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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The franchise offered is for the operation of a business offering unique diesel filter cleaning and maintenance 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, convert an existing engine maintenance business, co-brand with an existing engine maintenance business the franchisee owns with their DPF Business, or co-brand an existing non-competitive engine maintenance business owned by a third party with their DPF Business.

The total investment necessary to begin operation of a DPF Business ranges from $63,500 to $2,689,000. This includes between $48,000 and $2,595,000 that must be paid to the franchisor or an affiliate. The total investment necessary to begin operation of the first DPF Business under a Multi-Unit Development Agreement for three to 30 DPF Businesses is $68,500 to $25,950,000. This includes between $45,500 and $595,625 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 with 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: April 30, 2025.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
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.

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
(517) 335-7567

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written and you will agree in the Franchise Agreement to abide by its terms.

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EXHIBITS

Exhibit A	List of State Agencies and Agents for Service of Process
Exhibit B	DPF Alternatives, LLC Franchise Agreement
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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 conduct business under our corporate name "DPF Alternatives, LLC" and under the "DPF Alternatives" trade name. Our principal business address is 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129. Our business is operating the DPF Alternatives franchise system and granting franchises to third parties to develop and operate a DPF Business. 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 three affiliates.

Our affiliate DPFSource, LLC ("DPFSource") is a Colorado limited liability company organized on June 14, 2018. DPFSource does business as "DPFSource." DPFSource's principal business address is 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129. DPFSource manufactures and sells some of our proprietary cleaning equipment. DPFSource has never offered franchises in this or in any other line of business.

Our affiliate New Core, LLC ("New Core") is a Colorado limited liability company organized on April 19, 2023. New Core does business as "New Core." New Core's principal business address is 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129. New Core manufactures and sells some of our proprietary cleaning equipment. New Core has never offered franchises in this or in any other line of business.

Our affiliate DPF Source, LLC ("DPF Source") is a Colorado limited liability company organized on September 5, 2024. DPF Source conducts business as "DPF Source." DPF Source's principal business address is 1745 Shea Center Drive, Fourth Floor, Highlands Ranch, Colorado 80129. DPF Source offers franchises for the operation of a business offering our proprietary and other non-proprietary products relating to diesel filter cleaning and other automotive maintenance services.

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") in the form attached as Exhibit B. DPF Businesses feature the ultrasonic cleaning and maintenance 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 (collectively, "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"). The Services and Products include, without limitation, reconditioning, rebuilding, restuffing, repacking, recoring, and newcoring DPFs. DPF 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 protocols, 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, 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 as Exhibit C. The total number of DPF Businesses you will develop and operate under your 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 for each Development Business. Your first Franchise Agreement will be executed concurrently with your Development Agreement.

Market and Competition

The general market for DPF diesel filter cleaning and maintenance services and your DPF Business are owners of commercial vehicles that use diesel fuel such as tractor-trailer trucks, buses, heavy construction equipment, and other diesel-powered vehicles. This market is well-developed, competitive, and not seasonal. 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, consumer data privacy, general consumer protection, customer health and safety, employment, environmental concerns, workers' compensation, construction, fire safety, hazardous materials, taxation, unfair trade practices, and fraud. Depending on the specific services your DPF Business offers, federal laws that may be applicable to your DPF Business may include, without limitation, the Resource Conservation and Recovery Act of 1976, the Clean Water Act of 1977, the Clean Air Act, the Comprehensive Environmental Response Compensation and Liability Act, the Oil Pollution Act, the Occupational Safety and Health Act, and the Toxic Substance Control Act. There may be other

local, state, or federal laws applicable to your DPF Business and we strongly advise you to consult with local legal counsel to determine the specific regulatory requirements imposed on your DPF Business.

Item 2

BUSINESS EXPERIENCE

Pedro Junior Reyes, Managing Member

Mr. Reyes has been our Managing Member since our organization. He has been the Managing Member of DPFSource since its organization. He has been the Managing Member of New Core since its organization. He has been the Managing Member of DPF Source since its organization. All of these positions are located in Highlands Ranch, Colorado.

Chris Burrei, Vice President

Mr. Burrei has been our Vice President since our organization. He has been the President of GMXR, Inc. since August, 2004. Both of these positions are located in Nashville, Tennessee.

Corey Reyes, Bookkeeper

Ms. Reyes has been our Bookkeeper since our organization. She has been the Bookkeeper of DPFSource since its organization. She has been the Bookkeeper of New Core since its organization. All of these positions are located in Highlands Ranch, Colorado.

Item 3

LITIGATION

Government Actions:

California: On November 9, 2022, we submitted a Notice of Violation to the California Department of Financial Protection and Innovation (the "CDFPI") disclosing that we had sold a franchise to a California resident and area development rights that included California to a Nevada resident during a period in which we did not have an effective franchise registration in California. Although both transactions were eligible for a statutory exemption from the California Franchise Investment Law pursuant to Section 31108 of the California Corporations Code, we inadvertently failed to file the requisite exemption forms with the CDFPI. We resolved the matter by providing an updated Franchise Disclosure Document and offering rescission of their respective agreements to the affected parties, which offers were declined by both parties.

Minnesota: On March 21, 2021, we sold area development rights to a Nevada resident that included Minnesota while we did not have an effective franchise registration in Minnesota. Upon our initial application for franchise registration, it was determined that we had inadvertently violated the Minnesota Franchise Act due to a misunderstanding of the requirement to have an effective franchise registration for the sale of area development rights. We resolved the matter by providing an updated Franchised Disclosure Document and offering rescission to the affected party, which offer was declined by the party.

Pending Actions:

DPF Alternatives, LLC v. DET Diesel Emission Technologies LLC et al.: This matter is currently pending in the U.S. District Court for the Northern District of Texas (case number 3:24-cv-01953-B). We

filed suit against DET Diesel Emission Technologies ("DET"), a former vendor that provided equipment and services to certain of our franchisees. The lawsuit alleges that DET violated federal law in promoting and selling its equipment and services including violations of the Sherman Act, the Patent Act, and the Lanham Act, and tortiously interfered with our business relationships with our franchisees. We seek damages and other remedial measures. DET has counterclaimed for patent infringement and violations of federal and Texas state trade secret laws. We maintain that DET's counterclaims lack factual or legal merit. We intend to vigorously prosecute the suit and defend against DET's counterclaims.

Completed Actions:

DPF Alternatives, LLC v. DPF Express, LLC, DPF West, LLC, and Daniel Lafaver: This matter was arbitrated by the Judicial Arbiter Group, Inc. (case number 2024-0722A). A franchisee ("Lafaver") was terminated on February 21, 2024, for alleged failure to comply with required system standards for equipment. Following termination, Lafaver allegedly violated its post-termination non-competition covenant. The parties settled the matter in October, 2024, pursuant to a confidential settlement agreement.

Other than the actions described above, no litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

You 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 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 as 17.5% of the total population of your Designated Territory multiplied by $1.00 except that we may negotiate the Initial Franchisee Fee for Designated Territories with a population in excess of 500,000 residents. The minimum population for a Designated Territory is 10,000 residents and the minimum Initial Franchise Fee is $2,500.

Initial Inventory

You will purchase your initial opening inventory of certain supplies from us, DPFSource, New Core, DPF Source, or approved suppliers. We estimate that the cost of your initial opening inventory of these supplies will range from $2,500 to $5,000. Your initial opening inventory fees are fully earned upon payment and non-refundable.

Initial Patented or Proprietary Equipment

You will purchase certain patented or proprietary equipment from us, DPFSource, New Core, DPF Source, or other future affiliates. We estimate that the cost of this patented or proprietary equipment will

range from $43,000 to $90,000. Your initial patented or proprietary equipment 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 with any applicable discount applied. 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] (defined below)	No Royalty is due for the first two months from the date you sign your Franchise Agreement. You will pay us $750 per month beginning on the third full month after you sign your Franchise Agreement.	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 whether 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 sign your Franchise Agreement.

Type of Fee[1]	Amount	Due Date	Remarks
			If you sign a Development Agreement, you will begin to pay the Royalty due for each individual Development Business at the earlier of (i) when due pursuant to each applicable Franchise Agreement, or (ii) beginning on the third full month following the date the Development Business opened or should have been opened pursuant to your Development Agreement.
Quota	You must earn minimum Gross Sales[3] 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.	The fifth business day of each month.	If you are a transferee, the Quota for your DPF Business will be equivalent to the Quota at the time of transfer and progress accordingly.
Local Advertising Costs[4]	At least $250 per month, but subject to change in the future in our discretion.	As incurred.	Payable to third parties or a Cooperative (defined below). You are required to spend a minimum amount on local advertising each month. We may increase this amount at any time up to $350 upon 60 days' prior written notice.
Advertising Cooperative Fee[5]	Currently $0.	As incurred.	Payable to a Cooperative if one is established in your area. No Cooperatives have

Type of Fee[1]	Amount	Due Date	Remarks
			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[6]	Currently $0.	Payable monthly with your Royalty.	Payable to us by EFT or credit card. We do not currently charge this fee, but we may do so in the future upon 60 days' prior written notice. We may increase this fee up to $500 at any time upon 60 days' prior written notice.
Technology Maintenance Fee[7]	Currently $0.	The fifth business day of each month.	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.
GoCanvas Fee	$147 per month.	Payable monthly with your Royalty.	If you service O'Reilly Auto Parts stores, you will use GoCanvas data compilation and tracking software ("GoCanvas").
Training Expenses for Additional Personnel	$350 per trainee.	Upon demand.	Payable to us if you engage us to train additional personnel after your initial training program. If you engage us to train additional personnel at a later date at a site other than the site of your DPF Business, you will be responsible for any associated travel costs payable to third parties. We will train additional personnel in our discretion based on our availability and capacity.
Additional Operating Assistance	Currently $1,000 per day plus expenses.	Upon demand.	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

Type of Fee[1]	Amount	Due Date	Remarks
			$1,000 per day. We may increase this fee at any time without limitation upon 60 days' prior written notice.
Missed Quota Remedial Training	Currently $500 per day plus expenses.	Upon demand.	Payable to us or third parties. If you fail to meet your Quota, 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	Currently $0.	Upon demand.	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.	Upon demand.	Payable to us for any amounts due to us that you fail to pay when due.
Audit Expenses	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	Currently $100 per incident.	Upon demand.	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.
Unauthorized Supplier Fee	$200,000.	Upon demand.	Payable to us if you use an unauthorized supplier without our permission.

Type of Fee[1]	Amount	Due Date	Remarks
Documentation Fee	$2,500.	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. The transfer fee is subject to applicable state law.
Relocation Fee	$2,500.	Upon demand.	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.
Designated Territory Swap Fee	The greater of (i) $250, or (ii) our actual incurred legal costs.	Upon demand.	Payable if we approve a swap of your Designated Territory for one of equal or lesser value before your DPF Business begins operations.
Inventory	As incurred.	As incurred.	Payable to us, DPFSource, New Core, DPF Source, other future affiliates, or approved suppliers. You will purchase your inventory of certain filters, tools, equipment, and consumables as we direct in our discretion. We do not currently require you to maintain any specific inventory amount. The typical value of the inventory kept on hand by a DPF Business at any given time is between $3,500 and $7,000.
Approval of Suppliers	Our then-current fee plus our actual costs to evaluate a proposed supplier.	Upon demand.	Payable to us. Our fee for this service is determined on a singular basis for each request. You will pay this fee if you submit a supplier for our evaluation plus our actual expenses incurred. This fee is payable whether or not we approve the potential supplier.

Type of Fee[1]	Amount	Due Date	Remarks
Insurance	Varies.	As incurred.	If you fail to maintain required insurance coverage, you will be in default of your Franchise Agreement. In addition to any available remedies for your default, we may, but are not obligated to, obtain insurance on your behalf. If we obtain insurance on your behalf, you will reimburse us for all associated costs, fees, and expenses.
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, DPFSource, New Core, or DPF Source 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, New Core, DPF Source, or other future affiliates in our discretion. If you enter into a Development Agreement, the fees described above are for each Development Business.

2. You will pay a $750 monthly fee (the "Royalty") beginning on the third full month after you sign your Franchise Agreement. 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. "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 sales taxes that you collect and remit to the proper taxing authority or authorized promotional discounts that you provide.

4. 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.

5. 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 ongoing payments to the Cooperative in amounts established by the Cooperative. As we have not yet created a Cooperative, we do not currently have a range or formula for the determination of your potential required contributions. 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.

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

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

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$2,500 to $2,500,000.	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, Tools, and Equipment[4]	$5,000 to $35,000.	As arranged.	As incurred.	Affiliates or suppliers.
Initial Inventory[5]	$2,500 to $5,000.	As arranged.	As incurred.	Us, affiliates, or suppliers.
Initial Patented or Proprietary Equipment[6]	$43,000 to $90,000.	Lump sum.	When Franchise Agreement is signed.	Us or affiliates.
Signage[7]	$250 to $3,000.	As arranged.	As incurred.	Suppliers.
Computer, Software, and POS System[8]	$0 to $3,500.	As arranged.	As incurred.	Suppliers.
Grand Opening Marketing[9]	$250 to $1,000.	As arranged.	As incurred.	Suppliers.
Insurance Deposits – Three Months[10]	$500 to $2,000.	As arranged.	As incurred.	Insurers.
Travel for Initial Training[11]	$2,000 to $3,500.	As arranged.	As incurred.	Airlines, hotels, or restaurants.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Professional Fees[12]	$1,500 to $3,000.	As arranged.	As incurred.	Attorneys, accountants, or professional advisors.
Service Vehicle[13]	$0 to $10,000.	As arranged.	As incurred.	Automobile dealers or third parties.
Licenses and Permits[14]	$1,000 to $2,000.	As arranged.	As incurred.	Government agencies.
Additional Funds – Three Months[15]	$5,000 to $15,000.	As arranged.	As incurred.	Employees, suppliers, landlord, or utility suppliers.
Total Initial Estimate	$63,500 to $2,689,000			

Notes:

1. Initial Franchise Fee. The Initial Franchise Fee varies based on the size of the Designated Territory as described in Item 5. For the purposes of this Item 7, we assume that your Designated Territory will have a minimum population of 25,000 citizens.

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. Your DPF Business premises may already be suitable for your Operations Center, in which case you will not incur any costs for construction or leasehold improvements.

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 with the landlord. If your proposed DPF Business premises already has a lease or is located on real property you own, you will not pay a lease deposit. 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 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, New Core, DPF Source, other future 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 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. Initial Patented or Proprietary Equipment. Converting DPF Businesses that already have equipment similar to our patented or proprietary equipment will still purchase our patented or proprietary equipment.

7. Signage. You will purchase promotional signs and displays that we designate. This includes the cost of the branding required for your service vehicle.

