF business.

"Operations Manual" means the confidential operations manual made available to the DPF business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one of more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, Internet-based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

"Trade Dress" means the designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the DPF business.

(3) Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer, and/or director of the DPF Business that you will be gaining access to the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

(4) Protection of the Confidential Information. You agree that: (a) you will not use the Confidential Information in any business or capacity other than the DPF Business, (b) you will maintain the confidentiality of the Confidential Information at all times, (c) you will not make unauthorized copies of documents containing the Confidential Information, (d) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information, and (e) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

(5) Reasonableness of Covenants and Restrictions. You agree that the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable or otherwise unenforceable.

(6) Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us, DPF Alternatives, LLC, and other DPF Alternatives, LLC franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or DPF Alternatives, LLC to injunctive relief. You agree that we and/or our DPF Alternatives, LLC may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of

the bond will not exceed $1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

(7) Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

I ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT AND THAT DPF ALTERNATIVES, LLC, IS NOT A PARTY TO THIS AGREEMENT, BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, the undersigned has executed this Confidentiality Agreement as of the date set forth below.

YOU:

By:_____

Name:_____

Date:_____

Assignment of Telephone Numbers and Digital Media Accounts

ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS
(for the benefit of DPF Alternatives, LLC and its assigns)

This ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS (the "Assignment") is entered into between _____ ("Assignor") and DPF Alternatives, LLC and its successors and assigns ("Assignee").

WHEREAS, Assignee is the franchisor of the DPF Alternatives, LLC franchise system (the "DPF Business Franchise System");

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a DPF Alternatives, LLC Franchise Agreement (the "Franchise Agreement")

WHEREAS, "Digital Media" will mean "any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the Internet (including, without limitation, websites), linked by the Internet or part of a web-based application, software application, smartphone-based application, or social media platform including, without limitation, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, and YouTube, and Internet-based directories and local directories that relate in any way to a DPF business, Assignor's DPF business, and/or trademarks associated with the DPF Business Franchise System and/or Assignee. Digital Media further includes the DPF business website associated with and/or related to Assignor's DPF business and all web pages, blog posts, videos, articles, information, sub-domains, and all other media and/or publications relating to the DPF Business Franchise System that is displayed and/or transmitted digitally;" and

WHEREAS, in connection with Assignor's establishment and operation of a DPF business, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise Agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

(1) That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor's DPF Business including, the following (the "Media"):

(a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor's DPF business;

(b) The following telephone and facsimile numbers:_____
_____
_____
_____; and

(c) All Digital Media, all Digital Media accounts, and all Digital Media log-in information.

The foregoing will not be construed and/or interpreted as Assignee's acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone

numbers, accounts and/or Digital Media. Any rights of Assignor in and to same exist subject to a limited license pursuant to the Franchise Agreement which will take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment will be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and if any inconsistency or conflict between this Assignment and the Franchise Agreement arises, the Franchise Agreement will take precedence and govern.

(2) This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties, proof of the expiration or termination of the Franchise Agreement will exist exclusively upon the written declaration of Assignee and Assignee's declaration will be dispositive and not subject to challenge. Assignor acknowledges that all third parties may rely on this Assignment for the purpose of taking any actions to ensure that access to and control of the Media is maintained by Assignee.

UTILIZATION OF THIS ASSIGNMENT WILL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE.

ASSIGNEE:	ASSIGNOR:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ACH Authorization

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone Number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	[ ] Checking [ ] Savings (check one)	Bank Routing No.
Bank Phone No.		

Authorization:

Franchisee hereby authorizes DPF Alternatives, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit will be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee will notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____

Name: _____ Federal Tax TD No.: _____

Its: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT

FRANCHISE AGREEMENT – EXHIBIT 6

General Release

GENERAL RELEASE

TO ALL TO WHOM THESE PRESENTS WILL COME OR MAY CONCERN, KNOW THAT:

_____, as RELEASOR, in consideration of good and valuable consideration received from DPF Alternatives, LLC, as RELEASEE, receipt of which is hereby acknowledged, releases and discharges the RELEASEE, RELEASEE's heirs, officers, members, agents, executors, administrators, successors and assigns, from all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, contracts, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity which against RELEASEE, RELEASOR, RELEASORs' heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, will or may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this General Release. The words "RELEASOR" and "RELEASEE" include all releasors and releasees under this General Release. This Release may not be changed orally.

IN WITNESS WHEREOF, RELEASOR has hereunto set RELEASORs' hand and seal on the date set forth below.

RELEASOR:

By:_____
individually

Name:_____

Date:_____

NOTARY SIGNATURE, SEAL AND INFORMATION: On _____before me, the undersigned, personally appeared _____ personally known to me or proven to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

By:_____
Notary Public (SEAL)

Name:_____

My commission expires:_____

EXHIBIT C

DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

DPF ALTERNATIVES, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

DEVELOPER:

DPF Alternatives, LLC
Multi-Unit Development Agreement

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Schedule

Schedule A Development Information Sheet

DPF ALTERNATIVES, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

This DPF Alternatives, LLC Multi-Unit Development Agreement (the "Agreement") is entered into on _____, 20__ (the "Effective Date"), by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company located at 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado, 80129 ("Franchisor"), and _____, a _____ located at _____ ("Developer").

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the "System") for the establishment, development, and operation of a business (a "DPF Business") that offers, sells, and provides diesel filter cleaning services using state-of-the-art ultrasonic equipment and other products and services that Franchisor authorizes (the "Approved Services and Products");

WHEREAS, the System and each DPF Business is identified by the Licensed Marks (defined below) and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time;

WHEREAS, Developer has requested the right to develop and operate multiple DPF Businesses (each, a "Development DPF Business") to be located with a defined geographical area (the "Development Area") in accordance with a schedule (the "Development Schedule") with each DPF Business within the Development Area (each, a "Development DPF Business") being opened and operating pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current form of DPF Alternatives, LLC Franchise Agreement (each, a "Franchise Agreement");

WHEREAS, simultaneous with or prior to the execution of the Agreement, Franchisor and Developer have entered into a Franchise Agreement for Developer's development and operation of a DPF Business (the "First Development DPF Business") to be located within the Development Area; and

WHEREAS, Developer acknowledges that adherence to the terms of the Agreement, each DPF Development Business's individual Franchise Agreement, Franchisor's operations manual, and Franchisor's System standards and specifications are essential to the operation of all DPF Businesses and the System as a whole.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties agree, as follows:

ARTICLE 1
DEFINITIONS

"AAA" means the American Arbitration Association.

"Abandonment" means conduct of Developer indicating Developer's intent to discontinue the development and/or operation of Development DFP Businesses in the Development Area in accordance with the terms of the Agreement.

"Affiliate" means any entity controlling, controlled by, under common control with, or under common ownership with Franchisor.

"Corporate Entity" means a legal entity that is not a natural person.

"Cumulative Development DPF Business" will have the meaning set forth in Article 4.4.

"Development Area" will have the meaning set forth in Article 2.1.

"Development Area Fee" will have the meaning set forth in Article 4.1.

"Development DPF Business" will have the meaning set forth in Article 2.1(1).

"Development DPF Business Initial Franchise Fee" will have the meaning set forth in Article 4.2.

"Development Information Sheet" means the Development Information Sheet attached as Schedule 1.

"Development Period" will have the meaning set forth in Article 4.4.

"Development Schedule" will have the meaning set forth in Article 4.4.

"DPF Business" will have the meaning defined in the Recitals Article and further mean every business owned and/or operated by Franchisor, Franchisor's affiliates, and/or authorized parties that uses the System and/or Licensed Marks including, without limitation, the Development DPF Businesses.

"DPF Business Location" means the fixed location from which a DPF Business is established, operated, and managed.

"Effective Date" will have the meaning set forth in the Preamble.

"First Development DPF Business" means the first DPF Business to be developed by Developer as a Development DPF Business.

"Franchise Agreement" means a DPF Alternatives, LLC Franchise Agreement as determined by Franchisor from time to time.

"Licensed Marks" means the trademarks, service marks, emblems, and indicia of origin including the "DPF Alternatives" trademark, the DPF Alternatives logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans, and designs authorized by Franchisor for the identification of DPF Businesses and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos, and designs are subject to modification, replacement, and discontinuance by Franchisor in Franchisor's discretion.

"Newly Opened Development DPF Business" will have the meaning set forth in Article 4.3.

"Operations Manual" means the materials designated by Franchisor relating to the development and/or operations of DPF Businesses. The Operations Manual may consist of one of more volumes, handbooks, manuals, written materials, videos, electronic media files, list-services, intranet, Internet-based databases, computer media, email, webinars, and other materials as they may be modified, supplemented, or replaced by Franchisor from time to time in Franchisor's discretion. The Operations Manual will

designate the Approved Services and Products and the System Supplies that must be used by Development DPF Businesses.

