FRANCHISE DISCLOSURE DOCUMENT

Fictiv Local LLC
1611 Telegraph Avenue, Floor 12, Oakland, CA 94612
Telephone: (817) 717-4512
Email: franchising@fictivlocal.com
www.fictivlocal.com

We offer you a franchise to own and operate a "Fictiv Local" business for the operation of a 'build to print' advanced manufacturing center featuring CNC machining, additive manufacturing, and associated processes. We offer this through both a conversion of an existing business or the opportunity to build a new Fictiv Local business.

The total investment necessary to begin operation of a single new startup franchised Fictiv Local facility is from $230,500 to $1,126,000. This includes $115,000 that must be paid to franchisor or its affiliates. The total investment necessary to begin operation of a single franchised Fictiv Local that was converted from a previous business is $11,500 to $1,021,000. This includes $10,000 that must be paid to franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payments to the Franchisor, or an affiliate, in connection with the proposed franchise sale**. Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact our Business Development Manager, Steven Poullath, 1611 Telegraph Avenue, Floor 12, Oakland, California 94612**,** (817) 717-4512 or via email at steven.poullath@fictiv.com.

The terms of your contract will govern your franchise relationship. Do not 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 ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS: April 20, 2026

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:

QUESTIONS	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 Exhibits B and C.
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 business?	Item 21 or Exhibit A 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 Fictiv Local 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 Fictiv Local franchisee?	Item 20 or Exhibit B 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 F.

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 California. 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 California than in your own state.

2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services and support to you.

4. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for your financial obligation under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

FICTIV LOCAL LLC

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FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses "we," "us," "Franchisor" or "our" to mean Fictiv Local, the franchisor, and "you" "Franchisee" or "your" means the individual, corporation or other entity that buys our franchise. "You" also includes the franchise owners, partners or members.

The Franchisor, Any Parents, Predecessors and Affiliates

We conduct business under the name "Fictiv Local". Our principal business address is 1611 Telegraph Avenue, Floor 12, Oakland, CA 94612**.** We are a Delaware limited liability company which was formed April 24, 2023, to initiate our franchising program on September 22, 2023. We have not conducted a business of a type described in this Disclosure Document or sold franchises in any other line of business but, our affiliate, Fictiv Inc., who maintains a business address at 1611 Telegraph Avenue, Floor 12, Oakland, CA 94612 and has conducted Fictiv business since its formation August 19, 2013. Fictiv Inc. has never sold franchises in this line or any other line of business.

Our affiliate will not participate in the franchising operations, nor will it provide any management or operational services or financial guarantees for our franchisees, except that use may be made of our affiliate's franchise facilities and personnel for training purposes. Neither we nor our affiliate has previously offered franchises of any type.

Agents for Service of Process

Our Agents for Service of Process are set forth in Exhibit "F" of the disclosure document.

The Franchises Being Offered

Fictiv Local offers franchisees the right to own and operate a franchised Fictiv Local's 'build to print' advanced manufacturing centers featuring CNC machining, additive manufacturing, and associated processes. We offer you this to you through either conversion of your existing business into a Fictiv Local or the right to open a new start-up Fictiv Local facility. Our franchised centers provide Fictiv's brand to reach both local and national accounts and a paperless digital operating system delivering with best-in-class speed, quality and price to your customers.

Franchisees of Fictiv Local ("Franchise" or "Franchise Business") will have the opportunity to establish and operate a Fictiv Local franchise at a single defined location within a specific territory using the licensed trademarks, service marks, trade names, logos and commercial symbols, printed materials, proprietary products and methods of operation under a Franchise Agreement you sign with us and an Operation's Manual that sets forth our system standards.

The Franchise System and Proprietary Marks

Our franchises are characterized by, among other things, distinct standards and specifications for serving the public on and off premises using products, supplies and services, uniform standards, specifications and procedures for operations, training and assistance (the "System"). The System is

identified by means of certain trade names, marks, service marks, logos, emblems and other indicia of origin, including the Mark "Fictiv" (the "Marks").

Market and Competition

Fictiv Local operates 'build to print' advanced manufacturing centers featuring CNC machining, additive manufacturing, and associated processes. The centers provide Fictiv Local's brand to reach both local and national accounts and a paperless digital operating system to deliver best in class speed, quality and price to your customers.

The market for manufacturing centers featuring CNC machining, additional manufacturing, and associated processes is well-established. There is active price competition among manufacturing centers, as well as competition for management personnel and for attractive commercial real estate sites suitable for manufacturing centers. You must expect to compete with many other locations offering comparably priced services. Competitors may be locally owned or large regional or national chains.

Industry Specific Regulations

The manufacturing center industry is heavily regulated. You must comply with local, state and federal laws and obtain required permits, registration and licenses. Many of the laws, rules and regulations that apply to business generally, such as the Export Administration Regulations (EAR) and International Trafficking in Arms Regulations (ITAR), FAR/DFARS (Federal Acquisition) Americans with Disabilities Act, federal and state wage and hour laws and the Occupational Safety and Health Act, Affordable Care Act, various agency/commercial registration(s) (ex. ITAF, FDA, ISO), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act), also apply to your franchise.

Other than Section 1502 of the Dodd Frank Street Reform and Consumer Protection Act relating to the use of conflict metals and safety regulations which vary from state to state, we are not aware of any regulations specific to our industry.

Specific laws and regulations in your state or local area may also require licensure, certification, or training of individuals providing the services of your business. Licensure requirements may also apply to your franchise business. It is your responsibility to understand any licensure, certification and training requirements in your territory and ensure your franchise business adheres to those requirements.

ITEM 2

BUSINESS EXPERIENCE

Dave Evans: Chief Executive Officer

Dave is the CEO and has been since our formation in San Francisco, California. Mr. Evans has also been the CEO of our affiliate, Fictiv Inc., since its formation in 2013.

Andrew Wooley: General Manager

Andrew has served as our General Manager since January 2026 in Oaklnad, California. Prior to his position with us, Andrew was the President of HPP a manufacturing company in Houston, Texas from August 2011 to July 2025.

Steven Poullath: Senior Business Development Manager

Steven has served as our Senior Business Development Manager since July 2025 in San Diego, California. Prior to this role, Steven served as our Business Development Manager from October 2024 to July 2025 in San Diego, California. Prior to his position with us, Steven was an Operations Manager for Barrel Service LLC, a machine shop, in San Marcos, California from September 2023 to October 2024. From January 2023 to September 2023, Steven was a Manufacturing Engineer for Dexter Axle in San Marcos, California. From January 2018 to January 2023, Steven was CEO/Owner of InnShop Co., a manufacturing business, in Show Low, Arizona.

Hayato Kadowaki: Business Development Manager

Hayato has served as our Business Development Manager since April 2026. Prior to his position with us, he was a Product Development Specialist with Misumi USA Inc. from January 2023 to April 2026 in Tokyo, Japan. From January 2019 to December 2022 Hayato was an International Sales Account Manager at Furukawa Electric Company in Tokyo, Japan.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this disclosure document.

ITEM 4

BANKRUPTCY

Our General Manager, Andrew Wooley, individually, filed bankruptcy under Chapter 13 of the United States Bankruptcy Code. This voluntary petition was filed in the U.S. Bankruptcy Court for the Southern District of Texas, Case No.: 2:23-bk-2241. On May 28, 2025, the Court enter an Order discharging Mr. Wooley's debt.

Other than as provided above, there is no bankruptcy information required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Agreement.

The initial franchise fee for a single new startup Fictiv Local franchise business is $115,000. The initial franchise fee for a conversion Fictiv Local franchise business is $10,000. Each franchise business will include a territory designated by Franchisor and delineated by zip codes. Franchisor will determine the size of a territory in its sole discretion, provided that the minimum size of any territory will be at least one zip code and not to exceed one (1) entire state, subject to Franchisor approval. The initial franchise fee for a startup or conversion Fictiv Local is nonrefundable.

All Franchise Fees are payable in a lump sum, non-refundable, fully earned upon receipt and will be used for our general operating expenses, including costs of fulfilling our obligations to you. There are no other initial fees you pay to us or any affiliate before you begin operating your business.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Continuing License Fee	8% of monthly Gross Revenue for new customers and 0% of monthly Gross Revenue for existing customers.	Payable by Electronic fund transfer on or before the 15th day of each month on Gross Revenue for the prior full or partial month	See definition of Gross Revenue in Note (1) below
Insurance	Amount paid by us for insurance you fail to obtain, and an administrative fee of 15% of insurance premium value (plus the underlying premium cost(s)).	As Incurred if purchased by us on your behalf. Due immediately upon billing.	If you fail to obtain the required insurance coverage, we may, in our sole discretion, obtain the coverage at your expense plus administrative fees of 15% (Franchise Agreement Paragraph 11.13)
Audit Fee	Cost of Audit and 1½% interest compounded monthly on any understated amount.	Due when billed following any such audit.	You pay this fee only if the audit reflects an understatement of 2% or more for any audited month.
Seminars and Training Conferences	There are no fees for seminars or training conferences. You will be responsible for your own travel and living expenses.	Periodic Seminars and Conferences will be held at a different location of our choosing. These events will not exceed 5 days in length.	There is no fee if we conduct a conference. You will be responsible for your own travel and living expenses, paid as incurred. You will not be required to attend more than two such conferences per year. If you fail to attend a required conference, a non-attendance fee of $2,000 will apply (Franchise Agreement Section 7.5).
Additional Training	None. You are responsible for your own travel and expenses.	Immediately after notice from us.	If, at your request, or if we train a replacement trainee and we send one of our staff members to the franchised business to provide further training or assistance, there is no charge

Type of Fee	Amount	Due Date	Remarks
			for the training. You are responsible for the travel expenses of our employee.
Local Advertising Expense	After 120 days of continuous operations, you are required to provide proof of marketing and advertising campaigns to Franchisor. If you fail to provide such proof, Franchisor may mandate that you dedicate 1% of annual Gross Revenue to advertising under the Fictiv Local brand.	Monthly	Various service providers. See Note (2) for required reporting. Must follow any applicable marketing/branding guidelines for use of "Fictiv" mark.
Successor Fee	None	N/A	There is no successor fee.
Costs and Attorneys' Fees	Will vary under the circumstances.	Immediately upon notice from us.	As set forth in each Franchise Agreement(s).
Indemnification	Will vary under the circumstances.	As incurred	You must indemnify for any and all claims (including potential claims) arising out of your business.
Late Payment Charges	Maximum allowed by law, but not to exceed 1.5% per month.	Immediately upon notice from us.	You only pay this fee if late in paying fees you owe us.
Review and Approval of Supplier	None	N/A	There is no fee for supplier review and approval.
Unauthorized Failure to Be Open or Available for Production.	None. However, Franchise locations must be open for operation for at least 40 hours per week (Monday through Friday) between the hours of 8 a.m. to 4 p.m.	N/A	Franchise locations must maintain minimum hours of operation as set forth in the Franchise Agreement. There is no monetary penalty for unauthorized closure.

All fees that are imposed by and payable to us are uniform, subject to change, and nonrefundable.

Notes to Above Chart:

(1) "Gross Revenue" As used in this Agreement, the term "Gross Revenue" means all revenue you derive from operating your franchised Fictiv Local facility on a Fictiv Local network

job order, including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone else; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits and allowances actually made by your franchised Fictiv Local facility. Gross Revenue also includes the aggregate of revenues from the sale of goods, wares, services and products from all sources in connection with the franchise business whether from delivery service sales, retail, special functions, etc. and sales of all products whether associated with the Marks or not.