8. Computer, Software, and POS System. You will purchase and use a point of sale system, ordering systems, and applications (a "POS System") if we designate a POS System and computer hardware and software (a "Computer System") if we designate a Computer System.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. Additional Funds – Three Months of Operation. This is an estimate of the additional funds that may be required to cover operating expenses during the first three months after you open your DPF Business to the general public including, without limitation, employee salaries, inventory, rent, and utilities. 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. We have based this estimate on our experience and the experiences of DPFSource, New Core, DPF Source, and our existing franchisees with the development of DPF Businesses. 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. 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.

B. DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Development Area Fee	$7,500 to $68,625.	Lump sum.	When Franchise Agreement and Development Agreement are signed.	Us.
Estimated Initial Investment to Open One Development Business[1]	$83,500 to $189,000.	Estimated Initial Investment is the estimate contained in Chart A above less the first Initial Franchise Fee.		
Total Estimate[2]	$91,000 to $257,625.			

Notes:

1. Estimated Initial Investment. This is the estimated initial investment for the development of one Development Business pursuant to a Development Agreement.

2. 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 prior and ongoing experience operating businesses similar to DPF Businesses and the ongoing experience of our franchisees.

We will communicate our standards and specifications to you during training, at other times before you open for business, and on an ongoing basis through other materials that may consist of written or electronic documents, bulletins, manuals, or other documents (collectively, the "Manual"). We may periodically issue new standards and specifications by 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 DPFs in accordance with our approved standards from us, DPFSource, New Core, DPF Source, any other future affiliates, our designated suppliers, or our approved suppliers. We may communicate our standards and specifications directly to approved suppliers that supply you with Services and Products, furniture, fixtures, equipment, inventory, and signage. We, DPFSource, New Core, DPF Source, 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. DPFSource, New Core, and DPF Source are the only current sources for certain proprietary equipment.

Your initial inventory of Services and Products and certain other tools, equipment, and consumables necessary to operate your DPF Business will be purchased from us, DPFSource, New Core, or DPF Source. 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, DPFSource, New Core, DPF Source, or future affiliates, you will make the purchase from us, DPFSource, New Core, DPF Source, or future affiliates. You will purchase the POS System only from our approved supplier if we designate a POS System.

You may be required to renovate your DPF Business no more often than every five years to meet our then-current standards and specifications. A 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 the additions that may be payable to us, DPFSource, New Core, DPF Source, future affiliates, 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 that 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 which other products may be purchased is published in the Manual. We may amend the list in our discretion.

Except for those items that must be purchased from us, DPFSource, New Core, or DPF Source, there are no approved suppliers in which any of our officers own an interest. Except as stated above, we, DPFSource, New Core, and DPF Source 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) Inventory replacement insurance for at least the cost to replace your standard inventory of Products and other products you offer. "Standard inventory" is the amount of inventory your location has in stock on January 1of each year after the first partial year of operations. If a loss occurs in the first year, standard inventory will be valued at the opening inventory investment. This insurance coverage may need to be adjusted each year for you to remain compliant;

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

(vi) Reasonable cyber insurance for personal data breach liability; and

(vii) 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 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 thus no written criteria are available to you or a proposed supplier. To obtain our approval, you will submit any information we reasonably require to evaluate the supplier. We will evaluate the supplier and provide written notice of our decision to you within 30 days. In addition to paying our then-current fee for this service, you will reimburse us for our actual costs incurred to evaluate the supplier regardless of whether or not we approve the supplier. We may grant or deny approval for any reason or no reason at all. Except as stated, 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 supplier. 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 for source-restricted goods and services. 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, New Core, DPF Source, or other future 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 third party suppliers of franchisee purchases of source-restricted products or services in 2024. DPFSource received revenue in 2024 from the sale of our proprietary DPF 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: 5.5 and 5.6.	Items 7 and 11.
(b) Pre-opening purchase/leases	FA: 3 and 8. DA: Not applicable.	Items 7 and 8.
(c) Site development and other pre-opening requirements	FA: 3, 4, 7, 8, and 9.B. DA: 5.5 and 5.6.	Items 6, 7, and 11.
(d) Initial and ongoing training	FA: 4 and 7.I. DA: Not applicable.	Item 11.
(e) Opening	FA: 2.A. DA: 2.1 and 4.4.	Item 11.
(f) Fees	FA: 3, 4.A, 5, 9, 12, 13, 14, 15, 16, and 18.N. DA: 4.1, 4.2, 4.3, and 5.2.	Items 5, 6, and 7.
(g) Compliance with standards and policies/manual	FA: 3, 4, 7, 8, 9, and 12. DA: 2.1, 5.5 and 5.6.	Items 8 and 11.
(h) Trademarks and proprietary information	FA: 6, 7, and 11. DA: 2.	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.	Items 8, 11, and 16.
(j) Warranty and customer service requirements	FA: 7. DA: Not applicable.	Item 8.
(k) Territorial development and sales quotas	FA: 2.B DA: 4.4.	Item 12.
(l) On-going product/service purchases	FA: 3, 4.C, 5, and 7. DA: Not applicable.	Item 8.

Obligation	Section in Agreement	Disclosure Document Item
(m) Maintenance, appearance, and remodeling requirements	FA: 7. DA: Not applicable.	Items 7 and 11.
(n) Insurance	FA: 8. DA: Not applicable.	Items 7 and 8.
(o) Advertising	FA: 3.F, 4.C, 7.E, 7.F, 9, and 11. DA: Not applicable.	Items 6, 7, 8, and 11.
(p) Indemnification	FA: 10.B and 10.C. DA: Not applicable.	Item 6.
(q) Owner's participation/ management/staffing	FA: 4, 6, and 7. DA: Not applicable.	Items 11 and 15.
(r) Records and reports	FA: 12. DA: Not applicable.	Item 11.
(s) Inspections and audits	FA: 13. DA: Not applicable.	Item 6.
(t) Transfer	FA: 14. DA: 6.2.	Item 17.
(u) Renewal	FA: 15. DA: Not applicable.	Item 17.
(v) Post-termination obligations	FA: 6, 17, and 18. DA: Not applicable.	Item 17.
(w) Non-competition covenants	FA: 6, 17, and 18. DA: Not applicable.	Items 15 and 17.
(x) Dispute resolution	FA: 18.F and 18.G. DA: 7.5 and 7.6.	Item 17.

Item 10

FINANCING

We maintain relationships with certain qualified third party lenders (each, a "Lender"). If a Lender elects to provide financing to you, you will sign a Secured Promissory Note with terms you negotiate and repay the principal over a period of not more than five years.

Other than as described in this Item 10, we do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

Item 11

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

Except as listed below, 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 will be located within your Designated Territory at a site that we approve before you enter into a lease or similar agreement. Factors we consider in connection with site approval include, without limitation, population density, potential customer density, local competition, and physical suitability for a DPF Business. If you do not secure an approved Operations Center location within 120 days after you execute your Franchise Agreement, your Franchise Agreement may be subject to termination (Franchise Agreement, Article 3.C).

3. Designate your Development Area if you execute a Development Agreement. Your Development Businesses will 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 will 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 will successfully complete our initial training program to our satisfaction (Franchise Agreement, Article 4.A).

Typical Length of Time Before Opening

The typical length of time between execution of a Franchise Agreement and opening a DPF Business is between one to six months. Factors that may affect the length of time for your DPF Business may include, without limitation, the availability of suitable commercial space for your DPF Business, the availability and amount of the initial inventory and equipment you purchase, your construction schedule, when you complete our initial training program, and the time required to obtain all required licenses and permits.

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. Provide supplemental training in our discretion. We may require that you or your managers participate in supplemental onsite training as we determine. You will complete any supplemental training to our satisfaction. You will 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 Principal Operators or Designated Managers. Any replacement Principal Operator or Designated Manager will successfully complete our initial training program to our satisfaction. You will be pay our then-current supplemental training fee per day per replacement Principal Operator or Designated Manager 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 for the benefit of the System (the "Brand Development Fund"). 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. You will ultimately determine the prices 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 will submit any proposed advertising materials to us for review and approval before use no later than 30 days before use. We will have 15 days to review any proposed advertising materials you

submit. If we do not provide you with notice of our disapproval within the 15-day period, the proposed advertising materials will be deemed approved.

Cooperatives and 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. Required contributions to a Cooperative will be determined by a vote of the members. Your expenditures towards a Cooperative or regional advertising program will be credited against your Local Advertising Fees. As we have not yet created a Cooperative, we do not currently have a range or formula for the determination of your potential required contributions. If a regional advertising program is implemented, all DPF Businesses in the applicable region will participate.

Brand Development Fund 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 2024.

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 designated POS System if required. You will purchase any designated POS System only from us, an affiliate, or our approved suppliers. Your 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 have

at least one complete POS System. If you do not have a POS System when you sign your Franchise Agreement and need to purchase a POS System, the cost of your 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 will 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 designated Computer System if required. Your 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 need to 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 will 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. 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 these systems.

If you service O'Reilly Auto Parts stores, you will use GoCanvas. GoCanvas currently costs $147 per month. We will have independent access to your GoCanvas. There are no contractual limitations on our right to access your GoCanvas.

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. You will complete our initial training program at least 45 days before opening your first DPF Business. We may provide our initial training program in part at the then-current location of our headquarters. Our current headquarters is located in Highlands Ranch, Colorado.

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, virtually, or another place we designate.
General Operations	8	0	Our then-current headquarters, virtually, or another place we designate.
Filter Cleaning	8	12	Our then-current headquarters, virtually, or another place we designate.
Products/Services Sales and Marketing	4	12	Our then-current headquarters, virtually, or another place we designate.

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

Instructional materials used in our initial training process include 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 DPF cleaning and maintenance industry and operated DPF-related businesses since 2010. Other trainers may conduct aspects of the initial training program in our discretion. The level of experience of our trainers will include each trainer's satisfactory completion of our initial training program at a minimum. 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 will 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.

Additional Training

You will attend and successfully complete all refresher training courses or system-wide training courses, additional training programs, and required seminars at your sole cost and expense as we may designate in our discretion.

Item 12

TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will 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. There is no minimum size of a Designated Territory; rather, we will determine

your Designated Territory in conjunction with you based on a number of relevant factors including, without limitation, the number of potential customer businesses in your immediate area, overall population density, local infrastructure, and the Designated Territories of existing franchisees.

As long as you have complied with your Franchise Agreement, we will not license, franchise, or operate a DPF Business in your Designated Territory except as described below pursuant to our reserved rights.

You may relocate your DPF Business only with our prior written permission. Before you relocate your DPF Business, you will 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 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 any 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 the Quota each month 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 terminate your Franchise Agreement in our discretion.

Reservation of Rights

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 whether located 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, whether located within or outside of your Designated Territory; 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 within or outside of your Designated Territory.

Although 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.

If your Designated Territory is serviced by a DPF Source franchisee and you are not purchasing all of your required inventory and products from the DPF Source franchisee without obtaining our written permission, the DPF Source franchisee or other DPF Source franchisees may offer inventory and products in your Designated Territory that are similar or identical to the inventory and products you offer using the Marks. Other than DPF Source, neither we nor any affiliate currently plans to operate or franchise a business that will sell inventory, products, or services similar to the Services and Products under a trademark other than the Marks.

We do not compensate you for any solicitation or business we conduct in your Designated Territory.

Item 13

TRADEMARKS

You will be granted a license to use the Marks and any 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 operation 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
	5626492	Principal	August 7, 2018
DPF Alternatives (word)	5533241	Principal	December 11, 2018

The trademarks identified in the schedule below are part of the trademarks used by DPF Source and have pending registration applications with the USPTO. You are not currently required to use these trademarks in the operation of your DPF Business, but may be required to do so in the future.

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Mark	Serial Number for Registration Application Filed with USPTO Application	Application Type	Application Date
	98757411	Principal	September 18, 2024
DPF Source (word mark)	98757454	Principal	September 18, 2024

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 as documented 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 our knowledge of and experience in the operation

of and franchising of DPF Businesses (collectively, the "Proprietary Information"). DPFSource holds patents relating to some of the System's proprietary DPF cleaning equipment.

We will disclose certain elements of the Proprietary Information to you during training programs, seminars, conferences, in the Manual, in other materials, and through the guidance we furnish to you. The Proprietary Information is confidential, our property, and may be used by you only as provided in your Franchise Agreement and the Manual. 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 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 the 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 will successfully complete our initial training program 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 of your officers, directors, managers, or members we determine may be required to sign a non-disclosure and non-competition agreement. Your Principal Operator is not required to own a minimum equity interest in your business entity. Your Designated Manager is not required to own any equity interest in your business entity. If you are a business entity, your spouse is required to personally guarantee your Franchise Agreement.

You, your Principal Operator, or your Designated Manager will 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 other equity owners of your business entity will sign our then-current form of personal guarantee (Franchise Agreement, Exhibit 1) pursuant to which each guarantor will assume all of your obligations under your Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You will sell all products and services (including the Services and Products) we designate in the Manual or otherwise in writing. You may not offer for sale any products or services not specifically approved by us. You may not use your DPF Business for any purpose other than the operation of your DPF Business.

We may add to, delete from, or modify the approved products and services (including the Services and Products) 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 Agreement 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	2.C.	Five years.
b. Renewal or extension	15.A.	Three additional five-year terms.
c. Requirements for franchisee to renew or extend	15.B.	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	16.B.	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. You may also terminate for any reason required by applicable state law.
e. Termination by franchisor without cause	None.	Not applicable.

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with cause	16.A.	We can terminate only if you commit any one of several specific violations. See subparagraphs (g) and (h) below.
g. "Cause" defined – curable defaults	16.A(iii) and 16.A(iv).	Any breach of your Franchise Agreement not otherwise listed in Sections 16.A(3) or 16.A(4). See (h) below. You have either a ten-day cure period or 30-day cure period after receiving written notice depending on the nature of the default.
h. "Cause" defined – non-curable defaults	16.A(i) and 16.A(ii).	(i) Abandonment, (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-renewal	6.E and 17.	(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, (ix) honor restrictive covenants, and (x) sell some or all of the assets of your DPF Business to us (if applicable).
j. Assignment of contract by franchisor	14.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	1.	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	14.B.	We will not unreasonably withhold our consent to any transfer.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	14.C.	(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	14.F.	We have the right to match any offer.
o. Franchisor's option to purchase franchisee's business	None.	Not applicable.
p. Death or disability of franchisee	14.D.	Your Franchise Agreement will be assigned or your DPF Business will be transferred to an approved party within 180 days.
q. Non-competition covenants during the term of the franchise	6.D.	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	6.E.	No involvement with a competing business for three years within (i) a 200-mile radius of the perimeter of your Designated Territory, (ii) a 200-mile radius of the perimeter of the Designated Territory of another franchisee, or (iii) a 200-mile radius of any DPF Business.
s. Modification of the agreement	2.F, 4.C, 7.F, and 18.A.	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.M.	Only terms of your Franchise Agreement and its exhibits and addenda are binding subject to applicable state law. Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Agreement, its exhibits, and amendments.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	18.G.	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) subject to applicable state law.
v. Choice of forum	18.F.	State in which our then-current headquarters is located (currently, Colorado) subject to applicable state law.
w. Choice of law	18.F.	The law of the state in which our then-current headquarters is located at the time subject to applicable state law.