"Owner" means: (a) an officer or director of Developer (including the officers and directors of any general partner of Developer) who holds an ownership interest in Developer, and (b) all holders of a 5% or more direct or indirect ownership interest in Developer or any entity directly or indirectly controlling Developer.

"System" will have the meaning defined in the Recitals. System will further mean: (a) the Approved Services and Products, System Supplies, and the services, procedures, and systems that are designated by Franchisor for use in connection with the development, establishment, marketing, promotion, and operation of a DPF Business, (b) the Licensed Marks, (c) other trade names, service marks, signs, and logos, copyrights, and trade dress designated by Franchisor for use in connection with the development, establishment, marketing, promotion, and operation of a DPF Business, and (d) the Operations Manual.

"Term" means the period of time set forth in Article 3.1.

"Total Development DPF Businesses" means the aggregate number of Development DPF Businesses defined in Article 2.1(2).

"Transfer" means, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise, (b) the grant of a mortgage, charge, lien or security interest including, without limitation, the grant of a collateral assignment, (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests, (d) a sale or exchange of voting interests or securities convertible to voting interests or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Developer, and/or (e) the legal and/or equitable transfer and/or sale of an Owner's interests and/or voting rights in Developer.

ARTICLE 2
DEVELOPMENT RIGHTS

2.1 DEVELOPMENT GRANT AND DEVELOPMENT OBLIGATIONS

(1) Franchisor grants to Developer the right, and Developer accepts the right and undertakes the obligation to develop DPF Businesses within the Development Area (each, a "Development DPF Business"), provided that Developer develops and operates such Development DPF Businesses in strict accordance with the Development Schedule and the terms and provisions of each respective Franchise Agreement.

(2) The aggregate number of Development DPF Businesses including the First Development DPF Business (collectively, the "Total Development DPF Businesses") that are authorized by the Agreement is set forth in the Development Information Sheet. The Development Area is the geographic area set forth in the Development Information Sheet. To be effective, the Development Information Sheet must be completed and signed by Franchisor.

(3) Developer will: (a) open and commence the operations of each new Development DPF Business in accordance with the Development Schedule for each respective Development Period, and (b) maintain in operation the minimum cumulative number of Development DPF Businesses in accordance with the Development Schedule for each respective Development Period. Time is of the essence with

respect to Developer's development obligations under the Agreement. Developer's failure to comply with the Development Schedule is grounds for immediate termination of the Agreement and any future development rights granted under the Agreement.

(4) During the Term, provided that Developer is in compliance with the terms and provisions of the Agreement including, without limitation, the Development Schedule and each respective Franchise Agreement, Franchisor will not open, operate, or license any third party the right to open or operate DPF Businesses within the Development Area. The designated territory for each Development DPF Business will be determined by the Franchise Agreement for each Development DPF Businesses. The operating territories in the aggregate for Developer's Development DPF Businesses may be smaller than the Development Area.

2.2 LIMITED EXCLUSIVITY AND RESERVED RIGHTS

Except as provided in Article 2.1(4), the rights granted in the Agreement are non-exclusive. Franchisor reserves all other rights not expressly granted to Developer in the Agreement on Franchisor's own behalf and on behalf of Franchisor's Affiliates, successors, and assigns.

2.3 PERSONAL RIGHTS

Developer not possess the right to franchise, subfranchise, license, sublicense, and/or otherwise Transfer Developer's rights pursuant to the Agreement. The rights and privileges granted and conveyed to Developer in the Agreement may not be Transferred, relate only to the Development Area, and are subject to the terms and conditions of the respective Franchise Agreement for each Development DPF Business.

ARTICLE 3
TERM AND TERMINATION

3.1 TERM

The term of the Agreement (the "Term") will be a period commencing on the Effective Date and automatically ending on the earliest of: (a) the last day of the calendar month that the final Development DPF Business is required to be opened and operating under the Development Schedule, (b) the day the final Development DPF Business is open, or (c) the date of termination of the Agreement. Upon expiration or termination of the Agreement for any reason, Developer will not have any rights within the Development Area other than territorial rights that may have been granted to Developer pursuant to the terms of any Franchise Agreement. The Term may not be renewed or extended.

3.2 TERMINATION BY FRANCHISOR

Franchisor may terminate the Agreement and all rights granted to Developer hereunder, without affording Developer with any opportunity to cure such default, effective upon written notice to Developer, or automatically upon the occurrence of any of the following events: (a) if Developer Abandons Developer's obligations under the Agreement, (b) if Developer for four consecutive months or any shorter period that indicates an intent by Developer to discontinue Developer's development of DPF Businesses within the Development Area, (c) if Developer becomes insolvent or is adjudicated bankrupt or any action is taken by Developer or by others against the Developer under any insolvency, bankruptcy, or reorganization act, or if Developer makes an assignment for the benefit or creditors or a receiver is appointed by Developer, (d) if Developer fails to meet Developer's development obligations under the Development Schedule for any single Development Period including, without limitation, Developer's failure to establish, open, and/or maintain the cumulative number of Development DPF Businesses in

accordance with Development Schedule, and/or (e) if a Franchise Agreement for any Development DPF Business and/or any other Franchise Agreement between Franchisor and Developer is terminated.

ARTICLE 4
DEVELOPMENT AREA FEE, INITIAL FEES AND DEVELOPMENT SCHEDULE

4.1 DEVELOPMENT AREA FEE

Upon execution of the Agreement, Developer will pay to Franchisor a development area fee (the "Development Area Fee") in exchange for the rights set forth and granted pursuant to the terms of the Agreement. The Development Area Fee is not refundable. The amount of the Development Area Fee is set forth in the Development Information Sheet.

The Development Area Fee is not a franchise fee and Developer will pay to Franchisor an initial franchise fee and all other fees in accordance with the terms and conditions of each respective Franchise Agreement at the time of signing each respective Franchise Agreement, except that the initial franchise fee will conform to the amounts set forth in Article 4.2. Notwithstanding the foregoing, the initial franchise fee for the First Development DPF Business will be incorporated into the Development Area Fee. If the then-current Franchise Agreement to be signed by Developer for a Development DPF Business specifies an initial franchise fee that is different from the initial franchise fee specified in Article 4.2, then the amount of the initial franchise fee specified in Article 4.2 will govern.

4.2 DEVELOPMENT DPF BUSINESSES' INITIAL FRANCHISE FEES

The initial franchise fee for each Development DPF Business (the "Development DPF Business Initial Franchise Fee") will be the applicable fixed sum set forth in the Development Information Sheet.

4.3 PAYMENT OF INITIAL FRANCHISE FEES AND FRANCHISE AGREEMENTS

Either prior to or simultaneous with the execution of the Agreement, Developer has signed the Franchise Agreement for the First Development DPF Business. Developer's second Development DPF Business and all future Development DPF Business (each, a "Newly Opened Development DPF Business") will be developed and operated by Developer pursuant to the terms and conditions of Franchisor's then-current Franchise Agreement which Developer must sign on or before the earliest of: (a) the date Developer (subject to Franchisor's approval of the DPF Business Location) executes a lease for the DPF Business Location for each respective Newly Opened Development DPF Business, (b) the date Developer (subject to Franchisor's approval of the DPF Business Location) enters into a purchase agreement for the real estate for the DPF Business Location for each respective Newly Opened Development DPF Business, or (c) six months before the date that each respective Newly Opened Development DPF Business must be open and in operation pursuant to the Development Schedule.

The applicable initial franchise fees set forth in Article 4.2 for all Newly Opened Development DPF Businesses will be paid at the time of signing the Franchise Agreement for each Newly Opened Development DPF Business.

4.4 DEVELOPMENT SCHEDULE

Developer will develop, establish, and operate Development DPF Businesses in strict accordance with the requirements of a schedule (the "Development Schedule"). The Development Schedule sets forth the measurement period (each, a "Development Period") and the number of Newly Opened Development

DPF Businesses that Developer must establish and open within the respective Development Period and the minimum number of cumulative Development DPF Business (the "Cumulative Development DPF Businesses") that must be open and in operation as of the last day of each applicable Development Period. The Development Schedule is set forth in the Development Information Sheet.

Developer will meet the requirements of the Development Schedule including, without limitation, requirements regarding the number of Development DPF Business that must be timely developed, established, open, and in operation by Developer within the Development Area and each respective Development Period.

4.5 REASONABLENESS OF DEVELOPMENT SCHEDULE

Developer represents that Developer has conducted an independent investigation and analysis of the prospects for the establishment of DPF Business within the Development Area. Developer approves of the Development Schedule as being reasonable and viable and recognizes that failure to achieve the results described in the Development Schedule will constitute a material breach of the Agreement.