(2) Local Advertising. After 120 days of continuous operations, you are required to provide proof of marketing and advertising campaigns to Franchisor. If you fail to provide such proof, Franchisor may mandate that you dedicate 1% of annual Gross Revenue to advertising under the Fictiv Local brand.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement- New Startup Fictiv Local Franchise Business

Type of Expenditure	Estimated Amount Low	High	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (1)	$115,000	$115,000	Lump Sum	Upon Execution of Agreement	Us
Franchise Location – Rent/Security Deposit (2)	$3,000	$24,000	As Arranged	As Incurred	Landlord
Leasehold Improvements (3)	$2,000	$150,000	Lump Sum	As Incurred	Service Providers
Architectural and/or Engineering Fees (4)	$2,000	$15,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Fixtures, Furniture and Furnishings, Office Equipment (Computers, TV) & Décor (5)	$5,000	$30,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Manufacturing Equipment / Machines (6)	$20,000	$400,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Hand Tools & Misc. Equipment (7)	$1,000	$35,000	Lump Sum or On Arranged Terms	As Incurred	Supplier

Type of Expenditure	Estimated Amount Low	High	Method of Payment	When Due	To Whom Payment is to Be Made
Raw Material Inventory (8)	$500	$15,000	Lump Sum or On Arranged Terms	As Incurred	Approved Supplier
Signage (Interior / Exterior) (9)	$0	$20,000	Lump Sum or On Arranged Terms	As Incurred	Approved Supplier
Utility Deposits, Licenses, Permits and Alarm System Set-up Fees (10)	$1,000	$12,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
Legal (11)	$5,000	$15,000	As Arranged	As Arranged	Suppliers
Accounting (12)	$1,000	$5,000	As Arranged	As Arranged	Suppliers
Insurance (13)	$3,000	$15,000	As Arranged	As Arranged	Approved Suppliers
Software (14)	$2,000	$20,000	Lump Sum or On Arranged Terms	As Incurred	Approved Suppliers
Training Program (15)	$0	$5,000	As Arranged	As Incurred	Travel, Lodging
Additional Funds – Initial 3 Months (16)	$70,000	$250,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
Total Estimated Initial Investment (17)	**$230,500**	**$1,126,000**			

All fees paid to us are nonrefundable and fully earned when paid. The above estimates are based on information from our affiliate and information in the industry.

NOTES:

1. Initial Franchise Fee. The nonrefundable Initial Franchise Fee for a single new startup location is $115,000 for a territory defined by protected zip codes determined by the franchisor. The initial franchise fee is payable in full when the franchise agreement is signed.

2. Franchise Location/Rent-Security Deposit. Estimated cost will vary depending upon such items as area of the country where your Fictiv Local franchise is located, square footage of the location, negotiations with the landlord and other variable factors. To commence operation of a Fictiv Local facility you must secure premises located within the designated Territory. Most landlords require a Security Deposit based upon a number of months of rent.

3. Leasehold Improvements. We anticipate that you will lease your franchised Fictiv Local facility within an industrial park. The range of costs disclosed represents the estimated cost of leasehold improvements for a space of 2000 sq. ft. to 5000 sq. ft. in an existing or future warehouse developed in an industrial zoned complex. Included in the cost of leasehold improvements are the cost of flooring and floor staining. Factors that may significantly affect the costs of leasehold improvements include: new construction from the ground up, the condition of an existing building, the previous tenant's use of the space, the size and configuration of the premises, lease negotiation, union or non-union construction wages, varying material costs, contractor overhead and profitability, and the geographic location of your Fictiv Local facility. The estimated amount assumes that the landlord will provide adequate connections to electric, gas, sewage, water services if necessary and pay any fees associated with water & sewer connections, impact fees, or any other fees associated with obtaining utility service to the unit.

These leasehold improvement estimates DO NOT include any allowance for landlord contributions.

Unless you are experienced in land acquisition, or are a commercial developer, we highly recommend you conform to our suggested prototype of the rental of industrial center space.

4. Architectural and/or Engineering Fees. The range of costs depends on variance of the standard floor plan to a unique floor plan, based on configuration.

5. Fixtures, Furniture and Furnishings, Office Equipment (Computers, TV) & Décor. The estimated price is based on brand new, top of the line items. Options exist such as lease-to-purchase, which may decrease your out-of-pocket costs.

6. Manufacturing Equipment / Machines. The range of costs depends on the variance of the machines chosen by the franchisee to purchase. In the Operations Manual the Franchisor provides detailed information regarding machines that can be purchased, but are not specifically required, to facilitate work for the Fictiv Local facilities. Franchisees may already possess equipment and can request the Franchisor approve use of such existing equipment. Before purchasing any manufacturing equipment (CNC Machines, air compressors, 3D printers or band saws), the franchisee shall verify with the Franchisor that the selected machines are acceptable.

7. Hand Tools & Misc. Equipment. The range of costs depends on the variance of the hand tools and miscellaneous equipment chosen by the franchisee to purchase. In the Operations Manual the Franchisor provides detailed information regarding hand tools and miscellaneous equipment that can be purchased to facilitate work for the Fictiv Local facilities. Franchisees may already possess equipment and can request the Franchisor to approve use of such existing equipment.

8. Raw Material Inventory. The range of costs depends on the Franchisee's investment regarding (1) the volume raw material stock maintained on-hand, and (2) the material lead-time for customer selected material(s) when placed as a discrete material purchase, in order to be able to rapidly fulfill customer needs.

9. Signage (Interior / Exterior). Estimated cost for a channel letter LED building sign, depending upon length and letter size, local and state regulations, permit fees, and accessibility for installation. This also includes the cost of all interior signage, specialty wall signs, etc. The low end of this estimate assumes you create your own sign or it is included with your space.

10. Utility Deposits, Licenses, Permits, Alarm System & Set-up Fees. These costs will vary greatly based on utility company rates, jurisdiction, credit rating, history with utility company, and square footage. All permits (including building, health, signage, electrical, plumbing, HVAC, etc.) vary in cost based on jurisdiction, county by county. Costs vary depending on which Alarm company you choose, and how extensive of a security system you choose to install.

11. Legal. This range includes an estimate for annual insurance premiums and initial casualty insurance policies that you are required to carry and will vary depending upon such factors as size and region of Fictiv Local facility. You should consult with a local professional to get a more accurate representation of what your actual cost may be. Legal and Accounting services will also vary from region to region.

12. Accounting. $1,000 to $5,000 annually. This range includes an estimate for outside accounting consulting or support, at Franchisee's discretion. Should you choose to obtain additional bookkeeping support (beyond an approved accounting system, like QuickBooks), costs may vary based on your selected professional.

13. Insurance. Estimated cost $5,000 to $15,000 annually. This range includes an estimate for annual insurance premiums and initial casualty insurance policies that you are required to carry and will vary depending upon such factors as size and region of Fictiv Local facility. You should consult with a local professional to get a more accurate representation of what your actual cost may be.

14. Software. The approved vendor(s) may charge a fee for enhancements and upgrades. The amount you are charged is dependent upon the vendor and agreements with the vendor. Current software required is: GSuite. We also recommend QuickBooks and Fusion360.

15. Franchisee Certification Training. There is no cost for the franchisee certification training, and it is included in your Initial Franchise Fee, but only for the first Fictiv Local facility opened. This is a cost the franchisee incurs in salaries & benefits, lodging, meals, travel, training materials, etc. These fees vary based on salaries, training time, and chosen hotel & travel accommodations. Franchisee Owner is required to attend.

16. Additional Funds – Initial 3 Months. You will need additional funds to cover expenses during your startup phase (approximately three months). However, the actual amount you will need will depend on a number of factors, including the number of employees, how well you control your initial expenses and your level of sales and marketing during the initial period.

The estimate of additional funds for the initial phase of your business is based on recurring expenses and operating expenses for the first three (3) months of operation. The estimate of additional Funds does not include an owner's salary or draw or staff salaries. The additional funds required will vary by your management skill, experience, and business acumen; the relative effectiveness of staff you may employ; local economic conditions; the local market for your services; the prevailing wage rate; competition; and the sales level that you reach in your Territory. You may incur other or higher costs or fees; you may also need operating capital when running the business that is in addition to what is estimated here. These figures are estimates based upon information provided to us from our affiliate Fictiv Local facility.

17. Total Estimated Initial Investment. Your Initial Investment for a single location is expected to fall within the above estimated range in Item 7.

Franchise Agreement- Conversion of Existing Business to Fictiv Local Franchise Business

Type of Expenditure	Estimated Amount Low	High	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (1)	$10,000	$10,000	Lump Sum	Upon Execution of Agreement	Us
Franchise Location – Rent/Security Deposit (2)	$0	$24,000	As Arranged	As Incurred	Landlord
Leasehold Improvements (3)	$0	$150,000	Lump Sum	As Incurred	Service Providers
Architectural and/or Engineering Fees (4)	$0	$15,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Fixtures, Furniture and Furnishings, Office Equipment (Computers, TV) & Décor (5)	$0	$30,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Manufacturing Equipment / Machines (6)	$0	$400,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Hand Tools & Misc. Equipment (7)	$0	$35,000	Lump Sum or On Arranged Terms	As Incurred	Supplier
Raw Material Inventory (8)	$0	$15,000	Lump Sum or On Arranged Terms	As Incurred	Approved Supplier
Signage (Interior / Exterior) (9)	$500	$20,000	Lump Sum or On Arranged Terms	As Incurred	Approved Supplier
Utility Deposits, Licenses, Permits and Alarm System Set-up Fees (10)	$0	$12,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
Legal (11)	$0	$15,000	As Arranged	As Arranged	Suppliers
Accounting (12)	$1,000	$5,000	As Arranged	As Arranged	Suppliers
Insurance (13)	$0	$15,000	As Arranged	As Arranged	Approved Suppliers
Software (14)	$0	$20,000	Lump Sum or On Arranged Terms	As Incurred	Approved Suppliers

Type of Expenditure	Estimated Amount Low	High	Method of Payment	When Due	To Whom Payment is to Be Made
Training Program (15)	$0	$5,000	As Arranged	As Incurred	Travel, Lodging
Additional Funds – Initial 3 Months (16)	$0	$250,000	Lump Sum or On Arranged Terms	As Incurred	Suppliers
Total Estimated Initial Investment (17)	**$11,500**	**$1,021,000**			

All fees paid to us are nonrefundable and fully earned when paid. The above estimates are based on information from our affiliate and information in the industry and do not include real estate purchases or lease payments. The low end of the estimates for the conversion of an existing business into a Fictiv Local contemplates a business that already has the required item. Costs may vary by individual / location. Franchisee is solely responsible for estimated initial investment costs and we do not finance any part of your initial investment.

NOTES:

1. Initial Franchise Fee. The nonrefundable Initial Franchise Fee for a single conversion Fictiv Local location is $10,000 for a territory defined by protected zip codes determined by the franchisor.

2. Franchise Location/Rent-Security Deposit. You will already have a location that will be converted into a Fictiv Local. You may have some cost associated with converting the location to a Fictiv Local.