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

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	3.1.	A period ending on the earliest of (i) the last day of the calendar month that your final Development Business is required to open, (ii) the day your final Development Business opens, or (iii) the date your Development Agreement is terminated.
b. Renewal or extension	None.	
c. Requirements for franchisee to renew or extend	None.	
d. Termination by franchisee	None.	You may terminate for any reason required by applicable state law.
e. Termination by franchisor without cause	None.	
f. Termination by franchisor with cause	3.2.	We can terminate only if you commit any one of several specific violations. See subparagraph (h) below.
g. "Cause" defined – curable defaults	None.	
h. "Cause" defined – non-curable defaults	3.2.	(i) Abandonment, (ii) indication of your intent to discontinue developing Development Businesses, (iii) bankruptcy or insolvency, (iv) failure to meet your Development Schedule, or (v) cross-default.

Provision	Section in Development Agreement	Summary
i. Franchisee's obligations on termination/non-renewable	None.	
j. Assignment of contract by franchisor	6.1.	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	1.	Includes (i) any assignment, sale, gift, or pledge, (ii) grant of a mortgage, lien, or other security interest, (iii) a merger or consolidation of ownership interests, (iv) a sale or exchange of voting interests, or (v) the legal or equitable transfer or sale of an ownership interest or voting rights.
l. Franchisor approval of transfer by franchisee	6.2.	We will not unreasonably withhold our consent to any transfer.
m. Conditions for franchisor approval of transfer	6.2.	Transfers are subject to our discretionary approval.
n. Franchisor's right of first refusal to acquire franchisee's business	None.	Not applicable.
o. Franchisor's option to purchase franchisee's business	None.	Not applicable.
p. Death or disability of franchisee	None.	Not applicable.
q. Non-competition covenants during the term of the franchise	None.	Not applicable.
r. Non-competition covenants after the franchise is terminated or expires	None.	Not applicable.

Provision	Section in Development Agreement	Summary
s. Modification of the agreement	7.1 and 7.12.	No modifications unless in writing and dated and signed by all parties.
t. Integration/ merger clause	7.12.	Only the terms of your Development Agreement and its exhibits and addenda are binding subject to applicable state law. Any representations or promises outside of the FDD and Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the FDD, its exhibits, or amendments.
u. Dispute resolution by arbitration or mediation	7.6.	Mediation and then arbitration in Highlands Ranch, Colorado subject to applicable state law.
v. Choice of forum	7.6.	Colorado subject to applicable state law.
w. Choice of law	7.6.	Colorado 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 area 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 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.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	52	68	+16
	2023	68	78	+10
	2024	78	100	+22
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	1	+1
Total Outlets	2022	52	68	+16
	2023	68	78	+10
	2024	78	101	+23

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Arizona	2022	0
	2023	1
	2024	0
Georgia	2022	1
	2023	0
	2024	0
Nevada	2022	1
	2023	1
	2024	0
North Carolina	2022	1
	2023	0
	2024	0
North Dakota	2022	0
	2023	2
	2024	0
Texas	2022	1
	2023	3
	2024	0
Total	2022	4
	2023	6
	2024	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024

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
Alabama	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	0	0	0	0	0	0	1
Arizona	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
Arkansas	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	1	3
	2024	3	0	0	0	0	0	3
California	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Colorado	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	1	0	5
Florida	2022	3	1	0	0	0	1	3
	2023	3	0	0	0	0	2	1
	2024	1	1	0	0	0	0	2
Georgia	2022	3	1	0	0	0	1	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Idaho	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Illinois	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Indiana	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Iowa	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kansas	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kentucky	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
Michigan	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2

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
Mississippi	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nebraska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
	2024	1	0	0	0	0	0	1
Nevada	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
New Mexico	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Ohio	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Oklahoma	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Oregon	2022	3	1	0	0	0	1	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Pennsylvania	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
South Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Dakota	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Texas	2022	6	4	0	0	0	0	10
	2023	10	3	0	0	0	0	13
	2024	13	0	0	0	0	0	13
Utah	2022	1	2	0	0	0	1	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Virginia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	0

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
Washington	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
West Virginia	2022	0	1	0	0	0	0	0
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wyoming	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Total	2022	52	19	1	0	0	3	67
	2023	67	19	0	0	0	8	78
	2024	78	23	0	0	1	0	101

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Total	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	0	1

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2024

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
Connecticut	0	1	0
Indiana	0	1	0
Kansas	1	0	0
Maine	0	1	0
Minnesota	0	2	0
Montana	1	0	0
Nebraska	1	0	0
South Carolina	1	0	0
Texas	1	1	0
Virginia	1	0	0
Total	6	6	0

Notes:

Some franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, such as in voluntary termination agreements, current and former franchisees sign provisions restricting their ability to speak openly about their experience with DPF Businesses. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

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 a 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.

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

Item 21

FINANCIAL STATEMENTS

Attached as Exhibit H are our audited financial statements for December 31, 2022, December 31, 2023, and December 31, 2024.

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, 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 Financial Protection
and Innovation
One Sansome Street
Suite 600
San Francisco, California 94104-4428
(415) 972-856

2101 Arena Boulevard
Sacramento, California 95834
(916) 445-2705

1455 Frazee Road
Suite 315
San Diego, California 92108
(619) 610-2093

320 West Fourth Street
Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

45 Fremont Street
Suite 1700
San Francisco, California 94105
(415) 263-8500

300 South Spring Street
Suite 15513
Los Angeles, California 90013
(213) 897-2085

Toll-free telephone number: (866) 275-2677
E-mail address: ask.dbo@dfpi.ca.gov

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 and 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 280
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
Building 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
Financial Protection and Innovation
320 West Fourth Street, Suite 700
Los Angeles, California 90013

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 280
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

EXHIBIT B

DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT

DPF ALTERNATIVES, LLC

FRANCHISE AGREEMENT

FRANCHISEE: [ENTITY NAME]

DPF Alternatives, LLC
Franchise Agreement

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Exhibit 3 Confidentiality Agreement
Exhibit 4 Assignment of Telephone Numbers and Digital Media Accounts
Exhibit 5 ACH Authorization
Exhibit 6 General Release

DPF ALTERNATIVES, LLC
FRANCHISE AGREEMENT

This DPF ALTERNATIVES, LLC FRANCHISE AGREEMENT (the "Agreement") is entered into on _____ (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 [ENTITY NAME], a [ENTITY TYPE] located at [ADDRESS] ("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 and maintenance 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 the 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

"30-Day Cure Notice" means advance written notice given by Franchisee to Franchisor of Franchisee's intent to commence any legal proceeding against Franchisor that specifies the basis for such proceeding at least 30 days before the commencement of such proceeding.

"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, or Franchisor's designees as set forth in the Agreement.

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

"Alternative Channels of Distribution" means retail 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 or collectively, and (iii) Franchisor and each Spouse of Franchisee's Owners, whether individually 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 determine whether or not an Annual Conference will occur and the dates, content, and location of any Annual Conference in Franchisor's discretion. 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" has the meaning defined in the "Recitals" section of the Agreement and further means 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.

"Assignee Corporate Entity" means a Corporate Entity to which Franchisee Transfers the Agreement to if Franchisee is an individual or individuals.

"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" means a fund instituted and administered by Franchisor for the development of the System brand in Franchisor's discretion.

"Brand Development Fund Fee" means a monthly fee Franchisee pays to the Brand Development Fund on the Due Date in Franchisor's discretion if a Brand Development Fund exists.

"Business Management System" means the point of sale systems 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 or designate alternative Business Management Systems as Franchisor determines in Franchisor's discretion. 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 (i) is pre-populated or entered into the Business Management System, (ii) is entered into the Business Management System, or (iii) is recorded, stored, or maintained by the Business Management System.

"Confidential Information" means any of Franchisor's 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 (i) methods, specifications, standards, policies, procedures, information, concepts, programs, and systems relating to the development, establishment, marketing, promotion, and operation of DPF Businesses, (ii) 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, (iii) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance, and other financial data of DPF Businesses, (iv) customer lists and information related to DPF Businesses and Franchisee's DPF Business, (v) Business Management System Data, (vi) current and future information contained in the Operations Manual, and (vii) Know-How.

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

"Controlling Interest" means an ownership interest that (i) will permit voting control of Franchisee on any issue, or (ii) will prevent any other person, group, or entity from blocking voting control on any issue or exercising any veto power.

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

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

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

"Due Date" means 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.

"Effective Date" has the meaning set forth in the Preamble.

"*Force Majeure*" means a delay in Franchisee's or Franchisor's performance of any obligation under the Agreement by any cause reasonably beyond the applicable parties' 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, pandemics, or labor strikes unassociated with Franchisee or Franchisor.

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

"Franchisor Indemnified Parties" means Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, successors, and assigns.

"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 (i) 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), (ii) 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, and (iii) the proceeds of any business interruption insurance. 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 a spouse, child, grandchild, or other member of the household of Franchisee and each Owner.

"Initial Franchise Fee" means the non-recurring, non-refundable fee Franchisee pays to Franchisor for the right to operate Franchisee's DPF Business when Franchisee signs the Agreement as described in Schedule 1.

"IP Claim" means a legal action or notice of infringement by a third party where the claim or cause of action directly relates to a third party claiming trademark infringement, unfair competition, or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of the Agreement and the System.

"Know-How" means Franchisor's trade secrets and proprietary information relating to the development, establishment, marketing, promotion, 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, without limitation, 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" means fees and expenses charged by Franchisor to Franchisee if Franchisee's DPF Business is not being managed by a Managing Owner or Operating Manager at any time who has satisfactorily completed the Training Program and Franchisor appoints a manager in Franchisee's discretion.

"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 or designed to market, advertise, 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, or delivery of Marketing Media.

"National Accounts" means customers or potential customers of the Approved Services and Products that possess or maintain multiple locations as Franchisor designates in Franchisor's discretion.

"Offer" means a *bona fide*, signed written offer from a prospective purchaser of Franchisee, Franchisee's DPF Business, the Agreement, Franchisee's Operations Center, or Franchisee's Operations Center.

"Open Area" means a geographic territory and area that (i) is not an Assigned Area, and (ii) 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 (i) meet all of Franchisor's

minimum training and brand quality control standards and criteria for managers as set forth in the Operations Manual, (ii) successfully complete Franchisor's initial training program, (iii) sign the Confidentiality Agreement, and (iv) 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 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 (i) identifies the name and contact information of a prospective customer located in an Open Area that has requested services from Franchisee's DPF Business, (ii) identifies the date for the proposed services or products to be provided by Franchisee's DPF Business, and (iii) seeks Franchisor's written notification of Franchisor's approval of Franchisee's request.

"Owner" means (i) 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 (ii) 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 36-month period after the earliest to occur of (i) the expiration or termination of the Agreement for any reason, or (ii) 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 24-month period after the earliest to occur of (i) the expiration or termination of the Agreement for any reason, or (ii) the date on which Franchisee Transfers the Agreement to another person or Corporate Entity.

"Prohibited Activities" means (i) owning 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, (ii) operating, managing, funding, or performing services, whether as an employee, officer, director, manager, consultant, representative, agent, creditor, or in any similar capacity for or benefitting a Competitive Business, (iii) diverting or attempting to divert any business or customers from Franchisor or one of Franchisor's affiliates or franchisees, (iv) 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, or (v) engaging in any actions, inactions, or activities in violation of Article 6.B or Article 6.C.

"Published Content" means any information, data, articles, blog posts, press releases, FAQs, 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" means Franchisor's then-current individual guarantee agreements that Franchisee's Owners and Spouses sign to individually and jointly guarantee the full and complete performance of a Renewal Franchise Agreement.

"Renewal Franchise Agreement" means Franchisor's then-current form of franchise agreement at the time Franchisee elects to renew Franchisee's right to operate Franchisee's DPF Business.

"Renewal Notice" means the written notice Franchisee provides to Franchisor prior to the expiration of the initial Term or then-applicable Renewal Term if Franchisee elects to renew Franchisee's right to operate Franchisee's DPF Business.

"Renewal Term" means a five-year extension of the term following the Term or applicable previous Renewal Term.

"Reserved Rights" means the rights reserved to Franchisor in connection with the activities described in Article 2.D.

"Restricted Territory" means the geographic area (i) comprising Franchisee's Designated Territory, (ii) comprising a 200-mile radius surrounding Franchisee's Designated Territory, or if Franchisee is not granted or designated a Designated Territory, then a 200-mile radius surrounding Franchisee's Operations Center, (iii) 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 (i) Franchisee's Designated Territory plus a 200-mile radius surrounding Franchisee's Designated Territory, or (ii) if Franchisee is not granted or designated a Designated Territory, then a 200-mile radius surrounding Franchisee's Operations Center.

"Royalty and Activity Report" means a monthly report Franchisee will provide to Franchisor 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.

"Royalty Fee" means a continuing monthly non-refundable $750 royalty fee Franchisee will pay to Franchisor.

"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 (i) be dedicated to the day to day operations of Franchisee's DPF Business, (ii) be approved by Franchisor, and (iii) meet Franchisor's specifications.

"Spouse" means the legal spouse of an Owner.

"Supplemental Training" means supplemental training offered by Franchisor to Franchisee at Franchisee's Operations Center, within Franchisee's Designated Territory, or remotely as determined by Franchisor.

"Supplemental Training Fee" means a $300 per trainer per day plus travel and hotel expenses incurred by Franchisor if Franchisor provides Supplemental Training.

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

"System" has the meaning defined in the Recitals and further means (i) 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, (ii) the Licensed Marks, (iii) the Trade Dress, (iv) Copyrights, (v) 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, (vi) the Operations Manual, (vii) Business Management System Data, (viii) Know-How, (ix) Confidential Information, and (x) 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 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- or geography-specific that are a part of www.dpfalternatives.com.

"Technology Maintenance Fee" means a continuing monthly non-refundable technology fee paid by Franchisee to Franchisor.

"Term" means the period of time defined in Article 2.C plus any applicable Renewal Term if Franchisee exercises Franchisee's renewal rights.

"Territory Rules" means the rules regarding providing Out of Territory Service described in Article 3.J.

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

"Training Program" means Franchisor's initial training program.