ARTICLE 5
OTHER OBLIGATIONS OF DEVELOPER

5.1 EXECUTION OF FRANCHISE AGREEMENTS

Developer will execute Franchisor's then-current Franchise Agreement for each Newly Opened Development DPF Business. A Franchise Agreement must be executed by the Developer for each Newly Opened Development DPF Business on or before the earlier of: (a) the date Developer (subject to Franchisor's approval of the DPF Business Location) executes a lease for the DPF Business Location for each Newly Opened Development DPF Business; (b) the date Developer (subject to Franchisor's approval of the DPF Business Location) enters into a purchase agreement for the real estate for the DPF Business Location for each respective Newly Opened Development DPF Business; or (c) six months prior to the date that each respective Newly Opened Development DPF Business must be open and in operation pursuant to the Development Schedule.

5.2 ROYALTY FEES AND OTHER FRANCHISE AGREEMENT FEES ACKNOWLEDGMENT

Pursuant to the terms of each respective Franchise Agreement for the Development DPF Businesses and/or the Agreement, nothing contained in the Agreement will reduce Developer's obligations set forth in each respective Franchise Agreement including, without limitation, Developer's obligations to pay royalty and all other fees in accordance with each respective Franchise Agreement. Nothing contained in the Agreement will modify, reduce, or mitigate Developer's obligations to Franchisor. The only fee contained in any Franchise Agreement that is modified by the Agreement is the initial franchise fee paid by Developer to Franchisor at the time of signing the Franchise Agreement. Such initial franchise fee is set forth in Article 4.2 and Schedule 1.

5.3 MODIFICATIONS TO FRANCHISE AGREEMENT

What constitutes Franchisor's then-current Franchise Agreement will be determined by Franchisor in Franchisor's exclusive discretion. The then-current Franchise Agreement may be modified from time to time by Franchisor and such modifications will not alter Developer's obligations pursuant to the Agreement.

5.4 COMPLIANCE WITH FRANCHISE AGREEMENTS

Developer will operate the Development DPF Businesses in strict compliance the terms and conditions of each respective Franchise Agreement.

5.5 SITE SELECTION

Developer will be solely responsible for selecting the sites for the Development DPF Businesses' DPF Business Locations. In accordance with the terms and conditions of each respective Franchise Agreement, Developer must obtain Franchisor's prior written approval for each potential DPF Business Location selected by Developer. Developer will retain an experienced commercial real estate broker or salesperson who has sufficient experience in locating DPF Business Location sites to locate, acquire, purchase, or lease sites for the Development DPF Businesses' DPF Business Locations. No provision of the Agreement will be construed or interpreted to impose any obligation upon Franchisor to locate sites for the Development DPF Businesses' DPF Business Locations, to assist Developer in the selection of sites for the Development DPF Businesses' DPF Business Locations, or to provide any other assistance to Developer with the purchase or lease of sites for the Development DPF Businesses' DPF Business Locations.

5.6 SITE SELECTION CRITERIA

Developer will not lease, purchase, or otherwise acquire a DPF Business Location for a Development DPF Business until such information as Franchisor may require regarding the proposed site has been provided to Franchisor by Developer and the proposed site has been approved by Franchisor. Information requested by Franchisor may include, without limitation, information regarding accessibility, visibility, potential traffic flows, lease terms, and other relevant information. Developer will not enter into any lease or purchase agreement for any proposed DPF Business Location until Franchisor has approved the site.

ARTICLE 6
TRANSFER OF INTEREST

6.1 BY FRANCHISOR

At all times, Franchisor possesses and maintains the sole and absolute right to transfer and/or assign Franchisor's rights and obligations under this Agreement, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or third-party without the consent of Developer and without the approval of Developer.

6.2 BY DEVELOPER

Developer will neither Transfer nor assign the Agreement without the express written consent of Franchisor which consent Franchisor may withhold in Franchisor's discretion. If Developer is a Corporate Entity, the Owners will not Transfer their ownership and/or equity interests in Developer without the express written consent of Franchisor which consent Franchisor may withhold in Franchisor's discretion. Any Transfer and/or assignment in violation of the foregoing will constitute a material default of the Agreement and result in the immediate and automatic termination of the Agreement.

ARTICLE 7
ENFORCEMENT AND CONSTRUCTION

7.1 SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in the Agreement, each term and provision of the Agreement will be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of the Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term or provision of the Agreement is found by a court of competent jurisdiction, agency, or other government agency to be unenforceable as written or otherwise, then such term and condition will be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any respect, then it will not be given effect and severed from the Agreement, and the remainder of the Agreement will be interpreted, construed and enforced as if such term and condition was not included in the Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of the Agreement than is required in the Agreement, or the taking of some other action not required by the Agreement, or if under any applicable and binding law or rule, any term and condition of the Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule will be substituted for the comparable provisions, and Franchisor has the right, in Franchisor's sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Developer will bound by any such substituted and/or modified term and condition of the Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of the Agreement as though it were originally and separately articulated in, and made a part of, the Agreement as of the Effective Date and/or any specification, standard, or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to the Agreement will be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, the Agreement will be enforced as originally made in all other jurisdictions.

7.2 WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance will constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Developer payable to Franchisor pursuant to this Agreement will not constitute a waiver or acceptance of Developer's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any additional remedies set forth in this Agreement, at law, or in equity. Franchisor will likewise not be deemed to have waived or impaired any term and condition, right, option, or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Developer's strict compliance with Developer's obligations, including any

mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement will be valid unless in writing and signed by Franchisor.

7.3 SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in the Agreement will prohibit Franchisor from obtaining specific performance of the provisions of the Agreement or injunctive relief against threatened conduct that will cause damages or loss to Franchisor, the Licensed Marks, or the System.

7.4 RIGHTS OF PARTIES ARE CUMULATIVE

The rights under the Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Developer is entitled by law to enforce.

7.5 GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF COLORADO, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES WILL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY COLORADO WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

7.6 CHOICE OF LAW, NON-BINDING MEDIATION, BINDING ARBITRATION, AND CONSENT TO JURISDICTION

(1) Non-Binding Mediation. Developer and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Developer in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation will be non-binding and will be conducted by the AAA in accordance with the AAA's then-current rules for the mediation of commercial disputes. All mediation proceedings will be conducted in Douglas County, Colorado or, if a mediator is not available in Douglas County, Colorado then at a suitable location selected by the mediator that is located closest to Douglas County, Colorado. Mediation will be conducted by one mediator and if Franchisor and Developer cannot agree on a mediator then the mediator will be selected by the AAA. Mediation will be conducted within 45 days of the AAA's designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Developer in writing and signed by each respective party. Franchisor and Developer will each be responsible for their own costs associated with mediation and Franchisor and Developer will each be responsible for and will each pay 50% of the mediator's fee and the AAA's mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Developer agree this Article 7.6(1) and, thereby, the prerequisite requirement of non-binding mediation, will not, at Franchisor's election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Developer that under the terms of this Agreement may entitle Franchisor to the award of injunctive relief; and/or (b) claims by either Franchisor or Developer under this Agreement that relate to either Franchisor's or Developer's failure to pay fees or other monetary obligations due under this Agreement.

(2) Arbitration. Subject to the prerequisite requirements of non-binding mediation as set forth in Article 7.6(1), and except, at Franchisor's election, as to any claims or disputes related to or concerning a breach of this Agreement by Developer that under the terms of this Agreement may entitle Franchisor to the award of injunctive relief, Franchisor and Developer agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Developer, the System, and/or the validity of this Agreement will be submitted, on demand of either Franchisor or Developer, to the AAA for binding arbitration. Arbitration will be conducted by one arbitrator in accordance with the AAA's then-current rules for commercial disputes, except as may be otherwise required in this Article 7.6. All arbitration proceedings will be conducted in Douglas County, Colorado, or if suitable AAA facilities are not available in Douglas County, Colorado, then at a suitable AAA location selected by the arbitrator that is located closest to Douglas County, Colorado.

In connection with binding arbitration, Franchisor and Developer further agree that:

(a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;

(b) The arbitration hearing will be conducted within 180 days of the demand for arbitration;

(c) The arbitrator will render written findings of fact and conclusions of law;

(d) Except as may be otherwise required and/or prohibited by this Agreement including, without limitation, Article 7.8, Article 7.9, Article 7.13, Article 7.14, Article 7.17, and Article 7.23, the arbitrator may award or include in the arbitrator's award any relief that the arbitrator determines to be proper including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance will the arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;

(e) They will each be bound to the limitations periods set forth in Article 7.8 and that in any arbitration proceeding, Franchisor and Developer must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required will be forever barred;

(f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction; and

(g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, without limitation, the requirements set forth in this Article 7.