3. Leasehold Improvements. You will already have a premises and may incur cost to convert the leasehold improvements to a Fictiv Local. The range of costs disclosed represents needing no additional leasehold improvement to the estimated cost of leasehold improvements for a space of up to 5000 sq. ft. in an existing or future warehouse developed in an industrial zoned complex. Included in the cost of leasehold improvements are the cost of flooring and floor staining. Factors that may significantly affect the costs of leasehold improvements include: the condition of an existing building, the size and configuration of the premises, union or non-union construction wages, varying material costs, contractor overhead and profitability, and the geographic location of your Fictiv Local facility. The estimated amount assumes that you already have adequate connections to electric, gas, sewage, and water services.

4. Architectural and/or Engineering Fees. The estimated range of costs depends on whether you require any architectural and engineering services to convert your existing business into a Fictiv Local facility.

5. Fixtures, Furniture and Furnishings, Office Equipment (Computers, TV) & Décor. You may not need any additional fixtures, furnishings or office equipment. The low end of the estimated costs assumes you do not need additional fixtures, furnishings or office equipment and the high end is based on brand new, top of the line items. Options exist such as lease-to-purchase, which may decrease your out-of-pocket costs.

6. Manufacturing Equipment / Machines. The range of costs depends on whether any machines are needed and on the variance of the machines chosen by the franchisee to purchase. In the Operations Manual the Franchisor provides detailed information regarding machines that can be purchased, but are not specifically required, to facilitate work for the Fictiv Local facilities. Franchisees may already possess equipment and can request the Franchisor approve use of such existing equipment. Before purchasing any manufacturing equipment (CNC Machines, air compressors, 3D printers or band saws), the franchisee shall verify with the Franchisor that the selected machines are acceptable.

7. Hand Tools & Misc. Equipment. The range of costs depends on whether you require any additional hand tools or miscellaneous equipment to convert your existing business to a Fictiv Local and the variance of the hand tools and miscellaneous equipment chosen by the franchisee to purchase. In the Operations Manual the Franchisor provides detailed information regarding hand tools and miscellaneous equipment that can be purchased to facilitate work for the Fictiv Local facilities. Franchisees may already possess equipment and can request the Franchisor to approve use of such existing equipment.

8. Raw Material Inventory. The range of costs depends on the whether you are required to purchase additional raw materials and Franchisee's investment regarding (1) the volume raw material stock maintained on-hand, and (2) the material lead-time for customer selected material(s) when placed as a discrete material purchase, in order to be able to rapidly fulfill customer needs.

9. Signage (Interior / Exterior). Estimated cost for signage includes a channel letter LED building sign, depending upon length and letter size, local and state regulations, permit fees, and accessibility for installation. This also includes the cost of all interior signage, specialty wall signs, etc. Your signage cost may verify depending on your existing business location.

10. Utility Deposits, Licenses, Permits, Alarm System & Set-up Fees. You may not need any additional utilities, and the low end of the estimate assumes all utilities are in place. If needed, the costs of utilities will vary greatly based on utility company rates, jurisdiction, credit rating, history with utility company, and square footage. All permits (including building, health, signage, electrical, plumbing, HVAC, etc.) vary in cost based on jurisdiction, county by county. Costs vary depending on which Alarm company you choose, and how extensive the security system you choose to install.

11. Legal. Your range of legal expenses will vary based on your desired needs. Legal services costs will also vary from region to region.

12. Accounting. You may not need to incur additional accounting expenses. The high end of the range includes an estimate for outside accounting consulting or support, at Franchisee's discretion. Should you choose to obtain additional bookkeeping support (beyond an approved accounting system, like QuickBooks), costs may vary based on your selected professional.

13. Insurance. You may already have an adequate insurance policy in place and may not incur additional costs. However, the high end of this range includes an estimate for annual insurance premiums and initial casualty insurance policies that you are required to carry and will vary depending upon such factors as size and region of Fictiv Local facility. You should consult with a local professional to get a more accurate representation of what your actual cost may be.

14. Software. You may already have the required software needed to convert your business to a Fictiv Local facility. The high end of the range estimates that you will need additional software. The approved vendor(s) may charge a fee for enhancements and upgrades. The amount you are charged is dependent upon the vendor and agreements with the vendor. Current software required is: GSuite. We also recommend QuickBooks and Fusion360.

15. Franchisee Certification Training. There is no cost for the franchisee certification training, and it is included in your Initial Franchise Fee, but only for the first Fictiv Local facility opened. This is a cost the franchisee incurs in salaries & benefits, lodging, meals, travel, training materials, etc. These fees vary based on salaries, training time, and chosen hotel & travel accommodations. Franchisee Owner is required to attend.

16. Additional Funds – Initial 3 Months. You may need additional funds to cover expenses during your startup phase after you convert your business to a Fictiv Local (approximately three months). However, the actual amount you will need will depend on a number of factors, including the number of employees, how well you control your initial expenses and your level of sales and marketing during the initial period.

The estimate of additional funds for the initial phase of your business is based on recurring expenses and operating expenses for the first three (3) months of operation. The estimate of additional funds does not include an owner's salary or draw or staff salaries. The additional funds required will vary by your management skill, experience, and business acumen; the relative effectiveness of staff you may employ; local economic conditions; the local market for your services; the prevailing wage rate; competition; and the sales level that you reach in your Territory. You may incur other or higher costs or fees; you may also need operating capital when running the business that is in addition to what is estimated here. These figures are estimates based upon information provided to us from our affiliate Fictiv Local facility.

17. Total Estimated Initial Investment. Your Initial Investment for a conversion of an existing business to a Fictiv Local is expected to fall within the above estimated range in Item 7.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

One of our prime objectives is to ensure quality control and to protect the image of the Fictiv Local franchise system and Fictiv Inc. distributed manufacturing network. The success of our system depends upon our high standards, uniformity of items and satisfaction of customers, and the health and safety of franchisees and their employees. In order to achieve these high standards, you are required to sell or offer for sale all products, items and services approved by us and not deviate from our standards and specifications by offering or selling unapproved products, items or services.

Site Selection and Lease of Premises

Pursuant to the Franchise Agreement if you are establishing a new Fictiv Local, you must obtain our guidance for the site of your Fictiv Local. We have the right to provide guidance on the terms of any lease. Any lease that you sign must be exclusively for the operation of a Fictiv Local facility and must provide that upon termination or expiration of the franchise, for any reason, we or an affiliate will have the right, but not the obligation, to assume the lease, and replace you as tenant. If we exercise that right, we will fully indemnify you from liability for future rent and other future obligations under the lease (though not from liability for unpaid rent or any then-existing liabilities or obligations under the lease). You must agree to sign any document required to assign the lease to us or our designee (Exhibit "I" to the FDD).

Purchase or Lease of Equipment, Furniture, Fixtures

You must use signs, furnishings, supplies, fixtures and equipment which comply with our standards and specifications. Specifications may include minimum standards for delivery and performance, and local zoning, sign and other restrictions.

Specifications, Standards and Procedures

You agree to operate the Fictiv Local franchise in strict conformity with our standards, specifications and procedures as described in the Franchise Agreement, the Operation's Manual and other written documents. You must equip, maintain, staff and operate the franchised Fictiv Local facility strictly in accordance with the methods, procedures and techniques we, from time to time, establish and publish in the Operation's Manual and other written documents, which may be modified from time to time. The Operation's Manual may be printed or in electronic format, at our discretion. We have the right under the Franchise Agreement, to change standards, specifications and procedures applicable to the operation of the Franchise, including those for equipment, furniture, fixtures, signs, products, new techniques, use of new or modified logos, trade names, service marks, or copyrighted materials. You recognize our right to make any such modifications or changes and agree to accept, implement, use and display such changes and modifications at your expense. You agree that you will make all changes or modifications that we may require, within a reasonable time after notice from us.

Supplies

We reserve the right, under the Franchise Agreement, to require you to purchase certain items from us, our affiliate or an unaffiliated designated supplier. Our criteria for supplier approval are not available to you and we do not issue our standards and specifications to suppliers. We currently approve suppliers upon request submitted upon our "Supplier Approval Form." Based upon information and samples you supply us, we will test the items supplied and review the proposed supplier's financial records, business reputation, delivery performance, credit, and other information we request from you on the supplier. We will complete our review promptly, generally within 90 days. We have the right to revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such supplier. You must use products purchased from approved suppliers solely in connection with the operation of your Fictiv Local facility and not for any competitive business purpose. Once we approve a supplier, we have the exclusive right to negotiate price terms directly with the supplier on your behalf and on behalf of all System franchisees. We reserve the right to receive rebates or material consideration from approved suppliers from time to time as part of our purchasing. We are not an approved supplier and none of our officers own any interest in a third party supplier.

We attempt to negotiate purchase arrangements with suppliers (including price terms) for the benefit of all Fictiv Local facilities, including those owned by franchisees; however, we (or our affiliate) have the right to retain 100% of all discounts, rebates, commissions or other consideration paid by approved suppliers and to use them for whatever purposes we or our affiliates elect, and you may not claim any rights to such consideration.

As a Fictiv Local franchisee, you will be required to use our then current approved vendors, suppliers, and equipment manufacturers, unless otherwise approved. We estimate that your required purchases will account for 0% to 50% of all purchases and leases necessary to establish the franchised business, and approximately 0% to 50% of all purchases and leases necessary to operate the franchised business after opening. In the fiscal year ending December 31, 2025 we derived no revenue nor rebates for required purchases from any vendor.

There are no purchasing or distribution cooperatives in existence.

Rebates

We and our affiliates reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of trademarked merchandise, goods, products and services as described in this Item 8 as well as in connection with any future purchase of any goods, products or

services. Usually, these payments are calculated on an amount based on products sold. We will retain and use such payments as we deem appropriate or as required by the vendor.

We may receive rebates or other considerations from any other required or approved suppliers. We have entered into a revenue share agreement with Paychex, Inc., a payroll and benefits service provider. Franchisees are not required to use Paychex, but if a franchisee elects to use Paychex's services, we will receive a percentage of the fees paid by the franchisee to Paychex. We do derive immediate revenue from items we sell directly to you by charging you more than our cost including jobs submitted to us from our customer(s) and end users.

Advertising by Franchisee

You may not engage in any advertising program or use any advertising materials that utilize the Marks, the "Fictiv" or "Fictiv Local" name, or any Fictiv Local branding, including advertising placed on television, print, digital or any other media (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), or prepare or use any marketing materials incorporating the Marks, unless we have approved them in writing. You may conduct advertising for your franchised Fictiv Local facility that does not utilize the Marks, the "Fictiv" or "Fictiv Local" name, or any Fictiv Local branding without our prior approval, provided such advertising does not misrepresent your relationship with us or the System. All references to advertising, shall include, but shall not be limited to, electronic advertising, whether by internet, social media platforms or otherwise.

Insurance

You are required to obtain: worker's compensation insurance with limits in compliance with your state law and employer's liability insurance, with One Million Dollars ($1,000,000) limit, as well as such other insurance as may be required by statute or rule of the state in which the franchised business is located or operated.