"Transfer" means, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, or direct or indirect (i) an assignment, sale, gift, transfer, pledge or sub-franchise, (ii) the grant of a mortgage, charge, lien or security interest including, without limitation, the grant of a collateral assignment, (iii) 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, (iv) 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, or (v) the legal or equitable transfer or sale of an Owner's interests or voting rights in Franchisee.

"Transfer Fee" means the fee paid by Franchisee to Franchisor in connection with at Transfer.

"Unauthorized Supplier Fee" means a $200,000 fee paid by Franchisee to Franchisor if Franchisee uses a supplier in contravention of Article 7.F without Franchisor's permission.

ARTICLE 2
GRANT OF FRANCHISE

2.A GRANT OF FRANCHISE

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

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

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

(iii) 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;

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

(v) 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

(vi) 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 or within a close proximity to Franchisee's Designated Territory.

The foregoing rights are subject to and contingent upon 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 QUOTA

Franchisee must earn minimum Gross Sales each month to maintain Franchisee's rights in the Designated Territory. Beginning with Franchisee's 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 full month of operations and for each month thereafter, the Quota will be a minimum of $15,000 in Gross Sales per month.

If Franchisee fails to reach the Quota in any two of four successive quarters, in addition to terminating Franchisee's rights to Franchisee's Designated Territory, Franchisor may require Franchisee to complete additional training or terminate the Agreement in Franchisor's discretion.

2.C TERM

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

2.D 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.E RESERVATION OF RIGHTS

Franchisor, on behalf of itself, its affiliates, and its assigns retains the Reserved Rights (i) to operate and grant to others the right to operate a DPF Business or other businesses using the System and Licensed Marks at locations outside of Franchisee's Designated Territory, (ii) 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, (iii) 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, (iv) 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 (v) 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.F MODIFICATION OF SYSTEM

Franchisor may supplement, modify, alter, 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.G 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 (i) be in compliance with the terms and conditions of the Agreement, (ii) have satisfied the pre-opening obligations designated by Franchisor in the Operations Manual, (iii) have completed and satisfied the training obligations designated by Franchisor, (iv) 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, (v) have developed Franchisee's Operations Center in conformity with Franchisor's standards and specifications or as otherwise required by Franchisor in the Operations Manual, (vi) have obtained the necessary licenses and permits to operate Franchisee's DPF Business, and (vii) have obtained Franchisor's written consent to open.

3.B OPERATIONS OF FRANCHISEE'S DPF BUSINESS

Franchisee's DPF Business will at all times (i) be operated within Franchisee's Designated Territory, (ii) be operated from an approved Operations Center located within the Designated Territory unless Franchisor has given Franchisee written permission to locate the Operations Center outside of the Designated Territory, (iii) offer, sell, and provide the Approved Services and Products in accordance with Franchisor's standards, specifications, and requirements, (iv) ensure that the Approved Services and Products are only offered and provided by Franchisee through employees or Owners that have, to Franchisor's satisfaction, completed the training requirements determined by Franchisor, (v) exclusively use, maintain, and stock in inventory the System Supplies in such quantities as designated by Franchisor, (vi) exclusively purchase the System Supplies from the suppliers and vendors approved and designated by Franchisor in Franchisor's discretion, (vii) be exclusively managed and operated by Franchisee or Franchisee's Managing Owner, (viii) maintain the necessary licenses and permits for Franchisee's development, ownership, and operation of Franchisee's DPF Business, (ix) exclusively provide the Approved Services and Products from Service Vehicles, and (x) be operated in conformity with Franchisor's standards, specifications, criteria, and requirements as set forth by Franchisor in the Operations Manual.

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 (i) is identified and evaluated by Franchisee, (ii) complies with the terms and conditions of the Agreement, (iii) satisfies and meets Franchisor's standards and specifications, (iv) is timely presented by Franchisee to Franchisor for approval, (v) is approved by Franchisor, (vi) 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 (vii) 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 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 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 or Franchisor's affiliates may be or may become the sole and exclusive supplier of the System Supplies.

3.F SERVICE VEHICLES

Franchisee will purchase 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 Service Vehicles 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 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 with unlimited, uninterrupted, direct Internet-based 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:

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

(ii) 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 the Agreement and the standards and specifications set forth by Franchisor in the Operations Manual;

(iii) 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 the Agreement for any reason, Franchisee will preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;

(iv) 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;

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

(vi) 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;

(vii) 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

(viii) Franchisor is not 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 the 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 the Agreement for any reason, any prior authorization by Franchisor regarding Franchisee's right to use the Digital Media or otherwise as to any rights of Franchisee in or to the Digital Media will automatically terminate and the right to any accounts 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, or copyright infringement if Franchisee publishes or causes such content to be published.

Digital Media 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 or Published Content will be the exclusive property of Franchisor both during the Term and after the expiration or termination of the 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 the 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 limiting 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 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 the Agreement and provided that the new location 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 the 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 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 will 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 (i) 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, (ii) 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. Article 2 will govern if any inconsistency or conflict between the terms of this Article 3.J and Article 2 arises.

ARTICLE 4
TRAINING AND OPERATING ASSISTANCE

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

(i) Training Program. 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 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. There is no fee for additional attendees to participate in the Training Program.

Prior to opening and commencing the operations of Franchisee's DPF Business, the Managing Owner and any other personnel designated by Franchisor must successfully complete the Training Program or other training designated by Franchisor. Training may include classroom and on-the-job instruction at a location or facility designated by Franchisor 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 Franchisor's 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.

(ii) Additional Training. Franchisee 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.

(iii) Supplemental Training. Franchisor may offer Supplemental Training as determined necessary by Franchisor in Franchisor's discretion. Franchisor may reject or approve any request by Franchisee for Supplemental Training in Franchisor's discretion. If Franchisor provides Supplemental Training, Franchisee will pay the Supplemental Training Fee to Franchisor. In each instance where Franchisee hires a new Operating Manager or Franchisor determines that Franchisee is not satisfying or meeting Franchisor's operational standards, Franchisor may require that Franchisee or Franchisee's Operating Manager successfully complete Supplemental Training and pay the Supplemental Training Fees designated by Franchisor in Franchisor's discretion. Supplemental Training Fees will be prepaid in advance of training upon submission of invoice.

(iv) Training Approval. Franchisor will approve of all individuals attending and participating in the Training Program, additional training, 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:

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

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

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

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

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

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

(vii) 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 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 the 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

The Initial Franchise Fee is 17.5% of the total population of Franchisee's Designated Territory multiplied by $1.00. Upon execution of the Agreement, Franchisee will pay the Initial Franchise Fee described in Schedule 1 to Franchisor. The minimum Initial Franchise Fee is $2,500.

The Initial Franchise Fee is fully earned by Franchisor upon execution of the Agreement and is non-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

(i) Royalty Fees. Franchisee will pay the Royalty Fee to Franchisor during the Term beginning on the third full month following the Effective Date. The Royalty Fee will be 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 the Agreement.

(ii) 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 on the Due Date.

(iii) 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 the Agreement and which was due to Franchisor on the effective date of the Agreement.

(iv) 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 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 the Agreement. Franchisor may require Franchisee to pay the Royalty Fees and any other amounts due under the Agreement by means other than ACH or automatic debit as Franchisor deems appropriate and Franchisee will comply with Franchisor's payment instructions.

(v) Royalty and Activity Reports. On the Due Date of each month, Franchisee will provide Franchisor with a Royalty and Activity Report. Franchisor may verify such Royalty and Activity Reports from time to time as Franchisor deems necessary in any reasonable manner.

5.C OTHER FEES

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

(i) Initial Patented or Proprietary Equipment Fees. Franchisee will purchase certain patented or proprietary equipment from Franchisor or Franchisor's affiliates. Franchisee's initial patented or proprietary equipment fees are fully earned upon payment and non-refundable.

(ii) Technology Maintenance Fee. Franchisee will pay a Technology Maintenance Fee to Franchisor upon Franchisor's implementation of such Technology Maintenance Fee. Franchisor may implement a Technology Maintenance Fee in Franchisor's discretion at any time in an amount designated by Franchisor upon 60 days' notice provided that such Technology Maintenance 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.

(iii) 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.

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

(v) 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%.

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

(vii) 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.

(viii) Unauthorized Supplier Use Fee. If Franchisee uses a supplier not authorized by Franchisor in accordance with Article 7.F, Franchisee will pay the Unauthorized Supplier Fee to Franchisor. This payment will be in addition to any other rights or remedies available to Franchisor at law or equity.

(ix) GoCanvas Software Fee. If Franchisee services O'Reilly Auto Parts stores, Franchisee will pay the then-current fee for GoCanvas data compilation and tracking software or the applicable fee for the then-current data compilation and tracking software used by O'Reilly Auto Parts stores.

(x) All Other Fees and Obligations Set Forth in the Agreement. Franchisee will pay all other fees, charges, or expenses set forth in the Agreement to Franchisor, Franchisor's affiliates, or Franchisor's designees in accordance with the terms of the Agreement. If no particular due date is stated in the Agreement, then the 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 the Agreement. Without limitation to the foregoing, any claim by Franchisee regarding the alleged non-performance of Franchisor's obligations will not permit or entitle Franchisee to withhold payments due Franchisor under the Agreement.

ARTICLE 6
RESTRICTIVE COVENANTS AND OBLIGATIONS

6.A NECESSITY FOR RESTRICTIVE COVENANTS

Only through the course of entering into the 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, 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 (i) not use the Know-How in any business or capacity other than the operation of Franchisee's DPF Business pursuant to the Agreement or as instructed by Franchisor, (ii) maintain the confidentiality of the Know-How at all times, (iii) not make unauthorized copies of documents containing any Know-How, (iv) take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How, and (v) stop using the Know-How immediately upon the expiration, termination, or Transfer of the Agreement. The foregoing covenants and obligations will also apply to (i) Franchisee's Owners and Spouses and Franchisee's Owners and Spouses will each execute and deliver to Franchisor the Guarantee, and (ii) Franchisee's directors, officers, employees, or agents where disclosure

of the Know-How was necessary for the operations of Franchisee's DPF Business and where such director, officer, employee, 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 (i) not use the Confidential Information in any business or capacity other than the DPF Business operated by Franchisee, (ii) maintain the confidentiality of the Confidential Information at all times, (iii) not make unauthorized copies of documents containing any Confidential Information, (iv) 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 (v) stop using the Confidential Information immediately upon the expiration, termination or Transfer of the Agreement. The foregoing covenants and obligations will also apply to (i) Franchisee's Owners and Spouses, and Franchisee's Owners and Spouses will each execute and deliver the Guarantee to Franchisor, and (ii) Franchisee's directors, officers, employees, or agents where disclosure of the Confidential Information was necessary for the operations of Franchisee's DPF Business and where such director, officer, employee, 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 Prohibited Activities. 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.

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.

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 or provided an Immediate Family Member with access to the Confidential Information and therefore Franchisee will be presumed to have violated the terms of the Agreement if any Immediate Family Member (i) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities, or (ii) uses or discloses the Confidential Information 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 (i) the terms of this Article 6 are reasonable both in time and in scope of geographic area, and (ii) 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, 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 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 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 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 the 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, 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 an 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 (i) exclusively offer and sell the Approved Services and Products, (ii) exclusively purchase and use the System Supplies, (iii) maintain a complete and updated inventory and supply of System Supplies, (iv) maintain, update, replenish, and replace Franchisee's System Supplies, (v) maintain, update, replenish, and recondition Franchisee's Operations Center, and (vi) 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.

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 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, 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 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.

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, or as otherwise designated by Franchisor in writing. Without limitation to the foregoing:

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

(ii) 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;

(iii) 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;

(iv) 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 or purchase from any supplier or distributor that is no longer designated or approved by Franchisor;

(v) Franchisor may designate a single supplier 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 or distributor may be Franchisor or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers 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

(vi) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers or distributors for use in Franchisee's DPF Business where such products, services, equipment, supplies, suppliers 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 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, and (c) will pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier 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.

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 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 or services.

7.H COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

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

(ii) 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.

(iii) 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.

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

(v) 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, 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, or that uses the Licensed Marks.

(vi) Franchisee will comply and cause Franchisee's Owners to comply with 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 or become listed on the Annex to Executive Order 13244, Franchisor may terminate the 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 or discrepancy between Franchisee's obligations under this Article 7.H with Franchisor's standards or specifications as contained in the Agreement, in the Operations Manual, 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 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

(i) 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 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 determined by Franchisor. If the Operating Manager is an Immediate Family Member of Franchisee or an Owner, the Operating Manager will execute the Guarantee.

(ii) 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.

(iii) 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 Management Service Fees to Franchisee in Franchisor's discretion. Any determination as to whether or not Franchisor may elect to provide management services, the extent of such

services, or the discontinuation thereof will be exclusively determined by Franchisor in Franchisor's discretion. Management Service Fees will be immediately payable upon invoice.

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

(v) 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 the Agreement, in connection with any inspections, audits, or re-inspections directed 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 or acquiescence to any default. Nothing contained in this Article 7.J will be interpreted as interfering with or negating Franchisor's rights and remedies as set forth in Article 16 or as otherwise set forth in the 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 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 the Agreement.

If Franchisee fails to procure or maintain the insurance required by the 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 the 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 the Brand Development Fund at any time in Franchisor's discretion. The following will apply to the Brand Development Fund:

(i) If Franchisor institutes the Brand Development Fund, Franchisee will pay the Brand Development Fund Fee; provided, however, that the Brand Development Fund Fee will not exceed $500;

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

(iii) Franchisor will direct all advertising, media placement, marketing, and public relations programs and activities financed by the Brand Development Fund in Franchisor's sole discretion. Franchisor will have sole discretion with respect to the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, media placement, and the 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 the development of Digital Media;

(iv) The purpose of the advertising, media, marketing, and activities financed by the Brand Development Fund is 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;

(v) 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, or brand awareness goals of the Brand Development Fund including, without limitation, 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 fiscal year;

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

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

(viii) 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 fiscal 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(viii);

(ix) 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 the 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, or administration of the Brand Development Fund;

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

(xi) 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, 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 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 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:

(i) 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 Franchisor designates;

(ii) 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;

(iii) 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

(iv) Franchisee 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 without compensation to Franchisee including, without limitation, 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, 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 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 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 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 or relating to Franchisee's DPF Business or the System will, upon demand of Franchisor, be transferred to Franchisor. Upon execution of the 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 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 or customer referral sources outside of Franchisee's Designated Territory, unless (i) such Media Distribution is a joint distribution with other DPF Businesses pursuant to an Advertising Cooperative authorized by Franchisor in writing, and (ii) 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 an Advertising Cooperative within any market Franchisor designates 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:

(i) 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;

(ii) 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;

(iii) 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;

(iv) If at the time of execution of the 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 the 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;

(v) 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;

(vi) 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;

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

(viii) DPF Businesses owned by Franchisor 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

(ix) 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

The Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in the 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, 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 the Agreement and the Operations Manual arises, the terms of the 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 the Franchisor Indemnified Parties harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, or damages arising out of, or relating to, Franchisee's Operations Center, 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, or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, or hearing in which any of the Franchisor Indemnified Parties

is named as a party including, without limitation, reasonable accountant fees, attorney fees, 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 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 the Franchisor Indemnified Parties. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B will survive the termination, expiration, or Transfer of the Agreement.

Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses 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 the Franchisor Indemnified Parties harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, 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, or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, or hearing in which any of the Franchisor Indemnified Parties is named as a party including, without limitation, reasonable accountant fees, attorney fees, 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 the 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 the 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 the Agreement. Any unauthorized use of the Licensed Marks 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 or the System. All usage of the Licensed Marks 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 the Agreement. Franchisee will not at any time during the Term or after the expiration, termination, or Transfer of the Agreement contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Published Content, 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, 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, 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 (i) the Licensed Marks, (ii) the "DPF" letter string, or (iii) words, terms, designs, or symbols that modify or are derived from the Licensed Marks as part of its corporate or other legal name without first obtaining Franchisor's prior written permission. Franchisee will comply with Franchisor's instructions to file and maintain 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 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 or the System. Franchisor or Franchisor's licensor will possess sole and complete discretion to take any action or to refrain from taking action Franchisor 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 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 or Franchisor's licensor in any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor 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, or Franchisee to replace, modify, substitute, or discontinue use of any of Licensed Marks, then Franchisee will comply with Franchisor's determination and instructions as to the replacement, modification, substitution, 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, 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 or components of the Licensed Marks 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 an IP Claim, Franchisor will indemnify Franchisee for the reasonable and direct costs incurred by Franchisee or any judgment entered against Franchisee; provided, however, that (i) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier, (ii) 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 (iii) Franchisee utilized the Licensed Marks in accordance with the terms of the 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, 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 and preserve full, complete, and accurate books, records, and accounts from Franchisee's DPF Business for at least three years from the dates of preparation. 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 the Agreement, Franchisee will comply with the following additional reporting obligations as they may be modified by Franchisor from time to time:

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

(ii) 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 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 the Agreement;

(iii) 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 the Agreement;

(iv) 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

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

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

(ii) No obligations, rights, or interest of Franchisee in (a) the 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 the 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;

(iii) Without limitation to the foregoing, any Transfer by Franchisee respecting or relating to the Agreement or Franchisee's DPF Business 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;

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

(v) If a Transfer of the Agreement that is approved by Franchisor occurs, Franchisee will not be relieved of Franchisee's obligations under the Agreement whether the obligations accrued prior to 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 the 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:

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

(ii) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor or Franchisor's affiliates under the 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;

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

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

(v) All obligations of Franchisee under the 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;

(vi) 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;

(vii) If the proposed Transfer includes or entails the Transfer of the 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 (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 the Agreement, the then-current form of franchise agreement offered to new franchisees of DPF Businesses and any other agreements Franchisor requires. These agreements will supersede the Agreement and its associated agreements in all respects, and the terms of Franchisor's then-current agreements may differ from the terms in this Agreement provided that the agreements will provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in the Agreement;

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

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

(x) At the transferee's expense, the transferee, and the transferee's managing owner, managers 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 the Agreement or as Franchisor otherwise reasonably requires;

(xi) Franchisee must pay the Transfer Fee to Franchisor. The Transfer Fee is equal to either 75% of the then-current initial franchise fee or $7,500 if Franchisee's DPF Business has not begun operations;

(xii) 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;

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

(xiv) 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;

(xv) 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;

(xvi) 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 the Agreement;

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

(xviii) 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 the Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of the Agreement; and

(xix) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of the 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 the Agreement by the transferee.

14.D DEATH OR DISABILITY OF FRANCHISEE OR AN OWNER

(i) 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 the Agreement, including this Article 14.D, or constitute a waiver of Franchisor's right to terminate the 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 reasonable fee for management services and may cease to provide management services at any time.

(ii) 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 the Agreement, including this Article 14.D, or constitute a waiver of Franchisor's right to terminate the 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(i) will apply as if the Managing Owner were the sole individual Franchisee.

(iii) 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.

(iv) If Franchisee is an individual, then if the death or permanent disability of Franchisee occurs, the 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 the 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. The transferee must agree to be unconditionally bound by the terms and conditions of the Agreement and execute the Guarantee.

14.E TRANSFER TO WHOLLY-OWNED CORPORATE ENTITY

The Agreement may be Transferred by Franchisee to an Assignee Corporate Entity if Franchisee is an individual or individuals, provided that (i) Franchisee has provided Franchisor with 30 days' prior written notice of the proposed Assignment of the Agreement, (ii) Franchisee (individually, jointly, and severally as to each individual Franchisee) sign and be bound by the Guarantee, (iii) the Spouse of each Franchisee (individually, jointly, and severally as to each individual Spouse) sign and be bound by the Guarantee, (iv) 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 or Assignee Corporate Entity, and (v) Franchisee is otherwise in compliance with the terms and conditions of the Agreement and any Ancillary Agreements. An assignment to an Assignee Corporate Entity will not relieve Franchisee of Franchisee's individual obligations under the Agreement as the obligations existed between Franchisee and Franchisor prior to the assignment date.

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 or Franchisee's DPF Business, the Agreement, Franchisee's DPF Business, Franchisee's Operations Center, or Franchisee's Operations Center, then Franchisee or such Owner (as applicable) must 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, or Franchisee's Operations Center for the same price and upon the same terms contained in the Offer provided that 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 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 the Agreement including, without limitation, the terms of this Article 15, Franchisee may renew the franchise for Franchisee's continued operation of Franchisee's DPF Business for three total Renewal Terms. The foregoing option will not be afforded to or available to Franchisee if 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 before the Effective Date.

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:

(i) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor with a Renewal Notice;

(ii) 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 the Agreement and all Ancillary Agreements, and without any default of the Agreement or the Ancillary Agreements;

(iii) 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 has the right to occupy and maintain Franchisee's Operations Center in accordance with Franchisor's then-current standards and specifications;

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

(v) Franchisee will deliver a Renewal Franchise Agreement to Franchisor within 30 days of the date of delivery of the Renewal Franchise Agreement by Franchisor to Franchisee;

(vi) Franchisee's Owners and their Spouses must agree to, sign and deliver to Franchisor the Renewal Ancillary Agreements within 30 days of the date of delivery of the Renewal Ancillary Agreements by Franchisor to Franchisee;

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

(viii) 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 their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors, and assigns from any claims, causes of action, and suits arising from or related to the 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 the Agreement by Franchisor or Franchisor's agents or employees; and

(ix) Franchisee pays Franchisor a $2,500 documentation fee.

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 the Agreement as determined by Franchisor in Franchisor's sole discretion.

ARTICLE 16
DEFAULTS AND REMEDIES

16.A DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(i) Defaults and Automatic Termination. Franchisee will be in default of the Agreement and the Agreement will be automatically and immediately terminated without notice to Franchisee and without providing Franchisee any opportunity to cure upon the occurrence of any of the following:

(a) Franchisee becomes insolvent, 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, or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, or Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or other similar relief under any applicable federal 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, 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) The Agreement, Franchisee's assets, Franchisee's DPF Business's assets, or any of Franchisee's rights under the Agreement are levied upon under any attachment or execution or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more unless an appeal 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; or

(m) Upon termination by Franchisor pursuant to Article 16.A(i)(b), Article 16.A(i)(c), or Article 16.A(i)(d).

(ii) Defaults and Automatic Termination Upon Written Notice Without Cure Period. Franchisee will be in default of the Agreement and the Agreement may be terminated by Franchisor effective on the date of Franchisor's written notice to Franchisee without providing Franchisee any opportunity to cure upon the occurrence of any of the following:

(a) Franchisee engages, commits, or suffers an action, inaction, omission, event, or circumstance on at least three occasions that qualifies as a default under Article 16.A(i)(c) or Article 16.A(i)(d), irrespective of whether or not the action, inaction, omission, event, or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Article 16.A(i)(c) or Article 16.A(i)(d) and irrespective of whether or not the defaults were timely cured;

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

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

(d) Franchisee abandons, surrenders 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 or remedied in accordance with Article 7.C;

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

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

(g) As to information, records, statements, or data that Franchisee must maintain or report to Franchisor pursuant to the terms of the Agreement, the Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, or data maintained by

Franchisee, or reported by Franchisee contains intentional inaccuracies or material inaccuracies that are either misleading or false;

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

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

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

(k) Franchisee discloses, divulges, provides access to, communicates, 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, or the reputation of the DPF Alternatives brand;

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

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

(p) Franchisee fails to complete the Training Program, additional training, or Supplemental Training Franchisor designates to Franchisor's reasonable satisfaction;

(q) Franchisee fails, upon receiving actual or constructive notice, will (xx) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity, (yy) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement or is in the process of violating the Confidentiality Agreement, and (zz) 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 or otherwise publicly disseminating Confidential Information;

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

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

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

(a) Franchisee fails, refuses, or is unable to timely pay or satisfy the Royalty Fee, Advertising Contribution, or any other payment, fee, financial obligation, charge, or monetary obligation payable or due to Franchisor pursuant to the terms of the Agreement or any other agreement among Franchisor, Franchisee's Affiliate, Franchisee, or Franchisee's affiliate;

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

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

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

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

(a) Franchisee fails or refuses to comply with or breaches any term, condition, provision, or requirement of the Agreement that is not otherwise a default under Article 16.A(i), Article 16.A(ii), or Article 16.A(iii);

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

(c) Franchisee fails to obtain and secure an approved 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 the Agreement, as designated or specified in the Operations Manual, 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, or operate Franchisee's DPF Business in compliance with the terms of the Agreement, as designated or specified in the Operations Manual, 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, 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 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 the Agreement, the Operations Manual, 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, or other information as required by the Agreement, as set forth in the Operations Manual, or as Franchisor requests;

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

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

The foregoing events of default set forth in this Article 16.A(iv) will exclude events of default that are otherwise governed by or constitute events of default under Article 16.A(i) or Article 16.A(ii). Article 16.A(i) will govern if any inconsistency or conflict arises between the provisions of this Article 16.A(iv) with Article 16.A(i) arises. Article 16.A(ii) will govern if any inconsistency or conflict arises between the provisions of this Article 16.A(iv) with Article 16.A(ii) arises.

16.B TERMINATION BY FRANCHISEE

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

(i) 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

(ii) 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, or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of the 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 the 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 the Agreement and will constitute a material breach of the Agreement by Franchisee.

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

Article 16.A sets forth actions, inactions, omissions, events, or circumstances that constitute a default of the Agreement permitting Franchisor to, among other things, terminate the Agreement or resulting in the automatic termination of the 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 the Agreement by Franchisee occurs, termination of the 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 the Agreement and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, if the termination of the Agreement as a result of a default or breach by Franchisee or Franchisee's Owners 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:

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

(ii) 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 the Agreement, the Ancillary Agreements, 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;

(iii) 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 or expenses that would have been paid to Franchisor, under the terms of the Agreement and throughout the Term of the Agreement, had a breach not occurred and had Franchisor not terminated the 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 every year throughout the remainder of the Term had the 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 the Agreement was terminated for the purpose of calculating and determining Franchisor's lost revenues and fees. The foregoing is a form of liquidated damages;

(iv) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, or damages incurred by Franchisor 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;

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

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

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

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

If Franchisor does not pursue termination of the Agreement in the event of a default or breach by Franchise, 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 the 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 the Agreement, and Franchisee's observance and performance of all terms and conditions of the Agreement, are guaranteed pursuant to the Guarantee.

16.E NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR

Franchisee will give Franchisor a 30-Day Cure Notice as required. The 30-Day Cure Notice is a strict condition precedent to Franchisee commencing a legal proceeding against Franchisor for any reason whatsoever. Franchisee will have 30 days from Franchisor's receipt of a 30-Day Cure Notice to cure the alleged default by Franchisor of the Agreement described in the 30-Day Cure Notice.

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 the Agreement, upon expiration or termination of the Agreement for any reason, Franchisee will immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of the Agreement including, without limitation, Royalty Fees, Advertising Contributions, and all other sums and fees due from Franchisee to Franchisor or Franchisor affiliates 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 the Agreement for any reason, Franchisee will immediately:

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

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

(iii) 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;

(iv) 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 the 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;

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

(vi) Immediately notify Franchisor, in writing, of any locations where Franchisee may have maintained or stored digital files 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;

(vii) 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 Franchisee's 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 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;

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

(ix) 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, 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 or otherwise associated with the System 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;

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

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

17.C CONTINUING OBLIGATIONS

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

If a Transfer of the Agreement by Franchisee occurs, whether or not such Transfer is authorized by Franchisor or made in violation of the Agreement, under no circumstance will Franchisee be relieved of Franchisee's Obligations under the Agreement and under no circumstance will each Owners and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, the 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 the Agreement without the express written consent by Franchisor and Franchisee's compliance with the Agreement respecting any such Transfer.

ARTICLE 18
ENFORCEMENT AND CONSTRUCTION

18.A SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(i) 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.

(ii) 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 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 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 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.

18.B WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of the Agreement or exercise any of Franchisor's rights, options, or powers under the Agreement constitutes a waiver by Franchisor to enforce any other term and condition of the Agreement or exercise any of Franchisor's other rights, options, or powers under the Agreement. No such delay, waiver, omission,

or forbearance will constitute a waiver by Franchisor to subsequently enforce such term and condition of the 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 the Agreement will not constitute a waiver or acceptance of Franchisee's default or breach of the Agreement or otherwise a waiver of any term and condition of the Agreement, and Franchisor reserves the right to pursue any additional remedies set forth in the 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 the Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of the 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 the Agreement will be valid unless in writing and signed by Franchisor.

18.C FORCE MAJEURE

The time period for performance of an obligation subject to *Force Majeure* 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, or any other monetary or financial obligation to Franchisor under the Agreement including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under the 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 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. 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 the 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 the Agreement by Franchisee respecting or concerning the System 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, THE 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

(i) Non-Binding Mediation. Before either party may bring any action, dispute or controversy arising from or related to the Agreement 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 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 Denver County, Colorado or, if a mediator is not available in Denver County, Colorado, then at a suitable location selected by the mediator that is located closest to Denver County, Colorado. Mediation will be conducted by one mediator. 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 or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing. Franchisor and Franchisee will each be responsible for their own costs associated with mediation plus 50% of the mediator's fee and the AAA's mediation fees.