(3) Consent to Jurisdiction and Venue. Subject to the non-binding mediation and arbitration provisions set forth in Article 7.6(1) and Article 7.6(2), any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Colorado and within Highlands Ranch, Colorado, or the county closest to Highlands Ranch, Colorado. Franchisor and Developer hereby irrevocably consent to and waive any objection to the jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an

arbitration award or any judicial decision in the federal or state court located in the county and state where either a Development DPF Business is or was located or where Developer resides.

7.7 VARIANCES

DEVELOPER ACKNOWLEDGES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. DEVELOPER UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. DEVELOPER UNDERSTANDS THAT EXISTING DEVELOPERS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING DEVELOPERS MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

7.8 LIMITATIONS OF CLAIMS

ANY CLAIMS AND/OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR RESULTING FROM THIS AGREEMENT, WILL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH DEVELOPER OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

7.9 WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND DEVELOPER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT; PROVIDED THAT SUCH WAIVER WILL NOT APPLY TO ANY CLAIM (A) ALLOWED BY FRANCHISOR OR DEVELOPER FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT, AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR DEVELOPER AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES WILL CONTINUE IN FULL FORCE AND EFFECT.

7.10 WAIVER OF JURY TRIAL

FRANCHISOR AND DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT

BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

7.11 BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and will not be modified except by written agreement signed by both Developer and Franchisor.

7.12 COMPLETE AGREEMENT

This Agreement and Schedule 1 constitute the entire, full, and complete Agreement between Franchisor and Developer concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Developer.

7.13 ATTORNEY FEES AND EXPENSES

If an arbitrator in any arbitration proceeding and/or a court of competent jurisdiction issues an award, judgment, decision, and/or order finding, holding, and/or declaring Developer's breach of this Agreement, then Franchisor will be entitled to the recovery of all reasonable attorney fees, costs, and expenses associated with and/or related to such proceeding. Said fees, costs, and expenses will include, without limitation, attorney fees, arbitrator fees, deposition expenses, expert witness fees, and filing fees.

7.14 NO CLASS ACTION OR MULTI-PARTY ACTIONS

ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF DPF BUSINESS FRANCHISES FROM FRANCHISOR TO DEVELOPER WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS. ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S OWNERS, SPOUSES, AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS, AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

7.15 ACCEPTANCE BY FRANCHISOR

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

7.16 OPPORTUNITY FOR REVIEW BY DEVELOPER'S ADVISORS

Developer acknowledges and represents that prior to the signing of this Agreement that Franchisor recommended and that Developer had the opportunity to have this Agreement and the Franchise Disclosure Document reviewed by Developer's lawyer, accountant, and other business advisors.

7.17 NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS OR AGENTS

The fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law will be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents will be personally liable to Developer for any reason. In addition to the foregoing, Franchisor and Developer are not joint employers.

7.18 NON-UNIFORM AGREEMENTS

Developer acknowledges that Franchisor makes no representations or warranties that all other agreements with franchisees and developers entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisor may waive or modify comparable provisions of other agreements to other System franchisees and developers in a non-uniform manner.

7.19 NO RIGHT TO OFFSET

Developer will not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Developer, or for any other reason, withhold any payment, fee, or any other amount payable by Developer to Franchisor pursuant to this Agreement. Developer will not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Developer from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Developer to Franchisor.

7.20 HEADINGS

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they will not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

7.21 AUTHORITY TO EXECUTE AND BIND

Each party warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

7.22 COUNTERPARTS, ELECTRONIC SIGNATURES, AND MULTIPLE COPIES

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts will be deemed originals and taken together will constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures will be deemed originals.

7.23 JOINT AND SEVERAL LIABILITY

If Developer consists of more than one person or entity, then their liability under this Agreement will be deemed joint and several.

7.24 RECITALS

The Recitals constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

ARTICLE 8
NOTICES

All written notices and reports permitted or required to be delivered by this Agreement will be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three business days after placed in the U.S. mail by registered or certified Mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery will be delivered by certified U.S. mail and/or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of this Agreement will be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement will not be deemed effective or given by Developer to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor's prior approval is required and no other method or timing for obtaining such approval is prescribed, Developer will request such approval in writing, and Franchisor will respond within ten business days after receiving Developer's written request and all supporting documentation, provided if Franchisor does not respond, such request will be deemed unapproved. Franchisor's consent to, or approval of, any act or request by Developer will be effective only to the extent specifically stated, and Franchisor's consent or approval will not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement as of the Effective Date set forth in the first paragraph of this Agreement.

FRANCHISOR:	DEVELOPER:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

MULTI-UNIT DEVELOPMENT AGREEMENT – SCHEDULE A

Development Information Sheet

This Development Information Sheet is attached to, incorporated into, and forms a part of the DPF Alternatives, LLC Multi-Unit Development Agreement (the "Agreement") between DPF Alternatives, LLC, a Colorado limited liability company located at 1745 Shea Center Drive, 4th Floor, Highlands Ranch, Colorado 80129 ("Franchisor") and _____ ("Developer").

Defined terms will have the meanings set forth in the Agreement and are further defined in this Development Information Sheet.

If Developer is a Corporate Entity, Developer represents and affirms to Franchisor that the following is a complete, accurate list of the Owners of Developer:		
Owner Name	**Owner Address**	**Ownership Interest Percentage**

Territory Tier Type	Territory Population	Development Area Fee Per Outlet	Development DPF Businesses
Tier I	1 to 25,000	$2,500	
Tier II	25,001 to 50,000	$5,000	
Tier III	50,001 to 75,00	$7,500	
Tier IV	75,0001 to 100,000	$10,000	
Tier V	100,001 to 250,000	$15,000	
Tier VI	250,001 to 500,000	$25,000	
Tier VII	500,001+ residents	Varies	
Total			

Development Area

Initial Franchise Fee for the First Development DPF Business

Development DPF Business Initial Franchise Fee
Provided that Developer is not in default of the terms of the Agreement (including, without limitation, the Development Schedule set forth below) and that neither Developer nor Developer's affiliates are in default of any Franchise Agreement or other agreement with Franchisor, the Development DPF Business Initial Franchise Fee for each Newly Opened Development DPF Business is as follows:

Development Schedule		
Development Period	Newly Opened Development DPF Businesses	Cumulative Development DPF Businesses
Development Period 1: **[---------- to ----------]**	**[------]**	**[------]**
Development Period 2: **[---------- to ----------]**	**[------]**	**[------]**
Development Period 3: **[---------- to ----------]**	**[------]**	**[------]**
Development Period 4: **[---------- to ----------]**	**[------]**	**[------]**
Development Period 5: **[---------- to ----------]**	**[------]**	**[------]**

FRANCHISOR:

DPF ALTERNATIVES, LLC

By: _____

Name: _____

Title: _____

DEVELOPER:

_____

By: _____

Name: _____

Title: _____

EXHIBIT D

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EXHIBIT E

LIST OF CURRENT FRANCHISEES
AND LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

CURRENT FRANCHISEES

State	Address	Franchisee	Telephone
Arizona	2341 West Sherman Street Phoenix, AZ 85009	Leo Reyes DPF Alternatives of Phoenix, LLC	(602) 910-0521
Arkansas	11462 Digby Drive Gentry, AR 72734	Robb Becker Rashelle Becker Sunset Hill, Inc.	(479) 238-4456
Colorado	6045 East 76th Avenue Unit 11 Highlands Ranch, CO 80022	Dan LaFaver	(303) 564-5812
	1314 Pecan Street Colorado Springs, CO 80904	Dan LaFaver	(720) 400-9652
Florida	1173 SW Highway 17 Arcadia, FL 34266	Jared Nightingale DPF Alternatives of Florida, LLC	(620) 353-3601
Idaho	106 South 43rd Avenue Caldwell, ID 83605	Perry Killam	(208) 900-8961
Indiana	3965 East County Line Road Nappanee, IN 46550	Loren Graber DPF Alternatives NC IN, LLC	(574) 229-6246
Mississippi	611 Meadow View Drive West Point, MS 39773	Jeremy Jantz	(662) 524-0002
	7223 Elon Road Macon, MS 39341	Willard Petre DPF Alternatives Mississippi, LLC	(662) 361-2462
New Jersey	454 Jefferson Street Newark, NJ 07114	Danilo Silva EZ Multi Service, LLC	(862) 588-1035
	368C Swedesboro Avenue Mickleton, NJ 08056	Jerry Potrzuski DPF Alternatives of Philadelphia, LLC	(856) 470-7175
Ohio	8430 Fort Laurens Road NW Strasburg, OH 44680	Brian Kohl	(330) 317-8754
	720 Ford Street Maumee, OH 43537	Ron Pittman DPF Solutions, LLC	(419) 891-1208
Oregon	3890 West First Avenue Eugene, OR 97402	Crystal Rathe and Rick Veno	(541) 222-0444
	191 Bateman Drive Central Point OR 97502	Matt Krouse Hays Oil Company	(541) 664-6640, ext. 1308
Texas	520 CR108, Unit 13 Hutto, TX 78634	Kylun Ching and Hyatt Garcia	(713) 446-6419
	1602 Industrial A Court Arlington, TX 76011	Chris Burrei and Jeremy Jantz DPF Alternatives Holdings of Texas, LLC	(435) 817-3828