Additionally you must obtain comprehensive general liability insurance, employer's liability insurance, personal and advertising injury, Professional Liability (consulting) and product liability insurance with limits of One Million Dollars ($1,000,000) including the following coverages: broad form contractual liability, completed products/operations, crime, personal injury (employee and contractual exclusion); insuring us and you against all claims suits, obligations, liabilities and damages, including attorneys' fees, for actual or alleged personal injuries or property damage relating to the franchised business, provided that the required amounts herein may be modified from time to time by us to reflect inflation or future experience with claims; automobile liability insurance on company vehicles, including owned, hired and non-owned vehicle coverage, with a limit of at least One Million Dollars ($1,000,000); Cyber Liability insurance with a limit of at least One Million Dollars ($1,000,000); Director & Officer / Employer Practices Liability insurance with a limit of at least One Million Dollars ($1,000,000);and loss of income insurance (in an amount sufficient to cover the Continuing License Fee and other fees due under the Franchise Agreement, for a period of at least six months); rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or Merchants' Association under the lease, if any, during any period of business interruption or inability to operate the Fictiv Local facility) or such greater amounts of insurance as required by the lease for the Fictiv Local facility; additional insurance and types of coverage as may be required by the terms of any lease for the franchised business, or as may be required by us, including an umbrella policy with limits of One Million Dollars ($1,000,000).

All insurance policies must be issued by carriers who are authorized to do business in the state where the Fictiv Local facility is located, must contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time, must name us as additional

insured, must provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy and must include all other provisions we may require from time to time.

Insurance policies shall indemnify both the Franchisee (as named insured), the Franchisor and any other parties having an insurable interest in either your operations or our operations as an Additional Insured from an actual or alleged claim by a third party caused by or occurring in conjunction with the operation of your Fictiv Local facility or otherwise in conjunction with the conduct of business by you pursuant to the Franchise Agreement. We reserve the right to adjust the limits of indemnification (up or down) or to require you to procure and maintain other additional coverage prescribed from time to time by us and issued by insurance carriers we have approved. We may increase the minimum liability protection requirements annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability or higher damage awards in public, product or motor vehicle liability litigation, or other relevant change in circumstances. You shall submit to us annually a copy of the certificate of, or other evidence of, the renewal or extension of such insurance policy or policies with applicable documents to show Franchisor (and/or related parties) is named as an additional insured. We reserve the right to reject any policy with exclusions or sub limits that are not satisfactory to us. You must notify Franchisor immediately (within 1 business day) to the extent a material change in the policy coverage limits occurs (up or down), or in the event a policy is canceled or otherwise not renewed.

You shall also provide Business Interruption and Extra Expense on a One Hundred Percent (100%) co-insurance basis. We shall be named as loss Payee on the Business Interruption coverage on a primary basis so as to enable you to provide us with an uninterrupted stream of payments (as if you were still in operation) for a period of a minimum of six months. You shall further carry any additional insurance covering such additional risks or providing higher limits as we may reasonably request, or as you reasonably elect.

If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence thereof, we at our option and in addition to our other rights and remedies hereunder, may, but shall not be required to, obtain such insurance coverage on behalf of you, and you shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of 15% of such premium cost (including any additional fees accessed) (See Items 8 and 11).

Computer and IT Equipment

You must purchase our then current electronic method for on-line reporting of sales and other information from your computer/tablet/electronic device to us as required under the Franchise Agreement or Confidential Operating Manual.

Sponsorships

Our franchise system will depend on a growing list of handpicked and highly qualified approved vendors. These vendors will be important to you and to our corporate staff and any training and support programs we put in place. Each approved vendor may in the future be required to contribute to our annual corporate training budget. In exchange, each member may receive:

1. A listing on our company newsletter
2. Access to our franchisee directory
3. A tabletop banner at franchise training events
4. A 30-minute presentation at all local or regional training events

Except as described above, neither we nor any affiliate currently derive any revenue or other material consideration as a result of required purchases or leases, but we reserve the right to do so. There are

currently no purchasing or distribution cooperatives. We do not currently negotiate purchase agreements with suppliers for the benefit of our franchisees nor provide you with material benefits based on your use of designated or approved sources.

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.

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a	Site selection and acquisition/lease	§ 2 and 4	Items 6 and 11
b	Pre-Opening purchases/leases	§ 4, 5 and 6	Items 7, 8 and 11
c	Site development and other pre-opening requirements	§ 2, 4, 5 and 6	Items 6, 7 and 11
d	Initial and ongoing training	§ 3, 4 and 7	Items 6, 7 and 11
e	Opening	§ 3.4, 5, 7 and 11	Item 11
f	Fees	§ 3, 6, 7 and 12	Items 5, 6 and 7
g	Compliance with standards and policies/Operation Manual(s)	§ 3, 4, 5, 6, 7, 9, 11, 12, 13 and 19	Items 11 and 17
h	Trademarks and proprietary information	§ 5, 8, 9, 11 and 12	Items 13, 14 and 17
i	Restrictions on products/services offered	§ 5, 8 and 11	Items 16 and 17
j	Warranty and customer service requirements	None	None
k	Territorial development and sales quotas	None	Item 12

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
l	Ongoing product/service purchases	§ 5 and 11	Item 8
m	Maintenance, appearance and remodeling requirements	§ 5 and 11	Items 11 and 17
n	Insurance	§ 11.13	Items 6 and 8
o	Advertising	§ 5, 8, 11 and 12	Items 6 and 11
p	Indemnification	§ 18	Item 6
q	Owner's participation/ management/staffing	§ 5 and 7	Items 11 and 15
r	Records/reports	§ 3, 4, 6, 10, 11 and 13	Items 6, 11 and 17
s	Inspections/Audits	§ 6 and 14	Items 6, 11 and 17
t	Transfer	§ 15	Item 17
u	Renewal	§ 3	Item 17
v	Post termination obligations	§ 16 and 17	Item 17
w	Non-competition covenants	§ 10, 17 and 19	Item 17
x	Dispute Resolution	§ 19	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation which shall remain your sole and exclusive 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.

Preopening Assistance

Before you begin operating your business:

(i) We will provide guidance on the location of your business and provide a territory surrounding the site of your business where we will not place another Fictiv Local Franchisee (Franchise Agreement, Section 4).

You must select a site for your business and submit the location for our guidance within 90 days of signing your agreement and be conducting business at the selected location within 180 days or your franchise will be terminated without any refund of fees or expenses. We will provide guidance on a site you propose within 30 days. We do not own any real estate locations that we would lease to you and will not be responsible for locating your business site.

In determining whether or not to approve any site you may propose for the franchised business, we will consider such factors as population and income level in the area, the number of comparable contiguous businesses, competition, zoning, general location and neighborhood, traffic patterns, parking, size, layout and other physical characteristics, available square footage, and other reasonable selection factors.

(ii) We may provide you with a standard facility layout, and will provide other related setup information (if and when needed for your lease negotiation process) including as available, vendors for construction, fixtures and furnishings required for your franchised business (Franchise Agreement Section 5).

We may lend you basic layout plans which may or may not fit the space you have chosen. The floor plan layout is for example purposes only, and can be adapted to fit most spaces.

Along with the floor plan layout we may provide you the equipment specifications and feedback on proposed design packages so your architect may reflect the final dimensions and surfaces on your proposed plans (Franchise Agreement Section 5).

(iii) We will provide to you lists of approved and suggested suppliers for the goods and materials you will need to operate the Franchised Business (Franchise Agreement Section 5).

(iv) We will provide you copies of the confidential Operating Manual and other confidential documents containing reasonable, mandatory and/or suggested specifications, standards, operation rules established from time to time by us and information relative to your obligations and the operation of your franchise business (Franchise Agreement, Section 11).

(v) We will provide preopening virtual support and assistance prior to opening your franchised Fictiv Local facility such as offering you advice on the completion of tasks, steps and actions to open your Fictiv Local facility (Franchise Agreement Section 7).

(vi) We will provide you initial operational training pursuant to our Franchisee Certification Program which includes 5 days (30 total hours of on-site or virtual training; classroom and practical) at a facility designated by franchisor. It is mandatory that the majority owner and/or operating partner and general manager complete the training program. Our training program occurs after the signing of the Franchise Agreement and the Opening Date of your Fictiv Local facility. We do not have regularly scheduled dates for our training program (Franchise Agreement Section 7).

(vii) We will suggest pricing to you for your Fictiv Local facility services and products (Franchise Agreement Section 11.10).

Post-Opening Assistance

After you open your franchise business we will:

(i) Provide additional on-site or virtual training that we may designate and require. You will pay travel expenses, meals and accommodation expenses incurred by us and our trainers. (Franchise Agreement Section 7).

(ii) Communicate to you updated information as to the standards, procedures and system requirements including, but not limited to, updates to the Operations Manual, products and services, marketing and promotion standards as we may, in our discretion, designate, modify, supplement and amend and modify. (Franchise Agreement Section 11).

(iii) Establish, update and communicate to you our standards for the marketing and promotion of the franchised business including, but not limited to, the marketing materials and mediums that you may utilize. (Franchise Agreement Section 12).

(iv) Provide the names and addresses of newly approved and/or revoked vendors and suppliers. (Franchise Agreement Section 5).

Training Program

Training Program–
Virtual or Regional Training Center*

Subject	Hours of Classroom Training	Hours On-The-Job Training	Location
Introduction to Fictiv Local	2	0	Virtual or Regional Training Center
Manufacturing Operations	6	0	Virtual or Regional Training Center
Sales Strategy and Operations	7	0	Virtual or Regional Training Center
Financial Reporting Requirements	1	0	Virtual or Regional Training Center
Administrative Operations	2	0	Virtual or Regional Training Center
TOTALS	**18**	**0**	

*Fictiv Local LLC will not provide financial/tax, legal, or other professional services advice, including during the course of training.

Notes:

(1) We will provide this training program at no additional charge to you. You must pay all travel and living expenses for you and your trainees. We may increase, decrease and/or adjust the above training program to the extent that we deem appropriate.

(2) Steven Poullath is our primary trainer. Steven Poullath has over 10 years of experience in the industry and has been with the Franchisor since 2024. We may bring in additional or different trainers and speakers at our discretion. All trainers have at least 3 months of experience working in our line of business (manufacturing operations). Manuals will be used as our primary instructional material, in addition to other communication methods.

(3) All of the above specifications and descriptions are subject to modifications

Other Conference/Training/Educational Events

Each person who signs the franchise agreement must attend a total of thirty hours of New Franchisee Training described above, at our affiliate location in California, or at a different location of our choosing. Conferences, if in person, will not exceed five (5) days in length. If you purchase more than one franchise territory, then one representative from each location must attend the above session(s).

During the operation of your business, we will, upon your request and at your expense, and to the extent we have personnel available, send one or more persons to the franchised business to provide additional follow-up assistance and training (Franchise Agreement - Paragraph 7.3).

National Marketing Fund

We do not conduct a national marketing fund and you are not obligated to contribute to any national marketing fund.

National Website

The National Consumer Website contains basic information about the franchise system as well as items and services offered by our Fictiv Local facilities. Each franchisee receives the following direct benefits from the website:

1. Full Hosting and management services for your individual Location webpage (location finder or microsite) which will provide your franchise with an internet presence, including your business address and telephone information, customer testimonials, photographs showing your personnel and Fictiv Local facility and other information about your local franchise. Except as otherwise agreed, and except with regard to providing any information to Franchisor necessary to operate your individual Location(s) webpage, you do not have any responsibility or expense for designing, hosting, modifying, managing or operating this website presence;

2. The franchisee has no control or management authority except by sending requests to the website administrator to add or subtract information to or from the site, as approved by us. You may utilize only the website and Internet presence provided you by us. Except as and unless otherwise agreed in writing, you may not use the “Fictiv” or “Fictiv Local” mark(s) in any other form advertising (electronic or otherwise);

3. A listing of the franchisees in the Location Finder or Microsite portions of the National Website; and

4. If electronic funds withdrawal is denied (or otherwise fails to be processed), and any outstanding balance remains unpaid for a period of seven (7) calendar days, we may pursue any other available remedies.