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

(ii) Arbitration. Subject to the prerequisite requirements of non-binding mediation as set forth in Article 18.G(i), and except at Franchisor's election, as to any claims or disputes related to or concerning a breach of the Agreement by Franchisee that under the terms of the 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 or related to the Agreement, the relationship between Franchisor and Franchisee, the System, or the validity of the Agreement 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 Denver County, Colorado, or if suitable AAA facilities are not available in Denver County, Colorado, then at a suitable AAA location selected by the arbitrator that is located closest to Denver 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 the 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 or prohibited by the 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 the 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 or any arbitration award must be conducted in accordance with the terms of the Agreement including, without limitation, the requirements set forth in this Article 18.

(iii) Consent to Jurisdiction and Venue. Subject to the non-binding mediation and arbitration provisions set forth in Article 18.G(i) and Article 18.G(ii), 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 THE 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 THE AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THE AGREEMENT, ANY CLAIMS OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING

TO, THE AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THE AGREEMENT, WILL BE BARRED UNLESS SUCH CLAIM 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 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 (I) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THE AGREEMENT, OR (II) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THE AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, IF ANY OTHER TERM OF THE 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

The Agreement is binding upon the parties of the 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

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

18.N ATTORNEY FEES AND EXPENSES

If an arbitrator in any arbitration proceeding or a court of competent jurisdiction issues an award, judgment, decision, or order finding, holding, or declaring Franchisee's breach of the Agreement, then

Franchisor will be entitled to the recovery of all reasonable attorney fees, costs, and expenses associated with or related to such arbitration or court 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 OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THE AGREEMENT 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, OR GUARANTORS AND FRANCHISOR OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS, OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18.P ACCEPTANCE BY FRANCHISOR

The 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 the Agreement that Franchisor recommended and that Franchisee had the opportunity to have the 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 the 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 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 or Franchisor's agents have made any oral promises pursuant to Article 18.M. The 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 the 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 the 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 the 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 the Agreement or any other payment obligation by Franchisee to Franchisor.

18.U HEADINGS

The headings and subheadings in the 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 the Agreement.

18.V AUTHORITY TO EXECUTE

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

18.W COUNTERPARTS AND ELECTRONIC SIGNATURES

The Agreement may be executed electronically. The 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 the 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 the Agreement will be deemed joint and several.

18.Y RECITALS

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

ARTICLE 19
NOTICES

All written notices and reports permitted or required to be delivered by the 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 or electronically, as designated by Franchisor. The addresses for the parties set forth in the initial paragraph of the Agreement will be used unless and until a different address has been designated by written notice to the other party. Any notice required under the Agreement will not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with the 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 the Agreement as of the Effective Date set forth in the first paragraph of the Agreement.

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	[ENTITY NAME]
_____	_____
Pedro Junior Reyes Managing Member	[NAME] [TITLE]
Date: _____ (Effective Date)	Date: _____

FRANCHISE AGREEMENT – SCHEDULE 1

Designated Territory Acknowledgment

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

[DESIGNATED TERRITORY]

The foregoing Designated Territory has been determined based on negotiations initiated by Franchisee for Franchisee's benefit. To the extent that the foregoing description of the Designated Territory includes or delineates geographic or political boundaries, the boundaries will be considered fixed as of the Effective Date of the Agreement and will not change for the purpose of the Agreement notwithstanding a change or reorganization to the boundaries. Any street boundaries will be deemed to end at the street center lines unless otherwise specified above.

Initial Franchise Fee. The Initial Franchise Fee is $[AMOUNT].

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	[ENTITY NAME]
_____	_____
Pedro Junior Reyes Managing Member	[NAME] [TITLE]
Date: _____	Date: _____

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.

Franchisee represents and affirms to Franchisor that the following list identifies each Owner of Franchisee's DPF Business and their respective ownership interests.		
Owner Name	**Owner Address**	**Ownership Interest Percentage**
Managing Owner:		

FRANCHISOR:

DPF ALTERNATIVES, LLC

_____
Pedro Junior Reyes
Managing Member

Date: _____

FRANCHISEE:

[ENTITY NAME]

_____
[NAME]
[TITLE]

Date: _____

FRANCHISE AGREEMENT – SCHEDULE 3

Operations Center Location Acknowledgment

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

[OPERATIONS CENTER]

FRANCHISOR:	FRANCHISEE:
DPF ALTERNATIVES, LLC	[ENTITY NAME]
_____	_____
Pedro Junior Reyes Managing Member	[NAME] [TITLE]
Date: _____	Date: _____

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 _____ (the "Agreement"), by DPF ALTERNATIVES, LLC ("DPF") in favor of [ENTITY NAME] ("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 in this DPF Alternatives, LLC Guarantee and Assumption of Franchisee's Obligations (the "Guarantee"), capitalized terms will have the meanings defined in the Agreement. Guarantor(s) will be personally and unconditionally bound by 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 THE 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) waive the following:

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

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

(iii) 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) consent and agree that:

(i) Guarantor(s)'s direct and immediate liability will be joint and several with any other guarnators;

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

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

(iv) 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 arbitration or judicial proceeding, 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) have 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):

_____	_____
[NAME], individually	[NAME], individually
Date: _____	Date: _____

Franchisee Disclosure Questionnaire

DPF ALTERNATIVES, LLC
FRANCHISEE DISCLOSURE QUESTIONNAIRE

The undersigned ("you") who is about to sign a DPF Alternatives, LLC Franchise Agreement or has signed a DPF Alternatives, LLC Franchise Agreement (the "Franchise Agreement") individually or on behalf of a corporate entity represents to DPF Alternatives, LLC ("we" or "us"), the franchisor of the DPF Alternatives franchise system, that your representations made below are true and accurate. You acknowledge that we are relying your representations.

1. You have received and personally reviewed the Franchise Agreement and each attached addendum, attachment, exhibit, and schedule.

2. You have received and personally reviewed the Franchise Disclosure Document we provided.

3. You received our Franchise Disclosure Document at least 14 calendar days before signing any binding agreement with us or paying us any monies.

4. You understand that the success or failure of your DPF Alternatives business will depend in large measure on your skills, abilities, and efforts in addition to other factors beyond your control including, without limitation, competition, cash flow, interest rates, the economy, inflation, labor and supply costs, and other relevant factors.

5. You understand that you must satisfactorily complete our initial training program before opening your DPF Alternatives business.

6. You acknowledge that no employee or other person speaking on our behalf made any statement or promises to you regarding the costs you may incur to establish and operate your DPF Alternatives business except the specific information disclosed in writing in our Franchise Disclosure Document.

7. You acknowledge that no employee or other person speaking on our behalf made any statements or promises to you about the potential income, money, profits, or return on investment your DPF Alternatives business may or could potentially earn.

8. You acknowledge that no employee or other person speaking on our behalf made any statement or promise about the actual, average, or projected profits or earnings of a DPF Alternatives business.

9. You acknowledge that no employee or other person speaking on our behalf made any statement or promise regarding the likelihood of success of your DPF Alternatives business or the amount of money you may earn.

10. You understand that the Franchise Agreement and each attached addendum, attachment, exhibit, and schedule 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 THAT WE ARE RELYING ON YOUR REPRESENTATIONS IN THIS FRANCHISE DISCLOSURE QUESTIONNAIRE AND THAT EACH REPRESENTATION IS TRUE AND ACCURATE.

YOU:

[ENTITY NAME]

_____

[NAME]
[TITLE]

Date: _____

_____

[NAME], individually

Date: _____

Confidentiality Agreement

DPF ALTERNATIVES, LLC CONFIDENTIALITY AGREEMENT

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, or director of the DPF Business that we independently own and operate;

WHEREAS, in the course of your employment, independent contractor relationship, or association with us, you may gain access to Confidential Information (defined below) 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 the Agreement and does not own or manage the DPF Business, but is an intended third party beneficiary of the Agreement; and

WHEREAS, the 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.

AGREEMENT

NOW, THEREFORE, you acknowledge and agree as follows:

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

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

"Business Management System" means the software or Internet- or cloud-based system or systems, point of sale system or systems, and customer relationship management system or systems as used in connection with the operation 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 or maintained on the Business Management System.

"Confidential Information" means (i) 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, (ii) information concerning customers, customer

lists, email lists, database lists, product sales, operating results, financial performance, and other financial data of the DPF Business, (iii) customer lists and information related to the DPF Business, (iv) Business Management System Data, (v) current and future information contained in the Operations Manual made available to the DPF business by DPF Alternatives, LLC, and (vi) production 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 refer, reference, identify, review, promote, or relate 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 the 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 the DPF Business.

"Operations Manual" means the confidential operations manual made available to the DPF Business by DPF Alternatives 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 they may be modified, added to, replaced, or supplemented.

"Trade Dress" means the designs, images, marketing materials, packaging, branding, 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, or director of the DPF Business that you will be gaining access to the Confidential Information. You acknowledge that the terms of the Agreement are fair and reasonable.

(4) Protection of the Confidential Information. You agree that (i) you will not use the Confidential Information in any business or capacity other than in connection with the DPF Business, (ii) you will maintain the confidentiality of the Confidential Information at all times, (iii) you will not make unauthorized copies of documents containing the Confidential Information, (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information, and (v) 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 the 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 the Agreement. You hereby waive any right to challenge the terms of the Agreement as being overly broad, unreasonable, or otherwise unenforceable.

(6) Breach. You agree (i) that failure to comply with the terms of the 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, (ii) that any violation of these covenants will entitle us or DPF Alternatives, LLC to injunctive relief, and (iii) that we or 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 your sole remedy 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 the Agreement, at law, or in equity including injunctive relief, specific performance, and the recovery of monetary damages.

(7) Miscellaneous.

(i) If we hire an attorney or files suit against you because you have breached the Agreement and prevail in such lawsuit, you will pay our reasonable attorney fees and costs.

(ii) Each section of the Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of the Agreement is unenforceable, it will not affect the enforceability of any other section, subsection, or portion. Each party to the Agreement agrees that the court may impose such limitations on the terms of the 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 THE AGREEMENT, BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THE AGREEMENT.

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

YOU:

By: N/A

Name: _____

Date: _____

[THIS EXHIBIT 3 IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM OF CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE. BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR, FRANCHISEE SHOULD HAVE THIS FORM OF CONFIDENTIALITY AGREEMENT REVIEWED FOR LEGAL COMPLIANCE BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]

DPF ALTERNATIVES, LLC
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 effective as of _____ (the "Effective Date"), and entered into between [ENTITY NAME] ("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 or in a network of computers, servers 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, or trademarks associated with the DPF Business Franchise System or Assignee. Digital Media further includes the DPF business website associated with or related to Assignor's DPF business and all web pages, blog posts, videos, articles, information, sub-domains, and all other media or publications relating to the DPF Business Franchise System that is displayed 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"):

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

(ii) The following telephone and facsimile numbers:

_____; and

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

The foregoing will not be construed or interpreted as Assignee's acknowledgment or agreement that Assignor owns or possesses any ownership interests in the foregoing telephone numbers, accounts, 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 IS AT THE SOLE DISCRETION OF ASSIGNEE FOR THE SOLE BENEFIT OF ASSIGNEE.

ASSIGNEE:	ASSIGNOR:
DPF ALTERNATIVES, LLC	[ENTITY NAME]
_____	_____
Pedro Junior Reyes	[NAME]
Managing Member	[TITLE]
Date: _____ (Effective Date)	Date: _____

FRANCHISE AGREEMENT – EXHIBIT 5

ACH Authorization

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Name	Business Telephone Number
Franchisee Mailing Address (street)	Franchisee Telephone Number
Franchisee Mailing Address (city, state, ZIP code)	
Contact Name, Address, and Telephone Number (if different from above)	
Franchisee Facsimile Number	Franchisee Email Address

Financial Institution Account Information:

Financial Institution Name		
Financial Institution Mailing Address (street, city, state, ZIP code)		
Account Number	[ ] Checking [ ] Savings (check one)	Financial Institution Routing Number
Financial Institution Telephone Number		

Authorization:

Franchisee hereby authorizes DPF Alternatives, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the financial institution ("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.

Franchisee: _____ Federal Employer Identification Number: _____

By: _____ Date: _____

Name: _____

Its: _____

FRANCHISE AGREEMENT – EXHIBIT 6

General Release

DPF ALTERNATIVES, LLC 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, RELEASOR's 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 RELEASOR's hand and seal on the date set forth below.

RELEASOR:

By: N/A
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 _____ (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 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 Businesses" means the minimum number of cumulative Development DPF Businesses that must be open and in operation as of the last day of each applicable Development Period.

"Development Area" has the meaning defined in the Recitals.

"Development Area Fee" means a fee Developer pays to Franchisor for the rights set forth and granted pursuant to the terms of this Agreement.

"Development DPF Business" means a DPF Business located within the Development Area.

"Development DPF Business Initial Franchise Fee" means the initial franchise fee for each Development DPF Business.

"Development Information Sheet" means the development information sheet attached to this Agreement as Schedule 1.

"Development Period" means a measurement period describing the number of Newly Opened Development DPF Businesses that Developer must establish and open within the respective period and the minimum number of cumulative Development DPF Businesses that must be open and in operation as of the last day of each respective period.

"Development Schedule" means a schedule pursuant to which Developer will develop, establish, and operate Development DPF Businesses.

"DPF Business" has the meaning defined in the Recitals and further means every business owned or operated by Franchisor, Franchisor's affiliates, or authorized parties that uses the System 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" has the meaning set forth in the Preamble.

"First Development DPF Business" means the first Development DPF Business to be developed by Developer.

"Franchise Agreement" means a DPF Alternatives, LLC Franchise Agreement in the form determined by Franchisor from time to time.

"Licensed Marks" means the trademarks, service marks, emblems, and indicia of origin including, without limitation, 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 System, 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" means Developer's second Development DPF Business and all future Development DPF Businesses.

"Operations Manual" means the materials designated by Franchisor relating to the development 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.

"Owner" means (i) 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 (ii) 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 and further mean (i) the services, procedures, and systems designated by Franchisor for use in connection with the development, establishment, marketing, promotion, and operation of a DPF Business, (ii) the Licensed Marks, (iii) other trade names, service marks, signs, 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 (iv) the Operations Manual.

"Term" means the term of the Agreement described 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, involuntary, conditional, unconditional, direct, or indirect: (i) an assignment, sale, gift, transfer, pledge, or sub-franchise, (ii) the grant of a mortgage, charge, lien, or security interest including, without limitation, the grant of a collateral assignment, (iii) 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, (iv) 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, or (v) the legal or equitable transfer or sale of an Owner's interests 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 Development DPF Businesses, provided that Developer develops and operates each Development DPF Business in strict accordance with the Development Schedule and the terms and provisions of each respective Franchise Agreement.