State	Address	Franchisee	Telephone
	15116 Lee Road #5116-505 Humble, TX 77396	Chris Burrei and Dan LaFaver DPF Alternatives of Houston, LLC	(435) 817-3828
Virginia	9248 Mike Garcia Drive Manassas, VA 20109	Chuck Gavelek DPF Alternatives Virginia, LLC	(703) 999-0925
Washington	1563 Thornton Avenue SW Pacific, WA 98047	Kevin Cory	(253) 289-2141
Wisconsin	1318 11th Street Barron, WI 54812	Donavan Yoder Yoder Trucking, LLC	(715) 296-0250
Wyoming	1910 Thomas Avenue Cheyenne, WY 82001	Kelly Baier and Tammy Hernandez KT Investments 1214, LLC	(303) 748-0402

FRANCHISEES WHO HAVE LEFT THE SYSTEM

State	Address	Franchisee	Telephone
Colorado	6268 West Tenth Street Unit 4 Greeley, CO 80634	Rob Kellerman	(970) 815-9080
Georgia	1891 Rock Chapel Road Lithonia, GA 30058	Jason Chimo	(833) 373-2532
Kentucky	1284 Lebanon Church Road Fountain Run, KY 42133	Stuart Koehn	(270) 590-8196
Nevada	1508 Industrial Road Boulder City, NV 89005	Mark and Louise Rozich	(866) 373-2532
North Carolina	2818 Queen City Drive Suite L Charlotte, NC 2828	Gladwin and Wendy Isaac	(704) 507-8004
Ohio	819 US Route 50 Suite A Milford, OH 45150	Joseph Dills	(513) 909-1000

EXHIBIT F

STATE SPECIFIC ADDENDA AND RIDERS

THE FOLLOWING PAGES IN THIS EXHIBIT F ARE
STATE-SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A FRANCHISE DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DFPI.CA.GOV.

4. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING WITHOUT LIMITATION, A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

5. Item 3 of the Franchise Disclosure Document is amended to provide that neither the franchisor, nor any person in Item 2 of the Franchise Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq*., suspending or expelling such persons from membership in that association or exchange.

6. Item 6 of the Franchise Disclosure Document is amended to provide that the highest interest rate allowed in California is 10% per annum.

7. The following paragraphs are added at the end of Item 17 of the Franchise Disclosure Document:

> Any condition, stipulation or provision in the Agreement that would result in your waiver of compliance with any provision of the California Franchise Relations Act (Business and Professions Code Sections 20000 through 20043) (the "Act") is void to the extent that such provision violates the Act. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
>
> The Franchise Agreement provides for termination upon insolvency. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Secs. 101 *et seq*.).
>
> 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 Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Act.
>
> The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will be conducted in Colorado where our headquarters are located, with the costs being borne as provided in the Franchise Agreement. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of California.

The Franchise Agreement requires application of the laws of Colorado. These provisions might not be enforceable under California law.

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the DPF Alternatives, LLC Franchise Disclosure Document for use in Illinois will be amended as follows:

Items 5 and 7 of the Franchise Disclosure Document is supplemented by the addition of the following:

Illinois law governs the Franchise Agreement.

In conformance with §4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in §§19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with §41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently without reference to this Addendum.

INDIANA

1. Item 8, "Restrictions on Sources of Products and Services," is supplemented by the addition of the following:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. Item 6, "Other Fees" and Item 9, "Franchisee's Obligations," are supplemented by the addition of the following:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

A. Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

B. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

C. Item 17(i) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant will have a geographical limitation of the territory granted to Franchisee.

D. Item 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.

E. Item 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

MARYLAND

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

A. The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

B. A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

C. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

D. In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law will prevail.

E. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*).

F. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

MINNESOTA

1. MINNESOTA FRANCHISE ACT:

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, 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, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. ADDITIONAL RISK FACTOR:

The Special Risks To Consider About *This* Franchise page is supplemented by the addition of the following:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

3. ITEM 6, OTHER FEES:

Item 6 is supplemented by the addition of the following:

Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of $30.00 on service charges.

4. ITEM 13, TRADEMARKS:

Item 13 is supplemented by the addition of the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

5. ITEM 17, RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION:

Item 17 is supplemented by the addition of the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 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 of non-renewal of the Agreement.

Item 17 will not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

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

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

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 THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

2. The following paragraphs are added at the beginning of Item 3 of the Franchise Disclosure Document:

Except as provided below, neither we, any predecessor, any person identified in Item 2, or an affiliate offering franchises under our principal trademark has an administrative, criminal, or civil action pending against us, it, him, or her alleging a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

Neither we, any predecessor, any person identified in Item 2, nor an affiliate offering franchises under our 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 been held liable in a civil action alleging violation of a franchise, antifraud, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable allegations.

Neither we, any predecessor, any person identified in Item 2, or an affiliate offering franchises under our 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, as a result of a concluded or pending action or proceeding brought by a public agency, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following paragraph is added at the beginning of Item 4 of the Franchise Disclosure Document:

Neither we nor any of our affiliates, predecessors, officers, or general partners have, during the ten year period immediately preceding the date of the Franchise Disclosure Document (a) filed as debtor (or had filed against us, it, him, or her) a petition to start an action under the U.S. Bankruptcy Code, (b) obtained a discharge of our, its, his, or her debts under the U.S. Bankruptcy Code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against us, it, him, or her) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of our, its, his, or her debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of ours held this position in the company or partnership.

4. The "Summary" section of Item 17(d) of the Franchise Disclosure Document is amended by adding the following:

You also may terminate the Franchise Agreement on any grounds available by law.

5. The "Summary" section of Item 17(j) of the Franchise Disclosure Document is amended by adding the following:

However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

6. The "Summary" sections of Items 17(c) and (m) of the Franchise Disclosure Document are amended by adding the following:

All rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

7. The "Summary" section of Item 17(s) of the Franchise Disclosure Document is amended by adding the following:

Modifications to the Operations Manual will not unreasonably affect your obligations, including economic requirements, under the Agreement.

8. The "Summary" sections of Items 17(v) and (w) of the Franchise Disclosure Document are amended by adding the following:

This choice of law and forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York.

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NEW YORK REPRESENTATIONS PAGE

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

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NORTH DAKOTA

1. Item 5 is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel the Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages will be required from franchisees in North Dakota.

3. Item 17 is supplemented by the addition of the following:

Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in North Dakota.

Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

RHODE ISLAND

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

Any general release as a condition of renewal, termination, or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

VIRGINIA

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

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

WASHINGTON

The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

If any of the provisions in this Franchise Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), then (if the Act applies by its terms) the provisions of the Act will prevail over the inconsistent terms of the Franchise Disclosure Document or Franchise Agreement.

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THE FOLLOWING PAGES IN THIS EXHIBIT F ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT AND/OR THE MULTI-UNIT DEVELOPMENT AGREEMENT

RIDER TO THE DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT FOR USE IN ILLINOIS

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain DPF Alternatives, LLC Franchise Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the business that Franchisee will operate under the Franchise Agreement was made in Illinois and the business will be located in Illinois, or (b) Franchisee is a resident of Illinois.

2. GOVERNING LAW. The sentence of Section 18.F of the Franchise Agreement is deleted and replaced with the following:

Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 *et seq.*), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, all controversies, disputes or claims arising from or relating to or alleged to arise from or relate to:

(a) This Agreement or any other agreement between the parties;

(b) The relationship of the parties; or

(c) The validity of the Agreement or any other agreement between the Parties will be governed by the laws of Illinois as long as the jurisdictional requirements of those Illinois laws are met independently without reference to this Subsection. However, if Illinois law does not apply jurisdictionally, then disputes or claims arising from or relating to or alleged to arise from or relate to (a) through (c) above will be governed by the laws of Colorado, without regard to its conflict of laws principles, except that any Colorado law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Subsection.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

3. ILLINOIS FRANCHISE DISCLOSURE ACT. The following new Section 18.Z is added to the Franchise Agreement:

18.Z ILLINOIS FRANCHISE DISCLOSURE ACT

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Franchisee's rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT FOR USE IN ILLINOIS

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain DPF Alternatives, LLC Multi-Unit Development Agreement dated _____, _____ that has been signed concurrently with the signing of this Rider (the "Development Agreement"). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the business that Franchisee will operate under the Development Agreement was made in Illinois and the business will be located in Illinois, or (b) Franchisee is a resident of Illinois.