We may develop proprietary software or alternate sources to provide your Location Website hosting and/or other services. If so, we or our designee shall make such software available to you and we reserve the right to implement a reasonable fee associated with this costs. You agree to pay the fee required by us and you will comply with all specifications and standards prescribed by us from time to time in our Operation's Manual.

Media Manager

We may establish in the future your ability to have Subscription and Password access to Downloadable Print and Digital Marketing materials and programs administered and managed by us for all downloadable newspaper, magazine and direct mail advertising materials and the ability to order television and radio advertisements and bulk advertising materials, as may be made available by us from time to time. If established, there will be no cost for downloadable materials, but you must pay the cost of video duplication and for the tagging, printing and shipping of all ordered products.

Graphic Designer

We will also provide you information on approved Marketing support vendor(s) (including Advertising and Graphic Design support). You may request to engage a Marketing support provider to create Local, franchise-specific advertising materials on your behalf. If you do, you must pay the provider directly for the total cost of any such materials and the materials must be approved by us prior to being ordered by you.

We do not maintain any national advertising or marketing fund or any Advertising Council or Cooperative of any kind.

Software

The current Required Software list, which may change from time to time, is listed in our Operations Manual. You may talk to the vendor and discuss upgrades (at your cost) if you desire an upgraded services or other supporting software/hardware.

Notwithstanding the foregoing, you will be required to maintain Required Software in good working condition, and must ensure any and all Required Software data required to be shared (ongoing or periodic reports) is accessible to Fictiv Local LLC.

Required Software included, but is not limited to: GSuite. We also recommend QuickBooks and Fusion360. There is a monthly service fee for all the software ranging between $2,500 to $3,000 per month (per unit) which you will pay to the supplier of our approved software.

Technology is rapidly changing so the required software/hardware specified by us may become out of date. You will be responsible for maintaining any required version control (as communicate to you by Franchisor) consistent with applicable instruction(s). Though Franchisor may negotiate discounts/bundles for Required Software on your behalf, you shall maintain all responsibility and liability of any kind for keeping Required Software up-to-date and fully operational as set forth in this document, and any other related documents and agreements.

Depending upon technology development and upgrade requirements, there may be an initial and/or additional cost required. Any required software/subscription software costs (at any billing cadence) shall be the sole responsibility of Franchisee, unless otherwise agreed (e.g., if Franchisor secures a master license and serves as a reseller to Franchisee(s)). All of the costs involved in the installation of your software/system(s) are included in the estimates of your initial investment as described in Item 7. Although we anticipate the current software package to operate effectively, we reserve the

right to alter or eliminate this required software/system(s) and/or to substitute other software/system(s) Upon such alteration or elimination, you must immediately confirm your Franchise(s) to such new requirement(s) at your sole cost and expense.

Business Facility Computer System, Programs and Printer

In order to be properly serviced by our Franchise Operations System and for word processing, spreadsheets, internet access and general accounting and business operations purposes you must obtain adequate computers, computer programs, (including but not limited to Required Software), and printer(s) to use in your business. You must purchase our then current Required Software for cloud-based reporting of sales and other information from your computer/tablet/electronic device to us as required under the Franchise Agreement or Confidential Operating Manual. You may not use any non-approved hardware and/or software in the operation of your franchise location without our prior approval, which approval may be withheld in Fictiv's sole and exclusive discretion. The cost of computer hardware and required software purchased in accordance with our specifications represents approximately 1% to 4% of your total purchases in connection with the establishment of your Fictiv Local facility.

We do not have any obligation (direct or indirect) to provide ongoing maintenance, repairs, upgrades or updates of your equipment.

You also must use general computer software in your business that we designate to assist you in conducting your business. The general software you will need includes (but is not limited to) out-of-the-box programs such as Microsoft Word and Excel. None of these items are proprietary to Franchisor. Franchisor will not provide assistance or aid in obtaining, installing or upgrading general/out-of-the-box software (including Required Software).

Fictiv Local Franchise Operations System

There may be a subsequent required monthly fee to activate the Fictiv Local Franchise Operations System (FOS). It will be the company-wide communication system provided by us through software platform and/or website to enable timely and efficient transfer of information, instruction, training, conferences and overall management and communication purposes with our franchisees. The FOS will be provided to you with login information and may require separate engagement/documentation if provided through a third-party vendor. We may in the future require you to enter into a separate data sharing agreement governing the collection, use, and sharing of operational data (including, but not limited to, machine capacity, production metrics, and order fulfillment data) generated through the FOS or other required software systems, which data may be shared with Fictiv Local LLC and Fictiv Inc. We reserve the right to alter or eliminate this system and/or to substitute another system or method of communication in our sole discretion.

QuickBooks Accounting Application

We recommend you use QuickBooks Online (cloud-based) as the accounting application for your franchise. This online software/service is owned and developed by Intuit.

You must comply with the requirements and standard processes to maintain accurate and up to date accounting records. You will provide daily, weekly, monthly and other reports as determined by us, including updating master file records to comply with changes in accounting practices. As with all Franchisee operational data, Franchisor must maintain complete access to all operating data at all times.

Franchisor may choose to provide responses to questions related to the accounting settings and general use of the software, but Franchisor will not offer Franchisee legal, tax, financial or other related advice. The technical support for the software is provided by the QuickBooks hosting vendor.

Our Access to Your Location

In order to maintain high quality standards, we reserve the right to audit and monitor each of our franchisee's locations at any time through physical or electronic access to all information of your computer systems, POS, FOS, surveillance and website systems and information referenced in this Item 11 and we reserve the right to use this information and data at our discretion, for our benefit and for the benefit of the franchise system as a whole. We have no plans to do so, but may in the future require you to purchase different or other software or hardware. In that event you will receive written notification and be given a reasonable time (not to exceed 60 days) in which to purchase the required software or hardware (Franchise Agreement, Section 11).

Franchisee Operating Manual

We will loan you a copy, either digital or physical, of our Franchise Operations Manual ("Manual") which contains mandatory and suggested specifications, standards and operation procedures as we prescribe and may also include information relative to your Franchise Agreement. The Manual may be amended or modified from time to time to reflect changes in our System. You must keep the Manual confidential and current and may not copy any part of the Manual or disclose to any non-permitted person/entity the contents of the Manual. The table of contents for the Manual is listed in Exhibit "D". There are 78 pages in the Manual.

Time to Open

The typical length of time from signing the Franchise Agreement and opening the franchised business is 180 days. You must be open to the public within 180 days from the signing of the Franchise Agreement, subject to unavoidable delay or failure to perform [Force Majeure] (Franchise Agreement - Section 5). Finding a location, entering into a lease, financing, and receiving permits are some factors that may affect the time period between from signing the Franchise Agreement and opening.

You may not open your franchised Fictiv Local facility for business until, among other requirements: (1) the Fictiv Local facility has been developed in accordance with applicable laws and permit requirements; (2) pre-opening training of you and your personnel has been completed to our satisfaction; (3) you have completed all pre-opening marketing requirements; (4) the Initial Franchise Fee or Area Development Fee and all other amounts then due to us have been paid; (5) we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we request; and (6) we have received signed counterparts of all required documents pertaining to your Site.

You must have signed a purchase or lease agreement and commence construction of your franchised Fictiv Local franchise Fictiv Local facility within 90 days after the date of the Franchise Agreement (Franchise Agreement-Section 5).

ITEM 12

TERRITORY

Your Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from locations we own, or from other channels of distribution or competitive brands that we control. You will not receive any compensation from franchisor for sales or products or services provided in your protected territory

You will receive a geographic territory (the "Protected Territory") in which you will operate your Fictiv Local facility. During the Site Selection Period, you must obtain our acceptance of the Site, which must be located in the Site Selection Area. If we have not accepted the site and designated the

Protected Territory before execution of the Franchise Agreement, you must, during the first 90 days of the Site Selection Period, submit to us for acceptance, and obtain our acceptance of your franchised Fictiv Local facility. Your Protected Territory will be defined by protected zip codes determined by the franchisor, provided that your Protected Territory zip codes will vary from other System franchisees based on the location and demographics surrounding your Fictiv Local facility. A single Protected Territory will consist of a minimum size of any territory will be at least one zip code and the maximum size not to exceed one (1) entire state, subject to Franchisor approval. Our designation and/or approval of a Protected Territory is not a representation or warranty that your franchise will be profitable.

Subject to the grant of your Protected Territory area, we reserve the absolute right to adjust the territorial boundaries as we determine to be necessary in our sole discretion except as otherwise agreed with Franchisee. You must submit a proposed Site located in the Site Selection Area to us during the first 90 days of the Site Selection Period. You may relocate your Fictiv Local facility within your Protected Territory after providing us with at least 45 days' prior written notice.

The Protected Territory will be designated by us once the Fictiv Local facility is accepted by us and indicated as Exhibit G-Two to the Franchise Agreement. Once a site has been selected and lease negotiations entered into a copy of the lease must be provided to us for our review and approval prior to execution. Our approval of the lease indicates only that we believe that its terms fall within the acceptable criteria we have established as of the time of our approval (Franchise Agreement - Section 4 and Exhibits G-One and G-Two). Except for the rights we reserve below, we will not sell another franchise or open a company-owned Fictiv Local facility in your Protected Area during the term of the Franchise Agreement. We may develop, use, and license within or outside your Protected Territory other products or services involving Marks other than those used in connection with the System. You may not solicit or market outside your Protected Territory by means of (a) direct marketing by telephone, mail, flyers or other means; or (b) any marketing method which targets anywhere outside your Protected Territory, except for our written approval of television, radio and print advertising media that may incidentally have coverage outside your Protected Territory.

If a city is located within your Protected Territory, then you may utilize the name of the city in your marketing methods.

Your Franchise Agreement does not provide any rights of first refusal for additional locations. Except by written agreement with us you do not receive the right to acquire additional franchises within your territory.

Rights We Reserve: Franchise Agreement

We retain the rights to:

1. establish and grant to other franchisees the right to establish Fictiv Local facilities anywhere outside the Protected Territory, on such terms and conditions as we deem appropriate;

2. operate, and grant franchises to others to operate businesses, whether inside or outside the Protected Territory (as applicable), specializing in the sale of products or services, other than a Competitive Business or Fictiv Local facilities, using some of the Marks and/or all of the Marks pursuant to such terms and conditions as we deem appropriate;

3. operate and support underlying affiliate/parent companies (including Fictiv Inc. and the Fictiv Platform) across any Protected Territory, using some of the Marks and/or all of the Marks pursuant to such terms and conditions as we deem appropriate, without restriction of any kind;

4. operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Protected Territory, that do not use any of the Marks;

5. market and sell, inside and outside of the Protected Territory, through channels of distribution other than franchised Fictiv Local facilities (like mail order, Internet or Intranet, Website or other forms of e-commerce retail stores), or through special purpose sites including military bases, public transportation facilities, sport facilities, airports, student unions or similar buildings on college or university campuses, special events, and through other sites which are covered/closed traffic malls, all of which are designated ("Special Sites"). Special sites designated above are not granted a Protected Territory; and

6. purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Protected Territory or immediately outside its border.