(2) The Total Development DPF Businesses are authorized by the Agreement as described in the Development Information Sheet. The Development Area is the geographic area described in the Development Information Sheet. To be effective, the Development Information Sheet must be completed and signed by Franchisor.

(3) Developer will (i) open and commence the operations of each new Development DPF Business in accordance with the Development Schedule for each respective Development Period, and (ii) 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 Business. 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 may not franchise, subfranchise, license, sublicense, or otherwise Transfer Developer's rights pursuant to the Agreement. The rights and privileges granted and conveyed to Developer in the Agreement 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 will be a period commencing on the Effective Date and automatically ending on the earliest of (i) the last day of the calendar month during which the final Development DPF Business is required to be opened and operating under the Development Schedule, (ii) the day the final Development DPF Business is open, or (iii) the termination date 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: (i) Abandonment, (ii) 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, (iii) 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, (iv) 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, or maintain the cumulative number of Development DPF Businesses in accordance with Development Schedule, or (v) if a Franchise Agreement for any Development DPF Business or any other Franchise Agreement between Franchisor and Developer is terminated.

ARTICLE 4
DEVELOPMENT AREA FEE, OTHER FEES, AND DEVELOPMENT SCHEDULE

4.1 DEVELOPMENT AREA FEE

Developer will pay the Development Area Fee to Franchisor when Developer executes 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 Development DPF Business Initial Franchise Fee for each Development DPF Business is the applicable fixed sum set forth in the Development Information Sheet.

4.3 DEVELOPMENT DPF BUSINESSES' ROYALTY FEES

Developer will pay the applicable monthly royalty fee for each Development DPF Business beginning on the earlier of (i) the third full month following the month in which the Franchise Agreement for the applicable Development DPF Business is signed, or (ii) the third full month following the date when Developer was required to open the applicable Development DPF Business pursuant to the Development Schedule.

4.4 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. Each 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 that Developer must sign on or before the earliest of (i) 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, (ii) 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 (iii) 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 when the Franchise Agreement for each Newly Opened Development DPF Business is executed.

4.5 DEVELOPMENT SCHEDULE

Developer will develop, establish, and operate Development DPF Businesses in strict accordance with the Development Schedule. The Development Schedule sets forth the Development Periods and 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.

4.6 REASONABLENESS OF DEVELOPMENT SCHEDULE

Developer represents that Developer has conducted an independent investigation and analysis of the prospects for the establishment of DPF Businesses 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 on or before the earliest of (i) 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, (ii) the date Developer (subject to Franchisor's approval of the DPF Business Location) enters into a purchase agreement for the real estate of the DPF Business Location for each respective Newly Opened Development DPF Business, or (iii) 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 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 form of Franchise Agreement will be determined by Franchisor in Franchisor's discretion. The then-current form of 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 with 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 with 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

Franchisor has the sole and absolute right to transfer or assign Franchisor's rights and obligations under this Agreement, in whole or in part (for any purpose and in any form of transaction as may be designated or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity, or third party without Developer's approval or consent.

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 or equity interests in Developer without the express written consent of Franchisor which consent Franchisor may withhold in Franchisor's discretion. Any Transfer 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 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 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 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, or controversy arising from or related to this Agreement 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 Denver County, Colorado or, if a mediator is not available in Denver County, Colorado then at a suitable location selected by the mediator that is located closest to Denver 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 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 (i) 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, or (ii) 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 or related to this Agreement, the relationship between Franchisor and Developer, the System, 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 Denver County, Colorado, or if suitable AAA facilities are not available in Denver County, Colorado, then at a suitable AAA location selected by the arbitrator that is located closest to Denver County, Colorado.

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

(i) 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;

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

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

(iv) Except as may be otherwise required 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;

(v) 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;

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

(viii) Arbitration 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 in Denver County, 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 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 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 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 (I) ALLOWED BY FRANCHISOR OR DEVELOPER FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT, OR (II) 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 or a court of competent jurisdiction issues an award, judgment, decision, or order finding, holding, 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 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 OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT 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, OR GUARANTORS AND FRANCHISOR OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS, 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, 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 or electronically as Franchisor designates. 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 that such request will be deemed unapproved if Franchisor does not respond. 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, Fourth 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 Developer's Owners:

Owner Name	Owner Address	Ownership Interest Percentage

Development Area

Development DPF Businesses Initial Franchise Fees and Development Area Fee
Development Area Fee (total of Initial Franchise Fees):

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 Schedule		
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

Address	Franchisee	Telephone
2341 West Sherman Street Phoenix, AZ 85009	Leo Reyes	(602) 910-0521
11462 Digby Drive Gentry, AR 72734	Robb Becker and Rashelle Becker	(479) 238-4456
10 Collins Industrial Place North Little Rock, AR 72113	Rick Sekich	(501) 697-4050
419 County Road 440 Piggott, AR 72454	Les Smith	(870) 450-9175
315 First Street, Box 7 Pierce, CO 80650	Justin Strohmeyer	(970) 815-9080
2285 Busch Avenue, Unit 4 Colorado Springs, CO 80904	Alan Whipple	(720) 400-9652
510 Fruitvale Court, Unit C Grand Junction, CO 81504	Kelly Baier	(720) 965-9650
1173 SW Highway 17 Arcadia, FL 34266	Jared Nightingale	(620) 353-3601
217 SW Morrell's Court, Unit 105 Lake City, FL 32024	Ken Estes	(386) 406-8686
314 Garrison Road, Unit B Macon, GA 31211	Aaron Milholen	(478) 973-8502
255 Pumpco Court Atlanta, GA 30297	Darren Lemorande	(470) 964-6515
106 South 43rd Avenue Caldwell, ID 83605	Perry Killam	(208) 900-8961
404 North Center Point Road Hiawatha, IA 52233	Michael Lindenberg	(319) 640-1312
2004 Hempstead Drive, Unit D Pella, IA 50219	Jon Laverty and Anthony Hodges	(641) 621-0111
102 South 20th Fredonia, KS 66736	Sheldon Nightingale	(620) 288-0862
13904 West 108th Street Lenexa, KS 66215	Christopher Bennett	(913) 498-9999
588 Lee Carter Road Austin, KY 42123	Tyson Phillips	(270) 783-2200
4118 Brewers Highway Benton, KY 42025	Andy Becker	(270) 227-0095
1895 West Hayes Road Ithaca, MI 48847	Marshall Littwiller	(989) 763-3098
2515 Williams Drive Waterford Township, MI 48328	Lance Denny	(810) 545-6535
611 Meadow View Drive West Point, MS 39773	Jeremy Jantz	(662) 524-0002

Address	Franchisee	Telephone
205 Fellowship Road, Suite One Taylorsville, MS 39168	Jason Nissley	(601) 452-1641
1508 Industrial Boulder City, NV 89005	Arsen Madoyan	(866) 373-2532
1275 Kleppe Lane, Unit 24 Sparks, NV 89431	Joseph Blondina	(775) 332-1274
1206 East Murray Drive Farmington, NM 87401	Jason Groen and Shannon Groen	(505) 592-0888
76710 Road 347 Elsie, NE 69134	Errol Dueck	(308) 464-0773
5104 Reagan Drive, Suite 9 Charlotte, NC 28206	Austin Northcutt	(704) 504-8004
105 Saint Johns Road Grifton, NC 28530	Mark Goertzen	(252) 902-7258
8430 Fort Laurens Road NW Strasburg, OH 44680	Brian Kohl	(330) 495-3659
720 Ford Street Maumee, OH 43537	Ron Pittman	(419) 461-1061
144 South Miami Avenue Bradford, OH 45308	Randy Covault	(937) 706-0386
4055 NW Third, Building B Oklahoma City, OK 73107	Larry Devault	(405) 256-1002
3890 West First Avenue Eugene, OR 97402	Crystal Rathe	(541) 222-0444
191 Bateman Drive Central Point OR 97502	Matt Krouse	(541) 664-6640
715 SE Business Way, Suite 5 Bend, OR 97701	Bob Babcock	(541) 848-8445
302 Second Street York Springs, PA 17372	Nate Johnson, Jeff Boyer, and Justin Boyer	(717) 417-0172
145 Mcleod Road Columbia, SC 29203	Ken Holloway	(803) 569-1919
1015 Cedarwood Street Knoxville, TN 37914	Jeff Gettelfinger	(865) 339-4904
520 CR108, Unit 13 Hutto, TX 78634	Kylun Ching and Hyatt Garcia	(512) 591-0906
15116 Lee Road, Unit 5116-505 Humble, TX 77396	Robert Rangel	(713) 724-8485
1801 Texline Street Dalhart, TX 79022	Randy Smith	(844) 437-3486
601 North University Avenue, Suite 301 Lubbock, TX 79415	Vanessa Edwards	(806) 577-4949
2429 Hygea, Suite A Corpus Christi, TX 78415	Jaime Rangel	(361) 600-2050
1609 West Florida Midland, TX 79705	Alejandro Olivas	(432) 556-9094
2121 Brittmoore Road, Suite 2800 Houston, TX 77043	Keith Lindemann and Jenna Lindemann	(346) 509-7400

Address	Franchisee	Telephone
1563 Thornton Avenue SW Pacific, WA 98047	Kevin Serapin	(253) 289-2141
1129 Woodland Drive Milton, WV 25541	Chase Bryant	(304) 500-9325
1318 11th Street Barron, WI 54812	Donavan Yoder	(715) 296-0250

FRANCHISEES WHO HAVE LEFT THE SYSTEM

Address	Franchisee	Telephone
4694 Glencoe Street Denver, CO 80216	Dan LaFaver	(303) 564-5812

EXHIBIT F

STATE SPECIFIC ADDENDA AND RIDERS

INDIANA

1. 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.

2. 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.

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.

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

EXHIBIT G

FRANCHISEE ORGANIZATIONS FRANCHISOR HAS CREATED, SPONSORED, OR ENDORSED AND INDEPENDENT ORGANIZATIONS

NONE

EXHIBIT H

FINANCIAL STATEMENTS

DPF ALTERNATIVES

INDEPENDENT AUDITED FINANCIAL

STATEMENTS

December 31, 2023, December 31, 2022 and December 31, 2021

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Ph. (720) 808-2945
email:cristian@cbxcpa.com
Cristian Borcan, CPA, PC
11995 W Temple Drive, Morrison, CO 80465

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of DPF Alternatives

Opinion

We have audited the accompanying financial statements of DPF Alternatives a Colorado corporation, which comprise the balance sheets as of December 31, 2023, December 31, 2022 and December 31, 2021, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DPF Alternatives as of December 31, 2023, December 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DPF Alternatives and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DPF Alternatives' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DPF Alternatives' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DPF Alternatives 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cristian Borcan, CPA, PC
Morrison, Colorado
November 11, 2024

DPF ALTERNATIVES

Balance Sheet

As of December 31,

(in $)

	2023	2022	2021
Assets			
Current assets:			
Cash and cash equivalents	1,242,826	979,579	548,742
Accounts receivable	32,223	10,200	125,000
Notes receivable	137,469	-	-
Total current assets	1,412,518	989,779	673,742
Receivable from shareholders-long term	-	-	25,000
Property, plant and equipment, net	105,982	225,388	92,632
Other assets	-	13,500	-
Total assets	1,518,500	1,228,667	791,374
Liabilities			
Current liabilities:			
Accounts payable and accrued expense	543	7,578	2,438
Notes payable	56,687	-	-
Payroll payable	-	20,500	71,799
Deferred revenue - current	229,183	111,805	178,368
Total current liabilities	286,412	139,883	252,605
Deferred revenue-long term	1,604,278	1,322,286	841,268
Total liabilities	1,890,690	1,462,169	1,093,873
Retained earnings	(372,190)	(233,502)	(302,500)
Total equity	(372,190)	(233,502)	(302,500)
Total liabilities and equity	1,518,500	1,228,667	791,373

DPF ALTERNATIVES

Statement of retained earnings

December 31,

(in $)	2023	2022	2021
Beginning of the year balance of shareholders'	(233,503)	(543,439)	(787,150)
Contributions(distributions)	(365,066)	178,154	2,772
Net income	226,378	131,782	240,939
Year end balance of shareholders' equity	(372,190)	(233,503)	(543,439)

DPF ALTERNATIVES

Income Statement

December 31

(in $)	2023	2022	2021
Revenues			
Revenues	277,912	199,295	571,702
PPP loan forgiveness	-	-	23,133
Interest income	901	187	44
Franchise revenue	7,500	44,925	-
Royalties	507,521	386,964	-
Gain on sale of assets	-	-	11,803
Completed training	65,000	42,500	-
Other income	65,626	-	-
Total revenues	**924,460**	**673,871**	**606,682**
Expenses			
Advertising & Marketing	4,212	5,786	8,375
Automobile Expense	4,030	791	237
Bank charges	4,886	5,077	2,076
Computer and internet expenses	927	401	62
Dues and subscriptions	530	606	289
Employee advancement	39,500	22,500	-
Insurance expense	-	2,486	353
Interest expense	-	-	271
Licenses and permits	10	-	-
Meals and entertainment	2,396	289	186
Outside Services	194,256	145,730	70,639
Payroll expenses	225,432	275,263	234,969
Postage & Delivery	663	1,881	-
Professional fees	139,301	62,697	19,624
Repairs and maintenance	4,777	124	-
Office Supplies and Software	845	766	2,082
Taxes & Licenses	-	2,685	2,000
Telephone expense	3,399	607	2,438
Trade Show	767	5,983	-
Travel expense	9,548	401	315
Uniforms	431	-	-
Utilities	17	-	286
Website	18,931	6,232	4,933
Depreciation expense	27,999	1,785	16,609
Loss on sale of assets	15,225	-	-
Total expenses	698,081	542,088	365,744
Net income	**226,378**	**131,782**	**240,938**

DPF ALTERNATIVES

Statement of Cash Flows

December 31,

(in $)	2023	2022	2021
Operating activities			
Net income (loss)	226,378	131,782	240,938
Adjustments to reconcile net income to net cash provided (used) by operations:			
Depreciation	27,999	1,785	16,609
Changes in certain working capital components and other assets and liabilities:			
(Increase) decrease in accounts receivable	(22,023)	125,000	(110,000)
(Increase) decrease in notes receivable	(137,469)		
Increase (decrease) in accounts payable	(7,036)	(15,016)	
Increase (decrease) in accrued expenses			(2,577)
Increase (decrease) in notes payable	56,687	-	-
Increase (decrease) in current portion of long-term	-	-	(15,369)
Increase (decrease) in payroll payable	(20,500)	(72,799)	43,598
Increase (decrease) in deferred revenue	117,378		
Increase (decrease) in interest payable	-	-	(7,439)
Cash provided (used) by operations	241,414	170,753	165,761
Investing activities			
Receivable from shareholders-long term	-	25,000	
Proceeds from sale of assets	70,119	223,603	
Other assets	13,500	-	-
Cash provided (used) in investing activities	83,619	248,603	-
Purchase of equipment		130,971	
Financing activities			
Deferred revenue-long term	-	481,018	293,119
Net assets	-	(481,017)	-
Retained earnings			241,209
Distributions		302,500	
Shareholders's contributions (distributions)		(200,780)	3,000
Notes payable - long-term	-	-	(28,332)
Shareholder's distributions	(343,778)	-	-
Cash provided (used) in financing activities	(343,778)	101,721	26,578
Net increase (decrease) in cash during the year	(18,745)	521,077	197,040
Cash and cash equivalents, beginning of the year	979,579	548,742	351,701
Cash and cash equivalents, end of the year	1,242,826	979,579	548,742

DPF ALTERNATIVES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of DPF Alternatives. (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements.