2. GOVERNING LAW. The sentence of Section 7.5 of the Development Agreement is deleted and replaced with the following:

Except to the extent governed by the Federal Arbitration Act (9 U.S.C. Sections 1 *et seq.*), the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*) or other federal law, all controversies, disputes or claims arising from or relating to or alleged to arise from or relate to:

(a) This Agreement or any other agreement between the parties;

(b) The relationship of the parties; or

(c) The validity of the Agreement or any other agreement between the Parties will be governed by the laws of Illinois as long as the jurisdictional requirements of those Illinois laws are met independently without reference to this Subsection. However, if Illinois law does not apply jurisdictionally, then disputes or claims arising from or relating to or alleged to arise from or relate to (a) through (c) above will be governed by the laws of Colorado, without regard to its conflict of laws principles, except that any Colorado law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Subsection.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

3. ILLINOIS FRANCHISE DISCLOSURE ACT. The following new Section 7.25 is added to the Development Agreement:

7.25 ILLINOIS FRANCHISE DISCLOSURE ACT

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Franchisee's rights upon termination and non-renewal of a development agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT FOR USE IN MARYLAND

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee"). In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached DPF Alternatives LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Article 14.C of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," Section 14.C(6) is supplemented by the addition of the following:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, will remain in force; it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied.

2. Article 15.B of the Franchise Agreement, under the heading "Conditions for Renewal," Section 15.B(8) is supplemented by the addition of the following:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, will remain in force; it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied.

3. Article 18.G of the Franchise Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," is supplemented by the addition of the following:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I of the Franchise Agreement, under the heading "Limitations of Claims," is supplemented by the addition of the following:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

5. Article 18 of the Franchise Agreement, under the heading "Enforcement and Construction," is supplemented by the addition of the following new Section 18.Z:

18.Z MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Maryland Franchise Registration and Disclosure Law.

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement will not apply to any liability under the Maryland Franchise Registration and Disclosure Law

6. Each provision of this Rider will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Rider.

7. All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT FOR USE IN MARYLAND

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee"). In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached DPF Alternatives LLC Multi-Unit Development Agreement (the "Development Agreement") agree as follows:

1. Article 7.6 of the Development Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," is supplemented by the addition of the following:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Article 7.8 of the Franchise Agreement, under the heading "Limitations of Claims," is supplemented by the addition of the following:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

3. Article 7 of the Franchise Agreement, under the heading "Enforcement and Construction," is supplemented by the addition of the following new Section 7.24:

7.24 MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

Nothing in this Agreement should be considered a waiver of any right conferred upon Developer by the Maryland Franchise Registration and Disclosure Law.

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement will not apply to any liability under the Maryland Franchise Registration and Disclosure Law

4. Each provision of this Rider will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Rider.

5. All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor will they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT FOR USE IN MINNESOTA

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee"). In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached DPF Alternatives, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Article 11 of the Franchise Agreement, under the heading "Notification of Infringement and Claims," Section 11.C is supplemented by the addition of the following:

> Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to Article 11.E of this Agreement.

2. Article 14 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," Section 14.C is supplemented by the addition of the following:

Franchisor will not unreasonably withhold consent to transfer the Agreement.

3. Article 14.C of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," Section 14.C(6) is supplemented by the addition of the following:

> ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), will remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and
>
> Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14, Subdivisions 3, 4, and 5 require, except in certain specified cases, that Franchisee be given 180 days' notice of nonrenewal of this Agreement by Franchisor.

4. Article 15.B of the Franchise Agreement, under the heading "Conditions for Renewal," Section 15.B(8) is supplemented by the addition of the following:

> ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 *et seq*. and Minnesota Rules 2860.4400(D), will remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and
>
> Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that Franchisee be given 180 days' notice of nonrenewal of this Agreement by Franchisor.

5. Article 16 of the Franchise Agreement, under the heading "Defaults and Automatic Termination Upon Written Notice Without Cure Period," Section 16.A.(2) is supplemented by the addition of the following:

> Section 16.A.(2) will not be enforced to the extent prohibited by applicable law.

6. Article 16 of the Franchise Agreement, under the heading "Defaults and Automatic Termination After 30 Day Cure Period," Section 16.A.(4)(f) is supplemented by the addition of the following:

Section 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Sections 16.A.(2) and 16.A.(4) of the Franchise Agreement are supplemented by the addition of the following:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F of the Franchise Agreement, under the heading "Governing Law," is supplemented by the addition of the following:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G of the Franchise Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," is amended by the addition of the following:

; except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K of the Franchise Agreement, under the heading "Waiver of Jury Trial," is supplemented by the addition of the following:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I of the Franchise Agreement, under the heading "Limitations of Claims," is supplemented by the addition of the following:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim will be barred.

12. Article 18 of the Franchise Agreement, under the heading "Enforcement and Construction," is supplemented by the addition of the following new Section 18.Z:

18.Z MINNESOTA FRANCHISE ACT

Any foregoing acknowledgments are not intended to nor will they act as a release, estoppel, or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this Rider will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Rider.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT FOR USE IN MINNESOTA

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee"). In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached DPF Alternatives, LLC Multi-Unit Development Agreement (the "Development Agreement") agree as follows:

1. Article 7.6 of the Development Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," is amended by the addition of the following:

; except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

2. Article 7.10 of the Development Agreement, under the heading "Waiver of Jury Trial," is supplemented by the addition of the following:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

3. Article 7.8 of the Development Agreement, under the heading "Limitations of Claims," is supplemented by the addition of the following:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim will be barred.

4. Article 7 of the Franchise Agreement, under the heading "Enforcement and Construction," is supplemented by the addition of the following new Section 7.24:

7.24 MINNESOTA FRANCHISE ACT

Any foregoing acknowledgments are not intended to nor will they act as a release, estoppel, or waiver or any liability under the Minnesota Franchise Act.

5. Each provision of this Rider will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Rider.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT FOR USE IN NEW YORK

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor") and _____, whose principal business address is _____ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain DPF Alternatives, LLC Franchise Agreement dated _____, 20__, that has been signed concurrently with the signing of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the business that Franchisee will operate under the Franchise Agreement was made in New York, or (b) Franchisee is a resident of New York and will operate the business in New York.

2. TRANSFER BY FRANCHISOR. The following is added to Section 14.A of the Franchise Agreement:

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor's good faith judgment, is willing and able to assume Franchisor's obligations under the Agreement.

3. TERMINATION BY FRANCHISEE. The following is added to Section 16.B of the Franchise Agreement:

> Franchisee may terminate the Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

4. GOVERNING LAW. The following is added to Section 18.F of the Franchise Agreement:

> **NOTWITHSTANDING THE FOREGOING, THE GOVERNING CHOICE OF LAW WILL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON FRANCHISEE BY THE PROVISIONS OF ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.**

5. RELEASES. The following is added to the end of the Franchise Agreement:

> Notwithstanding any other provisions of the Agreement, all rights Franchisee enjoys and any causes of action arising in Franchisee's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT FOR USE IN NEW YORK

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor") and _____, whose principal business address is _____ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain DPF Alternatives, LLC Multi-Unit Development Agreement dated _____, 20__, that has been signed concurrently with the signing of this Rider (the "Development Agreement"). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the business that Franchisee will operate under the Development Agreement was made in New York, or (b) Franchisee is a resident of New York and will operate the business in New York.

2. TERMINATION BY FRANCHISEE. The following is added to Section 3 of the Development Agreement:

3.3 TERMINATION BY FRANCHISEE

Franchisee may terminate the Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

3. TRANSFER BY FRANCHISOR. The following is added to Section 6.1 of the Development Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor's good faith judgment, is willing and able to assume Franchisor's obligations under the Agreement.

4. GOVERNING LAW. The following is added to Section 7.5 of the Development Agreement:

NOTWITHSTANDING THE FOREGOING, THE GOVERNING CHOICE OF LAW WILL NOT BE CONSIDERED A WAIVER OF ANY RIGHT CONFERRED UPON FRANCHISEE BY THE PROVISIONS OF ARTICLE 33 OF THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.

5. RELEASES. The following is added to the end of the Development Agreement:

Notwithstanding any other provisions of the Agreement, all rights Developer enjoys and any causes of action arising in Developer's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force, it being the intent of this proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT FOR USE IN NORTH DAKOTA

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee"). The Rider is only applicable if Franchisee a resident of North Dakota or if Franchisee's DPF Alternatives, LLC business will be located within North Dakota. In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached DPF Alternatives, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Article 15 of the Franchise Agreement is amended by the addition of the following:

Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota.

2. Article 16 of the Franchise Agreement is amended by the addition of the following:

Provisions requiring North Dakota franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.

3. Articles 6 and 17 of the Franchise Agreement are amended by the addition of the following:

Covenants not to compete such as those mentioned above are generally considered unenforceable in North Dakota.

4. Article 18 of the Franchise Agreement is amended by the addition of the following:

Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

For North Dakota franchisees, North Dakota law will apply.

Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

Provisions requiring a franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.

5. Each provision of this Rider will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this Rider.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT FOR USE IN NORTH DAKOTA

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor"), and _____, whose principal business address is _____ ("Franchisee"). The Rider is only applicable if Franchisee a resident of North Dakota or if Franchisee's DPF Alternatives, LLC business will be located within North Dakota. In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached DPF Alternatives, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Article 3 of the Franchise Agreement is amended by the addition of the following:

Provisions requiring North Dakota franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.

2. Article 7 of the Franchise Agreement is amended by the addition of the following:

Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.

For North Dakota franchisees, North Dakota law will apply.

Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

Provisions requiring a franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.

Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.

3. Each provision of this Rider will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this Rider.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT FOR USE IN WASHINGTON

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor") and _____, whose principal business address is _____ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain DPF Alternatives, LLC Franchise Agreement dated _____, 20__, that has been signed concurrently with the signing of this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the business that Franchisee will operate under the Franchise Agreement was made in Washington, (b) Franchisee is a resident of Washington, or (c) the business will be located or operated in Washington.

2. WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT. The following is added to the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise. There may also be court decisions which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, Franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by Franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or 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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchisee from (i) soliciting or hiring any employee of a franchisee of Franchisor, or (ii) soliciting or hiring any employee of Franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this Rider.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

RIDER TO THE DPF ALTERNATIVES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT FOR USE IN WASHINGTON

This Rider (the "Rider") is effective on _____, 20__, and made by and between DPF ALTERNATIVES, LLC, a Colorado limited liability company ("Franchisor") and _____, whose principal business address is _____ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain DPF Alternatives, LLC Multi-Unit Development Agreement dated _____, 20__, that has been signed concurrently with the signing of this Rider (the "Development Agreement"). This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the offer or sale of the business that Franchisee will operate under the Development Agreement was made in Washington, (b) Franchisee is a resident of Washington, or (c) the business will be located or operated in Washington.

2. WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT. The following is added to the Development Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Development Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise. There may also be court decisions which may supersede the Development Agreement in Franchisee's relationship with Franchisor including the areas of termination and renewal of Franchisee's franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Development Agreement, Franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by Franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or 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.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the

Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchisee from (i) soliciting or hiring any employee of a franchisee of Franchisor, or (ii) soliciting or hiring any employee of Franchisor. As a result, any such provisions contained in the Development Agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this Rider.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider effective on the date stated on the first page above.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT G

FRANCHISEE ORGANIZATIONS FRANCHISOR HAS CREATED, SPONSORED, OR ENDORSED AND INDEPENDENT ORGANIZATIONS

NONE

EXHIBIT H

FINANCIAL STATEMENTS

DPF ALTERNATIVES, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021, 2020, AND 2019

DPF ALTERNATIVES, LLC

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INDEPENDENT AUDITORS' REPORT

Management and Board of Directors
DPF Alternatives, LLC
Commerce City, Colorado

We have audited the accompanying financial statements of DPF Alternatives, LLC which comprise the balance sheet as of 2021, 2020, and 2019, and the related income and cash flows statements for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and capital of DPF Alternatives as of December 31, 2021, 2020, and 2019 and its revenues and expenses and changes in owner's capital accounts for the year then ended.

Cristian Borcan, CPA
Morrison, Colorado
July 11, 2022

DPF Alternatives
Balance Sheet

(in $)	December 31, 2021	December 31, 2020	December 31, 2019
ASSETS			
Current assets:			
Cash and cash equivalents	548,742	351,701	256,475
Accounts receivable	125,000	15,000	0
Total current assets	673,742	366,701	256,475
Long-term marketable securities			
Receivable from shareholders-long term	25,000	25,000	25,000
Property, plant and equipment, net	92,632	113,941	38,391
TOTAL ASSETS	791,373	505,642	319,866
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	0	0	0
Accrued expenses	2,438	5,015	41,562
Current portion of long-term debt	0	15,369	5,855
Payroll payable	71,799	28,200	0
Deferred revenue-short term	178,368	185,807	80,967
Total current liabilities	252,605	234,391	128,384
Notes payable - long-term	0	28,332	35,020
Deferred revenue-long term	841,268	548,149	349,238
Non-current portion of long-term debt	0	0	0
Total liabilities	1,093,873	810,872	512,642
Shareholders' equity:			
Shareholder's distributions	0	-3,000	0
Retained earnings	-543,439	-305,272	-197,200
Net income	240,939	3,042	4,424
Total shareholders' equity	-302,500	-305,230	-192,776
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	791,373	505,642	319,866

DPF Alternatives
Statement of Retained Earnings

(in $)	December 31, 2021	December 31, 2020	December 31, 2019
Beginning of the year balance of retained earnings	305,272	197,200	204,484
Shareholder's contributions(distributions)	(2,772)	105,030	(11,709)
Net income	240,939	3,042	4,424
Year end balance of retained earnings	543,439	305,272	197,200

DPF Alternatives
Income Statement

(in $)

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Interest income	44	53	65
Revenues	571,702	331,587	239,295
Gain on sale of assets	11,803	0	0
Gain on PPP loan forgiveness	23,133	0	0
Revenues	**606,682**	**331,640**	**239,360**
Gross margin	606,682	0	0
Depreciation	16,609	9,450	9,450
Travel expense	315	183	1,695
Computer and internet expenses	62	0	0
Meals and entertainment	186	610	2,035
Utilities	286	0	0
Advertising	8,375	36,681	3,738
Auto expenses	237	713	1,784
Postage	0	0	911
Office supplies	594	552	1,332
Payroll expenses	234,969	71,548	41,607
Insurance expense	353	0	0
Professional fees	19,624	13,788	487
Bank charges	218	1,127	10
Dues and subscriptions	289	330	514
Interest expense	271	2,136	2,126
Merchant Account Fees	1,858	1,104	2,003
Outside Services	70,639	171,650	140,485
Repairs and maintenance	0	0	1,231
Supplies	1,488	0	0
Taxes & Licenses	2,000	0	652
Telephone expense	2,438	3,029	4,352
Trade Show	0	7,510	16,642
Website	4,933	8,187	3,884
Expenses	**365,743**	**328,598**	**234,936**
Net Income	**240,939**	**3,042**	**4,424**

DPF Alternatives

Statement of Cash Flows

(in $)

	Year ended December 31,	ıded December 31,	ed December 31,
	2021	**2020**	**2019**
Cash provided (used) by operations:			
Net income	240,939	3,042	4,424
Adjustments to reconcile net income to net cash provided (used) by operations:			
Depreciation	16,609	9,450	9,450
Changes in certain working capital components and other assets and liabilities:			
(Increase) decrease in accounts receivable	(110,000)	(15,000)	-
Increase (decrease) in accounts payable	-	-	(24,158)
Increase (decrease) in accrued expenses	(2,577)	(36,547)	2,577
Increase (decrease) in current portion of long-term debt	(15,369)	9,514	(43,052)
Increase (decrease) in billings in excess of costs	-	-	-
Increase (decrease) in payroll payable	43,598	28,200	-
Increase (decrease) in interest payable	(7,439)	104,840	43,333
Cash provided (used) by operations	165,761	103,500	(7,426)
Cash provided (used) by investing activities			
Property, plant and equipment, net	4,701	(85,000)	(45,950)
Cash provided (used) in investing activities	4,701	(85,000)	(70,950)
Cash provided (used) by financing activities:			
Proceeds from loans			
Unrestricted contributions			
Permanently restricted contributions			
Deferred revenue-long term	293,119	198,911	175,044
Net assets	-	(3,000)	-
Retained earnings	(241,209)	(112,496)	2214
Long-term debt	-	-	-
Notes payable - long-term	(28,332)	(6,688)	35,020
Other non-current liabilities			
Shareholder's distributions	3,000	-	-
Cash provided (used) in financing activities	26,578	76,727	212,278
Net increase (decrease) in cash during the year	197,040	95,226	133,902
Cash and cash equivalents, beginning of the year	351,701	256,475	122,573
Cash and cash equivalents, end of the year	548,742	351,701	256,475

NOTES TO THE FINANCIAL STATEMENTS:

NOTE 1. Business and Summary of Significant Accounting Policies

DPF Alternatives, LLC, referred to herein as the "Company" is engaged in the business of franchising DPF Alternatives franchises across the United States. The Company provides ultrasonic cleaning of any diesel emissions-related filters, including diesel filters, diesel oxidation catalyst filters, selective catalyst reduction systems, decomposition tubes, and similar components of diesel engines that require periodic maintenance in order to meet federal clean air rules or other standards, or must be cleaned in order to properly operate the diesel engine.

The Company is primarily a franchisor. Franchising enables an individual to be his or her own employer and maintain control over all employment-related matters, marketing and pricing decisions, while also benefiting from the technology used by the Company.