There is no minimum sales quota for maintaining the Protected Territory granted for your franchise, or other circumstance that gives us the right to modify your territory, if you are otherwise in compliance with all of your agreements with us.

ITEM 13

TRADEMARKS

Our affiliate, Fictiv Inc., licensed the Mark "FICTIV" to us with the exclusive right to franchise the mark and system to franchisees for ten (10) years with automatic one (1) year renewals. The trademark license agreement can be terminated by Fictiv Inc. only if we breach the agreement and fail to cure the breach within thirty (30) days after receiving written notice of the breach, or if we become insolvent or are unable to pay our debts as they become due, or we commence a case for relief or reorganization, or are the subject of an involuntary case for relief or reorganization under the Federal Bankruptcy Code or under any other state or federal bankruptcy or insolvency laws. If the trademark licensing agreement is terminated, your franchise agreement may be assigned to Fictiv Inc. at its option. Fictiv Inc. shall have the right to terminate the right to use its Mark. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your business which may increase your expenses. Other than the license agreement with our affiliate, there are no agreements that limit our right to use or license the use of the trademarks.

Under the Franchise Agreement, we grant you the non-exclusive right to use the proprietary Mark "FICTIV" in connection with your franchise for your use and only in the manner authorized and permitted by us.

The Primary Mark was registered with the United States Patent and Trademark Office ("USPTO") by Fictiv Inc. as follows:

Mark	Registration No	Registration Date
1. FICTIV (Word Mark)	6376865	June 8, 2021
2. FICTIV (Word Mark)	6591670	December 14, 2021

3. FICTIV (Word Mark)	4643591	November 25, 2014

We intend to renew the registration and file all appropriate affidavits for the Marks at the times required by law. There are no currently effective material determinations of the USPTO; the Trademark Trial and Appeals Board, the Trademark Administration of a state or any court relation to the Mark.

There is no pending infringement, opposition or cancellation involving the Mark; no known superior rights or infringing uses actually known to us that could materially affect your use of our Mark; and no pending material litigation involving the Mark. All affidavits and renewals required to be filed have been filed.

The franchise agreement grants you the non-exclusive right to use our Mark to identify the products and services offered by us. We have the right to require you to modify or discontinue your use of any Mark. If we exercise this right, we will provide advance notice to all franchisees. We will have no liability or obligation for your modification or discontinuance of any Mark or promotion of a substitute trademark, service mark or trade dress.

You must follow our rules when using our Mark. You must receive our approval when choosing your corporate name and you cannot use the Mark as part of the corporate or other legal entity name or with modifying words, designs or symbols without our consent. All of your usage of the Marks and any goodwill you establish is to our exclusive benefit and you retain no right in the Mark on termination or expiration of the franchise agreement. You must also obtain fictitious or assumed name registrations as we require, or under applicable law.

The franchise agreement does not contain any provision under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Mark. You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights to any Mark. We will have the sole discretion to take any action we deem appropriate and will have the right to control exclusively, any litigation or USPTO or other administrative proceedings arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must execute any and all instruments and documents, provide assistance and do such things as, in the opinion our counsel, may be necessary or advisable to protect our interest in any litigation or USPTO or other proceeding or otherwise to protect our interest in the Mark. We have no obligation under the franchise agreement to protect you against or reimburse you for any damages for which you are held liable.

We may not be able to prevent anyone who began using the name Fictiv or any variation thereof before our use of it from continuing their use of that name in the area of prior use. The name Fictiv may be in use by other businesses in the United States who are not our franchisees or in any way affiliated with us. Under the Franchise Agreement you release us from any liability to you caused by any prior use of the name Fictiv or any variation thereof by anyone else.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim copyright protection of our Manuals and related materials, certain proprietary information, knowledge and know-how concerning the methods of operation of the franchised Fictiv Local facility and promotional materials, although these

materials have not been registered with the United States Registrar of Copyrights. These items are proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There are no agreements in effect which significantly limit our right to use or license the copyrighted materials.

Franchise Operation's Manual(s)

During the term of the Franchise Agreement, we will loan to you at no charge our Confidential Operating Manual(s) in which we assert a copyright interest. The Confidential Operating Manual, its supplements, and any other materials or information designated by us is confidential. You will not provide your employees access to the Confidential Operating Manual(s) unless necessary to operate your franchise Fictiv Local facility.

You must use your best efforts to keep confidential all provisions in the Confidential Operating Manual(s), including any supplements or amendments that we provide. You are responsible for keeping your copy of the Confidential Operating Manual(s) up-to-date. The provisions in our master copy will control any disputes that arise. You agree to comply with every provision in the Confidential Operating Manual(s) and every revision to the Confidential Operating Manual(s) that we may make from time to time, provided such revisions do not implement new or different requirements which alter the fundamental terms and conditions of the Franchise Agreement.

We will loan you a replacement copy if you lose or misplace your copy or supplements, but we may require a reasonable replacement charge. You must not photocopy, scan, photograph or duplicate in any way from, or form, any part of the Confidential Operating Manual(s) without our written consent.

Trade Secrets and Know-How

We will be disclosing to you certain proprietary information in our programs, systems, techniques manuals, and trade secrets as well as know-how and operating format related to our methods and materials. You will also use certain materials in the operation of your franchised Fictiv Local facility in which we have a copyright interest. You, however, do not acquire any right or interest in such proprietary information.

All persons with an ownership or voting interest in an entity and all individual franchisees who enter into Franchise Agreements and any person employed by or under an independent contractor relationship with you who receives or who will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must sign our Approved Confidentiality, Non-solicitation and Non-competition Agreement. (Exhibit "L"). You must immediately notify us of any unauthorized use of our trade secrets. We have complete authority under the Franchise Agreement to take such action or inaction as deemed appropriate.

Failure to comply with the requirements of the Franchise Agreement with respect to confidentiality will cause us irreparable injury and you agree to pay us an amount equal to the aggregate of our cost of obtaining specific performance of, or an injunction against violation of, the requirements of the Franchise Agreement concerning confidentiality, including without limitation, reasonable attorney fees, cost of investigation and proof of facts, court expenses, and damages incurred by us.

ITEM 15

OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

We require you to participate in the supervision of the franchise. We may, however, agree in writing to allow someone other than an owner to act as the on-premises manager. That person must complete

our training program and cannot have any interest or business relationship with any of our competition and must sign a written agreement to maintain confidentiality of the proprietary information and trade secrets described in Item 14 and conform to the covenants not to compete as described in Item 17. We may, in our sole discretion, allow franchisees or Area Developers to be corporations, limited liability companies or other entities subject to our approval; however, if a corporation, limited liability company or other entity is allowed to be a franchisee, the individual stockholders, members, etc. must personally guarantee the monetary obligations under the Franchise Agreement. Additionally, a principal owner of the business entity (with ownership of at least 10% of its voting securities) must have management responsibility and authority over the Fictiv Local facility on a day-to-day basis. If you are a partnership, each partner must personally guarantee your monetary obligations under the Franchise Agreement. They must further agree to be bound by the confidentiality and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interest. Non-individual franchisees that enter into Area Development Agreements are subject to these requirements as well. All persons with an ownership or voting interest in a non-individual franchise or Area Development Agreement and all individual franchisees who enter into Franchise Agreements or Area Development Agreements must execute a confidentiality/non-competition agreement in the form of our "Confidentiality, Non-solicitation and Non-Competition Agreement" (See Exhibits "M" and "N"). Your spouse will be required to execute a spousal consent in the form attached as Exhibit G-Three to the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

When you are using the Fictiv Local system, branding, trademarks or name, you must use only those products, services, equipment, programs and other items in the operation of your franchised Fictiv Local facility that we have designated in the Franchise Agreement, the Confidential Operating Manual(s), or specifically approved in writing unless, as to any one or more items, you are prohibited by local law or regulation or unless we have granted you our advance written approval to exclude some items, products, services or programs. If you would like to sell any product, service, equipment or program which is not a part of the System, you may do so under your individual name or a wholly separate entity.

We may add to, delete from or modify the services, products, equipment, programs and other items which you can and must offer or we may modify the System. You must abide by any additions, deletions and modifications while serving Fictiv Local projects or customers. There are no limits on our rights to make these changes.

If at any time any Approved Products or any other components of the System are unavailable at your Fictiv Local facility for any reason, and you can affirmatively prove such unavailability, we will identify alternative products or other components of the System that you may use/offer at your franchised Fictiv Local facility, only until such time as the Approved Product or other component of the System becomes available. When the Approved Product or other component of the System becomes available, you will be required to offer it at your franchised Fictiv Local facility.

You may only sell System products and services at retail, and you may not engage in the wholesale sale and/or distribution of any System product, service, equipment or other component, or any related product or service.

A franchisee may not acquire an FFL license.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Paragraph 2.1	10 years for Franchise Agreement.
b. Renewal or extension of the term	Paragraph 3.1	If you are in good standing and not in default under the Franchise Agreement, you may enter into a successor franchise agreement, provided that: (i) you maintain possession of and agree to remodel and/or expand your franchised Fictiv Local facility, add or replace improvements, equipment and signs and otherwise modify your franchised Fictiv Local facility as we require to bring it into compliance with specifications and standards then applicable for an franchised Fictiv Local facility, or (ii) if you are unable to maintain possession of the Site, or if in our judgment your franchised Fictiv Local facility should be relocated, you secure substitute premises we accept, develop such premises in compliance with specifications and standards then applicable for your franchised location and continue to operate your franchised Fictiv Local facility at the Site until operations are transferred to the substitute premises.
c. Requirements for you to renew or extend	Paragraphs 3.1-3.5	Maintain Site or secure substitute Site, bring your franchised Fictiv Local facility into compliance with our then current specifications and standards, sign a new Franchise Agreement and ancillary agreements, general releases (subject to state law), and satisfactory completion of training and refresher programs. On renewal, you may be asked to sign a successor contract with materially different terms and conditions than your original Franchise Agreement.
d. Termination by you	None	None
e. Termination by us without cause	None	None

Provision	Section in Franchise Agreement	Summary
f. Termination by us with cause	Section 16	We can terminate only if you commit one of several violations (subject to State Law, see Exhibit "N").
g. "Cause" defined-defaults which can be cured	Section 16	You have 5 days to cure health, safety or sanitation law violations, except we may require the immediate shut down of your franchised Fictiv Local facility in the event we deem such violation to be a health threat to anyone, 10 days to cure payment defaults, and 30 days to cure noncompliance with any other provision of the Franchise Agreement or the System Standards.
h. "Cause" defined – non curable defaults	Section 16	Non curable defaults include material misrepresentation or omission, failure to complete training, failure to comply with management requirements, failure to obtain an approval of the Fictiv Local facility within the time periods specified for such approvals, failure to open the franchised Fictiv Local facility within 180 days, abandonment, unapproved transfers, conviction of or a plea of no contest to, a felony or other serious crime, violations of anti-terrorism laws of "blocking" of assets under anti-terrorism laws, dishonest or unethical conduct, unauthorized assignment of the Franchise Agreement or of an ownership interest in you or the franchised Fictiv Local facility, loss of the Site, unauthorized use or disclosure of the Confidential Operating Manual or confidential information, failure to pay taxes, repeated defaults (even if cured), an assignment for the benefit of creditors or written admission of insolvency or inability to pay debts as they become due.
i. Your obligations on termination/nonrenewal	Section 17	Obligations include payment of outstanding amounts, complete de-identification and return of confidential information (also see (r) below).
j. Assignment of contract by us	Paragraph 15.1	No restriction on our right to assign.
k. "Transfer" by you-definition	Paragraph 15.2	You, your owners or your affiliate(s)' voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement, you, or franchised Fictiv Local facility.
l. Our approval of transfer by you	Paragraphs 15.2-15.5	We have the right to approve all transfers, even to a Business Entity controlled by you.