Nature of Business

DPF Alternatives, LLC, referred to herein as the "Company" is engaged in the business of franchising DPF Alternatives franchises across the United States. DPF Alternatives 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, 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 DPF Alternatives.

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.

Cash and Cash Equivalents

The Company's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value.

Accounts and Contracts Receivable and Bad Debt Allowance

The Company provides an allowance for doubtful accounts based upon a review of existing accounts and contracts receivable. Based upon this review, there is no allowance for doubtful accounts considered necessary for 2023 and 2022. Management is of the opinion that accounts and contracts receivable at December 31, 2023 are collectible. For the year ended December 31, 2023, there were no accounts charged to bad debt expense by the Company.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is provided principally using straight line method for financial reporting purposes over the estimated useful lives of the assets. Depreciation expense for the year ended December 31, 2023 and 2022 was $27,999 and $1,785, respectively. For 2021 the depreciation expense was $16,609.

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterment and major renewals are capitalized. The cost of assets sold or retired, and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gains or losses are included in other income.

The estimated useful lives of the Company's property, plant and equipment are within the following ranges:

Machinery and equipment	3 - 20 years
Autos and trucks	3 - 15 years
Leasehold improvements	3 - 39 years
Computer and software	3 - 7 years
Furniture and fixtures	3 - 7 years

Recently Issued Accounting Standards and Adopted

In February 2016, the FASB issued the new leasing standard (ASU 2016-02- Leases (Topic 842)). The ASU affects all companies that lease assets such as real estate and equipment. Under the new guidance, lessees will recognize the right-of-use asset and corresponding liability on the balance sheet for all leases with terms of more than 12 months. The effective date of the new standard for nonpublic companies is for fiscal years beginning after December 15, 2021 . The Company implemented the leasing standard for the year ended December 31, 2021, and information on the impact of the leasing standard is included in Note G. Other accounting pronouncements recently issued by the FASB did not or are not believed by management to have a material impact on the Company's present or future financial statements.

Use of Estimates

The preparation of the 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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

It is reasonably possible that changes may occur in the near term that would affect management's estimates with respect to the cost to cost method, allowance for doubtful accounts and accrued expenses. Revisions in estimated contract profits are made in the year in which circumstances requiring the revision become known.

Date of Management's Review

Subsequent events have been evaluated through November 11, 2024, which is the date the financial statements were available to be issued. Management is of the opinion there are no subsequent events to disclose.

NOTE B - ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2023 and 2022 are $ 32,223 and 10,200, respectively. Accounts receivable at December 31, 2021 are $125,000.

NOTE C- DEFERRED REVENUE

Deferred revenue as of December 31, 2023 is $ 1,833,461.

NOTE D - EMPLOYEE BENEFIT PLAN

The Company has a defined contribution 401(k) plan which covers employees meeting certain eligibility requirements. Contributions to the plan are at the discretion of management. For the year ended December 31, 2023, there were no discretionary contributions made by the Company.

NOTE E - UNCERTAINTIES, CONTINGENCIES, AND RISKS

The Federal Deposit Insurance Corporation (FDIC) standard insurance amount is $250,000 and balances in excess of this amount are subject to risk. The balance in one bank account reflected on the statements at financial institutions on December 31, 2022, were more than FDIC coverage but the Company has not experienced any losses in this account.

The Company's contingent liabilities include warranty obligations, disputes and litigation arising in the ordinary course of business, which management believes will not have a material advise effect on the Company's financial condition.

Concentrations of credit risk

The Company grants credit In the normal course of business to franchises 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 the 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.

Expense recognition

The Company records expenses as they are incurred.

NOTE F. 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 G. 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.

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.

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 franchises as acquired to operate their companies In compliance with their franchise agreement, which includes adherence to operating and quality control procedures established by the Company.

Initial Franchise Fees and Related Franchise Costs

Initial franchise fees paid by franchisees re recognized as revenue when payment is derived as the company uses the cash basis. These franchise fees are non-refundable except in certain circumstances. Thera 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 loaf advertising fees, twining of additional personnel fees, missed quota taming fees, replacement Inventory fees and others..

Expense recognition

The Company records expenses as they are incurred.

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.

DPF ALTERNATIVES, LLC

Financial Statements For The Year Ended December 31, 2024

TOGETHER WITH INDEPENDENT ACCOUNTANT AUDIT REPORT

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INDEPENDENT ACCOUNTANT AUDIT REPORT

To the Management of DPF ALTERNATIVES, LLC

Opinion

We have audited the financial statements of DPF ALTERNATIVES, LLC (the "Company"), which comprise the Balance Sheet as of December 31, 2024, the related Profit & Loss Statement, the related Statement of Cashflows, the related Statement of Shareholders' Equity, and the related notes for the twelve-month period then ended. (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024, and the results of its operations and its cash flows for the twelve-month period ended December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

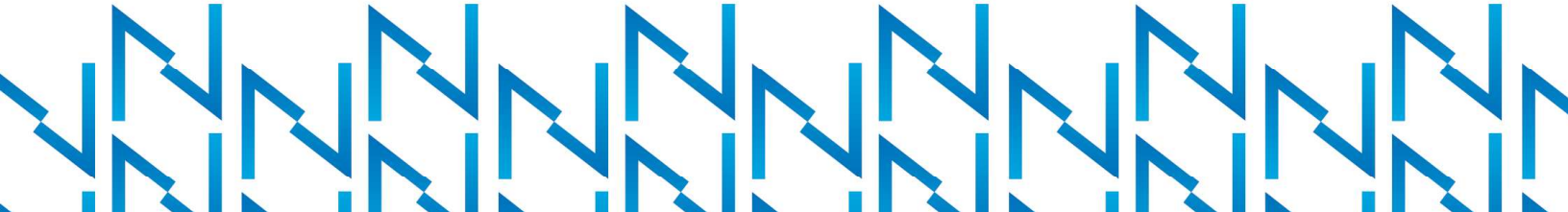
In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Omar Alnuaimi, CPA

Naperville, IL
April 29, 2025

DPF ALTERNATIVES, LLC
PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

Revenue	
Revenue - Franchise Fees	$ 340,332
Revenue - Royalties	636,827
Revenue - Completed Training & Other	12,847
Other Revenue	29,641
Cost of Sales	-
Gross Profit	1,019,647
Operating Expense	
Legal & Professional Fees	275,899
Payroll Expenses	96,127
Commission Expense	50,921
Tax & License Expenses	39,235
Technology Expense	14,098
Advertising & Marketing Expense	13,672
Office Expense	12,119
Travel Expense	4,267
Automobile Expense	4,250
Total Operating Expense	510,589
Net Income From Operations	509,058
Other Income (Expense)	
Deprecation Expense	(28,000)
Interest Expense	(1,350)
Total Other Income (Expense)	(29,350)
Net Income Before Provision for Income Tax	479,708
Provision for Income Taxes	-
Net Income (Loss)	$ 479,708

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

DPF ALTERNATIVES, LLC
BALANCE SHEET
DECEMBER 31, 2024

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$1,117,398
Accounts Receivable	39,743
TOTAL CURRENT ASSETS	1,157,141
NON-CURRENT ASSETS	
Loan Receivable	76,647
Fixed Assets, net	155,557
TOTAL NON-CURRENT ASSETS	232,204
TOTAL ASSETS	1,389,345
LIABILITIES AND OWNER'S EQUITY	
CURRENT LIABILITIES	
Other Current Liabilities	22,838
Due to Related Party	598,012
TOTAL CURRENT LIABILITIES	620,850
NON-CURRENT LIABILITIES	
Deferred Franchise Revenue	1,586,161
Auto Loan	15,547
TOTAL NON-CURRENT LIABILITIES	1,601,708
TOTAL LIABILITIES	2,222,558
OWNER'S EQUITY	
Retained Earnings	(1,312,921)
Net Income (Loss)	479,708
TOTAL SHAREHOLDERS' EQUITY	(833,213)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,389,345

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

DPF ALTERNATIVES, LLC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING ACTIVITIES	
Net Income	$ 479,708
Non-Cash Adjustments	
Changes in Accounts Receivable	(7,520)
Changes in Loan Receivable	60,822
Changes in Notes Payable	(56,687)
Changes in Other Current Liabilities	21,797
Changes in Deferred Revenue	(247,300)
Changes in Accumulated Deprecation	28,500
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	279,320
INVESTING ACTIVITIES	
Property, Plant, & Equipment (net)	(77,575)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(77,575)
FINANCING ACTIVITIES	
Owner's Contribution	(940,731)
Auto Loan	15,547
Due to Related Party	598,012
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(327,172)
NET INCREASE (DECREASE) IN CASH	(125,428)
CASH AT BEGINNING OF PERIOD	1,242,826
CASH AT END OF PERIOD	$1,117,398

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

DPF ALTERNATIVES, LLC
STATEMENT OF SHAREHOLDERS' EQUITY
DECEMBER 31, 2024

	Opening Equity Balance	Yearly Changes	Total
Balance, December 31, 2023	$ (372,190)	$ -	$ (372,190)
Net Income For The Period Ended December 31, 2024	-	479,708	479,708
Equity Contributions (Distributions)	-	(940,731)	(940,731)
Balance, December 31, 2024	**$ (372,190)**	**$ (461,023)**	**$ (833,213)**

See Independent Accountant's Audit Report and accompanying notes, which are an integral part of these financial statements.

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

DPF ALTERNATIVES, LLC (the "Company") is engaged in the business of franchising DPF Alternatives franchises across the United States. DPF Alternatives 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, 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 DPF Alternatives.

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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). As a result, the Company records revenue when earned and expenses when incurred. The Company has adopted the calendar year as its basis of reporting.

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 the disclosures of contingent assets and liabilities and other items, as well as the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and any cash equivalents include all cash balances, and highly liquid investments with maturities of three months or less when purchased.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Franchisee Receivables

The Company's franchisee receivables primarily result from initial franchise fees, royalty fees, brand development contributions and training fees charged to franchisees. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. The Company reports these receivables at net realizable value.

Management determines the allowance for doubtful accounts based on historical losses, current expectations, and economic conditions. On a continuing basis, management analyzes delinquent accounts receivable and, once these accounts receivable are determined to be uncollectible, they are written off through a charge against an existing allowance account. The allowance account is reviewed regularly and adjusted against earnings as appropriate. The Company determined that an allowance on outstanding franchisee receivables of $0 was necessary as of December 31, 2024. Franchisee bad debt expense was $0 for the year ended December 31, 2024. Franchisee amounts written off were $0 for the year ended December 31, 2024.

Fixed Assets and Depreciation

Property and Equipment is stated at cost. Accounting principles generally accepted in the United States of America require that property and equipment be depreciated using the straight-line method. Expenditures for normal repairs and maintenance are charged to operations as incurred.

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of the undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. As of December 31, 2024, no impairment loss has been recognized for long-lived assets.

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Fair Value of Financial Instruments (cont.)

- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).
- Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

As of December 31, 2024, the carrying amounts of the Company's financial assets and liabilities reported in the balance sheets approximate their fair value.

Revenue Recognition

Revenues are primarily derived from franchise fees (one-time and recurring monthly fees). In accordance with Accounting Standards Codification (ASC) Topic 606, Revenue will be recognized when persuasive evidence of an arrangement exists, delivery has occurred, or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonable assured. The determination of whether fees and fixed or determinable and collection is reasonable assured involves the use of assumptions. Arrangement terms and customer information are evaluated to ensure that these criteria are met prior to recognition of revenue.

Specifically for franchisors, The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' in 2021 which provides a new practical expedient that permits private company franchisors to account for preopening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance. The Company has elected to adopt this new standard.

Unearned Revenue

The Company's primarily performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including initial training and other such activities commonly referred to collectively as "pre-opening activities", which are recognized as a single performance obligation. The Company expects that certain pre-opening activities provided to the franchisee will not be brand specific and will provide the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of pre-opening activities that will be provided that is not brand specific is expected to be distinct as it will provide a benefit to the franchisee and is expected not to be highly interrelated or interdependent to the access of the Company's intellectual property, and therefore will be accounted for as a separate distinct performance obligation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Unearned Revenue (cont.)

All other pre-opening activities are expected to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore will be accounted for as a single performance obligation, which is satisfied by granting certain rights to access the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company will first allocate the initial franchise fees and the fixed consideration, under the franchise agreement to the standalone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, which are not brand specific are recognized ratably as those services are rendered. Consideration allocated to pre-opening activities included under Accounting Standards Update (ASU) to ASC 606, Franchisors—'Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient' is recognized when the related services have been rendered.

The remaining franchisee fee not allocated to pre-opening activities are recorded as Unearned Revenue and will be recognized over the term of the franchise agreement.

Income Taxes

The Company applies ASC 740 Income Taxes ("ASC 740"). Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial statement reported amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax expense for the period, if any and the change during the period in deferred tax assets and liabilities.

Commitments and Contingencies

The Company may be subject to pending legal proceedings and regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty, but the Company does not anticipate that the final outcome, if any, arising out of any such matter will have a material adverse effect on its business, financial condition or results of operations. As of December 31, 2024, the Company has not reported any lawsuit or known plans of litigation by or against the Company.

NOTE C – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and any cash equivalents with a limited number of high-quality financial institutions and do not exceed the amount of insurance provided on such deposits.

NOTE D – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 29, 2025, the date on which the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of Management's review substantially affect the amounts and disclosure of the accompanying financial statements.

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	*N/A*
Illinois	*N/A*
Indiana	*N/A*
Maryland	*N/A*
Michigan	*N/A*
Minnesota	*N/A*
New York	*N/A*
North Dakota	*N/A*
Rhode Island	*N/A*
South Dakota	*N/A*
Washington	*N/A*
Wisconsin	*N/A*

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: April 30, 2025.

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 and: _____.

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 April 30, 2025, 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.