The Company franchises the operation of a diesel filter cleaning service using ultrasonic equipment. The optimal ownership structure for an individual franchise is based on a variety of factors, including the availability of individuals with the entrepreneurial experience and financial resources, as well as the local demand for these services. The business relationship between the Company and its independent franchisees is supported by adhering to standards and policies and is of fundamental importance to overall performance and to protecting the Company's brand.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. The cash equivalents balances as of December 31, 2021, 2020, and 2019 were $584,740, $351,701, and $256,475 respectively.

Concentrations of Credit Risk

The Company grants credit in the normal course of business to franchisees in the United States. The Company periodically performs credit analysis and monitors the financial condition of its franchisees to reduce credit risk. The Company performs ongoing credit evaluations of its franchisees but generally does not require collateral to support accounts receivable.

Income Taxes

The Company has elected to be treated as an S-corporation for income tax purposes.

Franchise Operations

The Company enters into franchise agreements with qualified persons to operate a business that features the ultrasonic cleaning of any diesel emissions-related filters. The franchisees are required to operate their companies in compliance with their franchise agreements, which includes adherence to operating and quality control procedures established by the Company.

OUTLETS AND FRANCHISEE INFORMATION

-

Table No. 1
System-wide Outlet Summary
for the years 2016 through 2019*

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the end of the Year	Column 5 Net changes
Franchised	2016	0	1	1
	2017	1	8	7
	2018	8	18	10
	2019	18	27	9
Company Owned	2016	1	1	0
	2017	1	0	-1
	2018	1	0	0
	2019	1	1	1
Total outlets	2016	1	2	1
	2017	2	8	6
	2018	9	19	10
	2019	19	29	10

* "Company-Owned" includes the Business owned by our Affiliates

Initial Franchise Fees and Related Franchise Costs

Initial franchise fees paid by franchisees are recognized as revenue when payment is received as the company uses the cash basis. These franchise fees are non-refundable except in certain circumstances. There is no requirement to purchase real estate in connection with ownership of the franchise. However, the franchised location may need to be renovated to meet the Company's standards.The Company receives a royalty starting in the third month of

operation. The monthly royalty fee is between $150 and $750. The franchisees purchase the initial inventory from the Company or an approved vendor.

Franchise Royalties

Pursuant to the various franchise agreements, U.S. franchisees are required to pay the Company royalties and other fees such as local advertising fees, training of additional personnel fees, missed quota training fees, replacement inventory fees, and others.

Expense Recognition

The Company records expenses as they are paid.

NOTE 2. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has long-term contractual obligations primarily in the form of franchise obligations (related to both the Company and the franchisees) during the pre-opening stage as well as during operation. In addition, the Company has long-term revenue and cash flow streams that relate to its franchise arrangements. Cash provided by operations (including cash provided by these franchise arrangements) along with the Company's borrowing capacity and other sources of cash will be used to satisfy the obligations.

NOTE 3. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company prepares its financial statements on the accrual basis. The Company's financial reporting is done by a CPA firm in Utah.

The Company implemented the following policies:

- Property, Plant and Equipment Property and Equipment

Property and equipment are depreciated or amortized on a straight-line basis over their useful lives based on management's estimates of the period over which the assets will generate revenue (not to exceed lease term plus options for leased property). The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Company periodically reviews these lives relative to physical factors, economic factors and industry trends. If there are changes in the planned use of property and equipment, or if technological changes occur more rapidly than anticipated, the useful lives assigned to these assets may need to be shortened, resulting in the accelerated recognition of depreciation and amortization expense or write-offs in future periods.

Net property and equipment consisted of furniture and equipment in the amount of $92,632 as of December 31, 2021, $113,941 as of December 31, 2020, and $38,391 as of December 31, 2019.

• IncomeTaxes

The Company is an S-corporation and the net income is individually passed to the shareholders. S-corporations are not required to pay any tax.

• Revenue Recognition

The Company’s revenues consist of sales of franchises and royalties.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. This standard does not impact the Company's recognition of revenue as those sales are recognized on a cash basis at the time of the underlying sale. The standard also does not change the recognition of royalties, which are also recorded on cash basis.

• Advertising Costs

Advertising costs included in operating expenses primarily consist of Google ads.

• Cash and Cash Equivalents

The Company considers short-term, highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

• Subsequent Events

The Company evaluated subsequent events through the date the audit report was issued. There were no subsequent events that required recognition or disclosure.

• Contingencies

In the ordinary course of business, the Company may be subject to proceedings, lawsuits, and other claims primarily related to competitors, customers, employees, franchisees, government agencies, intellectual property, and suppliers. The Company is required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of the disclosure required, if any, for these contingencies is made after careful analysis of each matter. The required accrual may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters. The Company does not believe that any such matter currently being reviewed will have a material adverse effect on its financial condition or results of operations.

- Franchise Arrangements

Conventional franchise arrangements generally include a lease and a license and provide for payment of initial fees of $25,000, as well as continuing advertising, royalty, maintenance, and training fees to the Company based upon contractual amounts.

NOTE 4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which replaces existing lease accounting guidance. The new standard is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the balance sheet. The new guidance will require the Company to continue to classify leases as either operating or financing, with classification affecting the pattern of expense recognition in the income statement. The Company adopted the standard on January 1, 2020. The ASU is required to be applied using a modified retrospective approach at the beginning of the earliest period presented, with optional practical expedients. The Company continues to assess the effect the guidance will have on its existing accounting policies and the Financial Statements.

DPF ALTERNATIVES, LLC
UNAUDITED FINANCIAL STATEMENTS
AS OF JUNE 30, 2022

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

DPF ALTERNATIVES
Balance Sheet
As of June 30, 2022

	Jun 30, 22
ASSETS	
Current Assets	
Checking/Savings	873,713
Total Current Assets	873,713
Fixed Assets	
Vehicles	126,250
Furniture and Equipment	2,078
Accumulated Depreciation	-128,328
Total Fixed Assets	0
Other Assets	
Suspense	9,219
Total Other Assets	9,219
TOTAL ASSETS	**882,932**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	19,552
Total Other Current Liabilities	19,552
Total Current Liabilities	19,552
Long Term Liabilities	
Deferred Franchise Revenue	1,153,733
Total Long Term Liabilities	1,153,733
Total Liabilities	1,173,285
Equity	-290,353
TOTAL LIABILITIES & EQUITY	**882,932**

DPF ALTERNATIVES
Profit & Loss
January through June 2022

	Jan - Jun 22
Ordinary Income/Expense	
Income	
Franchise Sales	120,404
Royalties	185,729
Total Income	306,133
Gross Profit	306,133
Expense	
Advertising and Promotion	349
Bank Service Charges	1,495
Computer and Internet Expenses	392
Dues & Subscriptions	24
Merchant Account Fees	683
Office Supplies	2,542
Payroll Expenses	110,553
Professional Fees	717
Taxes & Licenses	2,685
Travel	60
Website	3,116
Total Expense	122,616
Net Ordinary Income	183,517
Other Income/Expense	
Other Income	32
Net Other Income	32
Net Income	**183,549**

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

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

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

State	Effective Date
California	*Pending*
Illinois	*Pending*
Indiana	*Pending*
Maryland	*Pending*
Michigan	*Pending*
Minnesota	*Pending*
New York	*Pending*
North Dakota	*Pending*
Rhode Island	*Pending*
South Dakota	*Pending*
Virginia	*Pending*
Washington	*Pending*
Wisconsin	*Pending*

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I

RECEIPT

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

New York and Rhode Island law requires that we give you this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan and Oregon require that we give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If DPF Alternatives, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance Date: July 11, 2022.

The franchisor is DPF Alternatives, LLC, 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80123, (720) 697-3810.

The franchise sellers for this offering are Christopher Burrei, Pedro Junior Reyes, and Corey Reyes, 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80123, (720) 697-3810.

DPF Alternatives, LLC authorizes the respective agencies identified in Exhibit A to receive service of process for it in the particular state.

I received a disclosure document dated July 11, 2022, that included the following Exhibits:

Exhibit A	List of State Agencies/Agents for Service of Process
Exhibit B	DPF Alternatives, LLC Franchise Agreement
Exhibit C	DPF Alternatives, LLC Multi-Unit Development Agreement
Exhibit D	Manual Table of Contents
Exhibit E	List of Franchisees and Franchisees That Have Left the System
Exhibit F	State Specific Addenda and Riders
Exhibit G	Franchisee Organizations Franchisor Has Created, Sponsored, or Endorsed and Independent Organizations
Exhibit H	Financial Statements
Exhibit I	Receipt

By: _____ Date: _____

Name: _____

Keep this copy for your records.

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By: _____ Date: _____

Name: _____

Return this copy to DPF Alternatives, LLC, 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80123.