Provision	Section in Franchise Agreement	Summary
m. Conditions for our approval of transfer	Paragraph 15.3	New franchisee qualifies, you pay us all amounts due, transferee and its managerial employees agree to complete training, transferee agrees to enter a new Franchise Agreement, we approve material terms, you subordinate amounts due to you, and you sign other documents we require- including general releases (also see "r" below).
n. Our right of first refusal to acquire your business	Paragraph 15.8	We can match any offer for an ownership interest in you, your Franchise Agreement or your franchised Fictiv Local facility provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to prepare for closing and we receive all customary representations and warranties, as we specify.
o. Our option to purchase your business	Paragraph 17.5	We have the option to buy your franchised Fictiv Local facility, including leasehold rights to the Site, at fair market value after our termination or your termination without cause, of the agreement (but not expiration).
p. Your death or disability	Paragraphs 15.5 and 15.6	Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period before the assignment. Assignment is subject to our right of first refusal.
q. Non-competition covenants during the term of the franchise	Paragraph 9.3 & Section 10	No interest in a Competitive Business, no controlling ownership interest in, or performance of services for, a Competitive Business anywhere (subject to state law). Independent manufacturing operations not using the Marks, System or Confidential Information and not part of a competing franchise system are excluded from the definition of Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 17.4	No interest in competing business nor solicitation of former customers for 2 years at, or within 10 miles of the Site or within 25 miles of any other Fictiv Local facility in operation or under construction (same restrictions apply after assignment) (subject to state law). Independent manufacturing operations not using the Marks, System or Confidential Information and not part of a competing franchise system are excluded from the definition of Competitive Business.

Provision	Section in Franchise Agreement	Summary
s. Modification of the agreement	Paragraph 19.13	Franchise Agreement- No modifications except by written agreement, but Confidential Operating Manual(s) and System Standards are subject to change.
t. Integration/merger clause	Paragraph 19.13	Only the terms of the Franchise Agreement (including the Confidential Operating Manual(s), System Standards, addenda and exhibits) are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement or other related agreement is intended to disclaim the representations made in this FDD.
u. Dispute resolution by arbitration or mediation	Paragraphs 19.9 and 19.10	Except for certain claims, all disputes must be mediated and arbitrated at our headquarters (subject to State Law, see "N").
v. Choice of forum	Paragraph 19.8	Mediation/Arbitration in California.
w. Choice of law	Paragraph 19.5	Delaware law applies (subject to State Law, see Exhibit, "N").

The provisions of the Franchise Agreement that provide for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

ITEM 18

PUBLIC FIGURES

We 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 any franchisor-owned Fictiv Local facilities, if there is a reasonable basis for the information, and if the information is included in this disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing Fictiv Local facility you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by

providing information about possible performance at a particular location or under particular circumstances.

The financial performance representation below in Table I includes the average, median, high and low order value payout for our operational franchisees from January 1, 2025 to December 31, 2025.

Table I

Total Franchisee Network Gross Revenue	$2,113,196.55
Total Orders in the Fictiv Local Network	1,668
Median Gross Revenue Per Order	$865.08
Average Gross Revenue Per Order	$1,266.90
Highest Gross Revenue for an Order	$86,400
Lowest Gross Revenue for an Order	$13.05

Notes

1. 1. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

2. "Gross Revenue" as used in this financial performance representation all revenue you derive from operating your franchised Fictiv Local facility on a Fictiv Local network job order, including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone else; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits and allowances actually made by your franchised Fictiv Local facility.

3. Written substantiation of all financial information presented in this financial performance representation will be made available to you upon reasonable request.

Other than the above, we do not make any representations about a franchisee's future financial performance or the past financial performance of our affiliate-owned or franchise outlet. 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 our Business Development Manager, Steven Poullath at 1611 Telegraph Avenue, Floor 12, Oakland, CA 94612, (817) 717-4512, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of Year	Outlets at the End of Year	Net Change
Franchised	2023	0	1	+1
	2024	1	4	+3
	2025	4	8	+4
Company-Owned*	2023	1	1	0
	2024	1	0	-1
	2025	0	0	0
Total Outlets	**2023**	**1**	**2**	**+1**
	2024	**2**	**4**	**+2**
	2025	**4**	**8**	**+4**

***** Company owned outlets are owned by our affiliate Fictiv Inc.

TABLE 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
All States	**2023**	0
	2024	0
	2025	0

Total	**2023**	0
	2024	0
	2025	0

TABLE 3
Status of Franchised Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Maryland	**2023**	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Nevada	**2023**	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
North Carolina	**2023**	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Oklahoma	**2023**	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Texas	**2023**	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2

	2025	2	2	0	0	0	0	4
Total	**2023**	0	1	0	0	0	0	1
	2024	1	3	0	0	0	0	4
	2025	4	4	0	0	0	0	8

TABLE 4
Status of Company – Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2023	1	0	0	0	0	1
	2024	1	0	0	1	0	0
	2025	0	0	0	0	0	0
Total	**2023**	1	0	0	0	0	1
	2024	1	0	0	1	0	0
	2025	0	0	0	0	0	0

TABLE 5

Projected Openings as December 31, 2025

State	Franchise Agreements Signed But Units Not Opened	Projected Franchised New Units in Next Fiscal Year	Projected Company-Owned Units Opening in Next Fiscal Year
California	0	2	0
Illinois	0	1	0
Indiana	0	1	0
Massachusetts	0	1	0

State	Franchise Agreements Signed But Units Not Opened	Projected Franchised New Units in Next Fiscal Year	Projected Company-Owned Units Opening in Next Fiscal Year
Nevada	0	0	0
Oklahoma	0	0	0
Texas	0	0	0
Washington	0	1	0
Totals	0	8	0

Exhibit "B" lists the name of our current franchisees and the addresses and telephone number of each of their outlets as of date of issuance.

Exhibit "C" lists the name, city and state, and current business telephone number, or if unknown, the last known home telephone number for each franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who did not communicate with us within 10 weeks of the disclosure document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers if you leave the franchise system. No franchisees signed any confidentiality clauses during the last three fiscal years.

There are no trademark specific franchisee organizations associated with the franchise system being offered.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit "A" is our audited financial statement as of December 31, 2025 dated March 28, 2026,as of December 31, 2024 dated May 19, 2025 and as of December 31, 2023. For 2025, our fiscal year end was December 31. Our fiscal year will now end, March 31.

ITEM 22

CONTRACTS

The following agreements are attached as exhibits to this disclosure document:

Exhibit "E"	Form of Key-Employee Manager Confidentiality Agreement
Exhibit "G"	Form of Franchise Agreement
	Exhibit "G-Four" - State Amendment to Franchise Agreement
Exhibit "H"	Form of Conditional Assignment of Telephone numbers and Listings

Exhibit "I"	Form of Conditional Assignment and Assumption of Leases
Exhibit "J"	Form of Principal Owner's Guaranty
Exhibit "L"	Form of Confidentiality, Non-Solicitation and Non-Competition Agreement for Franchise Agreement –
Exhibit "N"	State Specific and Other Addenda and Riders
Exhibit "O"	Form of Release

ITEM 23

RECEIPTS

See Exhibit "Q" for detachable receipts.

EXHIBIT "A" TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

OF

FICTIV LOCAL LLC

Divine Blalock Martin Sellari LLC Est. in 1932

FICTIV LOCAL, LLC

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025 AND 2024

AND FOR THE YEARS ENDED

DECEMBER 31, 2025, 2024 AND 2023

(With Independent Auditors' Report Theron)

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INDEPENDENT AUDITORS' REPORT

Fictiv Local, LLC
1001 N Central Ave., Unit 804
Phoenix, AZ 85004

Opinion

We have audited the accompanying financial statements of Fictiv Local, LLC (a Delaware limited liability company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in members' equity, and cash flows for the years ended December 31, 2025, 2024 and 2023, 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 Fictiv Local, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years ended December 31, 2025, 2024 and 2023 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fictiv Local, LLC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Fictiv Local, LLC's 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, including omissions, 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 Fictiv Local, LLC'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 Fictiv Local, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
March 28, 2026

FICTIV LOCAL, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 152,701	$ 108,406
Accounts receivable	41,463	8,971
Total Current Assets	194,164	117,377
Total Assets	$ 194,164	$ 117,377
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ -	$ 1,500
Due to related party	54,706	74,457
Deferred revenue - current portion	200	150
Total Current Liabilities	54,906	76,107
Long-Term Liabilities		
Deferred revenue - non-current portion	1,608	1,350
Total Long-Term Liabilities	1,608	1,350
Total Liabilities	56,514	77,457
Members' Equity		
Members' equity	137,650	39,920
Total Members' Equity	137,650	39,920
Total Liabilities and Members' Equity	$ 194,164	$ 117,377

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Revenue			
Initial franchise fees	$ 4,692	$ 13,500	$ 5,000
Franchise license fees	95,958	6,097	-
Service fees	-	256	-
Total Revenue	100,650	19,853	5,000
Operating Expenses			
Advertising & marketing	-	875	12,495
General & administrative	-	-	48,049
Office expenses	-	-	15
Professional fees	2,499	8,200	14,295
Software fees	421	84	-
Travel	-	632	288
Total Operating Expenses	2,920	9,791	75,142
Income (Loss) From Operations	97,730	10,062	(70,142)
Net Income (Loss)	$ 97,730	$ 10,062	$ (70,142)

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Members' Equity **@ January 1**	$ 39,920	$ 29,858	$ -
Members' Contribution/Draw, (net)	-	-	100,000
Net Income (Loss)	97,730	10,062	(70,142)
Members' Equity **@ December 31**	$ 137,650	$ 39,920	$ 29,858

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Cash flows from operating activities			
Net income (loss)	$ 97,730	$ 10,062	$ (70,142)
Adjustments to reconcile net loss to net cash used by operating activities			
(Increase) Decrease in operating assets			
Accounts receivable	(32,492)	(6,471)	(2,500)
(Decrease) Increase in operating liabilities			
Accounts payable	(1,500)	1,500	-
Deferred revenue	308	1,500	-
Total Adjustments	(33,684)	(3,471)	(2,500)
Net Cash provided by (Used in) Operating Activities	64,046	6,591	(72,642)
Cash flows from financing activities			
Proceed from due to related party	(19,751)	-	74,457
Members' contribution/draw, (net)	-	-	100,000
Net Cash Provided by Financing Activities	(19,751)	-	174,457
Net increase in cash and cash equivalents	44,295	6,591	101,815
Cash and cash equivalents, beginning of year	108,406	101,815	-
Cash and cash equivalents, ending of year	$ 152,701	$ 108,406	$ 101,815

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025 AND 2024 AND
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

NOTE 1 – BUSINESS ACTIVITY

Fictiv Local, LLC was formed in the state of Delaware on April 24, 2023; the Company is in the business of offering franchises for the operation of a 'build to print' advanced manufacturing center featuring CNC machining, additive manufacturing, and associated processes. Unless otherwise indicated, the terms "we", "us", "our", and "Company" refer to Fictiv Local, LLC.

Parent

Fictiv, Inc., a Delaware corporation formed on August 19, 2023, is the parent company of Fictiv Local, LLC. Fictiv, Inc. will not participate in the franchising operations, nor will it provide any management or operational services or financial guarantees for our franchisees, except that use may be made of our affiliate's franchise facilities and personnel for training purposes. Neither we nor our affiliate has previously offered franchises of any type. has not offered franchises in this line or any other line of business.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Customer accounts receivable are stated at the amount management expects to collect on balances. Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks.

As of December 31, 2025 and 2024, no allowance for credit losses was recorded. This determination reflects consistent collection patterns, minimal historical losses, and no significant indicators of increased credit risk. Should circumstances change, management will adjust the allowance accordingly in future periods.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years. As of December 31, 2025 and 2024, the Company did not own any fixed assets.

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets as of December 31, 2025 and 2024 no impairment of the carrying values of its long-lived assets existed.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2025, 2024 and 2023 advertising costs were $0, $875 and $12,495, respectively.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the years ended December 31, 2025, 2024 and 2023. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required as of December 31, 2025 and 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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 the reported amounts of revenues and expenses during the reporting year. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise continuing license fees and national marketing fund fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Approval of location and territory surrounding the site.
- Provide standard facility layout and other setup information.
- Provide lists of approved and suggested suppliers.
- Provide a copy of confidential operation manual.
- Provide Pre-opening virtual support and assistance.
- Provide initial operational training for 5 days (30 total hours of on-site or virtual training).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 *Quoted prices in active markets for identical assets or liabilities.*

Level 2 *Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.*

Level 3 *Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.*

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued Accounting Pronouncements

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective April 24, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company’s management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements for the years ended December 31, 2025, 2024 and 2023

NOTE 3 – DEFERRED REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. These revenues are fully recognized when Franchisees open their doors. A portion of the initial franchise fee is allocated to the license fee and amortized over the life of the contract. The total amount deferred as of December 31, 2025 and 2024 was $1,808 and $1,500, respectively.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company obtained a promissory note on July 24, 2023 from its parent company, Fictiv Inc. for cash flow purposes. The note bears interest at the annual rate of 6.12%. Total unpaid principal and accrued interest is due and payable on July 24, 2026. There is no prepayment penalty and the note payable balance as of December 31, 2025 and 2024, was $54,706 and $74,457, respectively.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the company.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 28, 2026, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

Divine Blalock Martin Sellari LLC
Est. in 1932

FICTIV LOCAL, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2024 AND 2023

(With Independent Auditors' Report Theron)

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INDEPENDENT AUDITORS' REPORT

Fictiv Local, LLC
1001 N Central Ave., Unit 804
Phoenix, AZ 85004

Opinion

We have audited the accompanying financial statements of Fictiv Local, LLC (a Delaware limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity, and cash flows for the years 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 Fictiv Local, LLC as of December 31, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fictiv Local, LLC 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.

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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 Fictiv Local, LLC'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 Fictiv Local, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
May 19, 2025

FICTIV LOCAL, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023

Assets

	2024	2023
Current Assets		
Cash and cash equivalents	$ 108,406	$ 101,815
Accounts receivable	8,971	2,500
Total Current Assets	117,377	104,315
Total Assets	$ 117,377	$ 104,315

Liabilities and Members' Equity

Current Liabilities		
Accounts payable	$ 1,500	$ -
Due to related party	74,457	74,457
Deferred revenue - current portion	150	-
Total Current Liabilities	76,107	74,457
Long-Term Liabilities		
Deferred revenue - non-current portion	1,350	-
Total Long-Term Liabilities	1,350	-
Total Liabilities	77,457	74,457
Members' Equity		
Members' equity	39,920	29,858
Total Members' Equity	39,920	29,858
Total Liabilities and Members' Equity	$ 117,377	$ 104,315

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenue		
Initial franchise fees	$ 13,500	$ 5,000
Franchise license fees	6,097	-
Service fees	256	-
Total Revenue	19,853	5,000
Operating Expenses		
Advertising & marketing	875	12,495
General & administrative	-	48,049
Office expenses	-	15
Professional fees	8,200	14,295
Software fees	84	-
Travel	632	288
Total Operating Expenses	9,791	75,142
Loss From Operations	10,062	(70,142)
Net Income (Loss)	$ 10,062	$ (70,142)

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Members' Equity @ January 1	$ 29,858	$ -
Members' Contribution/Draw, (net)	-	100,000
Net Income (Loss)	10,062	(70,142)
Members' Equity @ December 31	$ 39,920	$ 29,858

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 10,062	$ (70,142)
Adjustments to reconcile net loss to net cash used by operating activities		
Decrease (Increase) in operating assets		
Accounts receivable	(6,471)	(2,500)
Increase (Decrease) in operating liabilities		
Accounts payable	1,500	-
Deferred revenue	1,500	-
Total Adjustments	(3,471)	(2,500)
Net Cash Provided by (Used) in Operating Activities	6,591	(72,642)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from due to related party	-	74,457
Members' contribution/draw, (net)	-	100,000
Net Cash Provided by Financing Activities	-	174,457
NET INCREASE IN CASH & CASH EQUIVALENTS	6,591	101,815
CASH & CASH EQUIVALENTS, BEGINNING	101,815	-
CASH & CASH EQUIVALENTS, ENDING	$ 108,406	$ 101,815

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 – BUSINESS ACTIVITY

Fictiv Local, LLC was formed in the state of Delaware on April 24, 2023; the Company is in the business of offering franchises for the operation of a 'build to print' advanced manufacturing center featuring CNC machining, additive manufacturing, and associated processes. Unless otherwise indicated, the terms "we", "us", "our", and "Company" refer to Fictiv Local, LLC.

Parent

Fictiv, Inc., a Delaware corporation formed on August 19, 2023, is the parent company of Fictiv Local, LLC. Fictiv, Inc. will not participate in the franchising operations, nor will it provide any management or operational services or financial guarantees for our franchisees, except that use may be made of our affiliate's franchise facilities and personnel for training purposes. Neither we nor our affiliate has previously offered franchises of any type. has not offered franchises in this line or any other line of business.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Customer accounts receivable are stated at the amount management expects to collect on balances. Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks.

For the years ended December 31, 2024 and 2023, no allowance for credit losses was recorded. This determination reflects consistent collection patterns, minimal historical losses, and no significant indicators of increased credit risk. Should circumstances change, management will adjust the allowance accordingly in future periods.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years. At December 31, 2024 and 2023, the Company did not own any fixed assets.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2024 and 2023 advertising costs were $875 and $12,495, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets as of December 31, 2024, no impairment of the carrying values of its long-lived assets existed.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the year ended December 31, 2023. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2024.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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 the reported amounts of revenues and expenses during the reporting year. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise continuing license fees and national marketing fund fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Approval of location and territory surrounding the site.
- Provide standard facility layout and other setup information.
- Provide lists of approved and suggested suppliers.
- Provide a copy of confidential operation manual.
- Provide Pre-opening virtual support and assistance.
- Provide initial operational training for 5 days (30 total hours of on-site or virtual training).

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities, (continued)

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 *Quoted prices in active markets for identical assets or liabilities.*

Level 2 *Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are*

Level 3 *Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.*

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Company adopted the standard effective April 24, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company’s management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2024.

NOTE 3 – DEFERRED REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. These revenues are fully recognized when Franchisees open their doors. A portion of the initial franchise fee is allocated to the license fee and amortized over the life of the contact. The total amount deferred as of December 31, 2024 and 2023 was $1,500 and $0, respectively.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company obtained a promissory note on July 24, 2023 from its parent company, Fictiv Inc. for cash flow purposes. The note bears interest at the annual rate of 6.12%. Total unpaid principal and accrued interest is due and payable on July 24, 2026. There is no prepayment penalty and the note payable balance as of December 31, 2024 and 2023, was $74,457.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the company.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 19, 2025, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

FICTIV LOCAL, LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2023

(With Independent Auditors' Report Theron)

FICTIC LOCAL, LLC
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WILBUR F. DIVINE, IV, CPA (1925-1989)
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G. MICHAEL MARTIN, CPA (1945-2014)

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AND THE STATE OF NY
****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY
*****REGULATED BY THE STATE OF FL
AND THE STATE OF NC

INDEPENDENT AUDITORS' REPORT

Fictiv Local, LLC
1001 N Central Ave., Unit 804
Phoenix, AZ 85004

Opinion

We have audited the accompanying financial statements of Fictiv Local, LLC (a Delaware limited liability company), which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in members' equity, 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 Fictiv Local, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fictiv Local, LLC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Fictiv Local, LLC's 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, including omissions, 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 Fictiv Local, LLC'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 Fictiv Local, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
December 9, 2024

FICTIV LOCAL, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2023

Assets	
Current Assets	
Cash and cash equivalents	$ 101,815
Accounts receivable	2,500
Total Current Assets	104,315
Total Assets	$ 104,315
Liabilities and Members' Equity	
Current Liabilities	
Due to related party	$ 74,457
Total Current Liabilities	74,457
Total Liabilities	74,457
Members' Equity:	
Members' equity	29,858
Total Members' Equity	29,858
Total Liabilities and Members' Equity	$ 104,315

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenue		
Initial franchise fees	$	5,000
Franchise license fees		-
Marketing fund fees		-
Total Revenue		5,000
Operating Expenses:		
Advertising & marketing		12,495
General & administrative		48,049
Office expenses		15
Professional fees		14,295
Travel		288
Total Operating Expenses		75,142
Loss From Operations		(70,142)
Net Loss	$	(70,142)

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Members' Equity @ April 24	$ -
Members' Contribution/Draw, (net)	100,000
Net Loss	(70,142)
Members' Equity @ December 31	$ 29,858

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (70,142)
Adjustments to reconcile net loss	
to net cash used by operating activities:	
Decrease (Increase) in operating assets:	
Accounts receivable	(2,500)
Total Adjustments	(2,500)
Net Cash (Used) in Operating Activities	(72,642)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceed from due to related party	74,457
Members' contribution/draw, (net)	100,000
Net Cash Provided by Financing Activities	174,457
NET INCREASE	101,815
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 101,815

The accompanying notes are an integral part of these financial statements.

FICTIV LOCAL, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – BUSINESS ACTIVITY

Fictiv Local, LLC was formed in the state of Delaware on April 24, 2023; the Company is in the business of offering franchises for the operation of a 'build to print' advanced manufacturing center featuring CNC machining, additive manufacturing, and associated processes. Unless otherwise indicated, the terms "we", "us", "our", and "Company" refer to Fictiv Local, LLC.

Parent

Fictiv, Inc., a Delaware corporation formed on August 19, 2023, is the parent company of Fictiv Local, LLC. Fictiv, Inc. will not participate in the franchising operations, nor will it provide any management or operational services or financial guarantees for our franchisees, except that use may be made of our affiliate's franchise facilities and personnel for training purposes. Neither we nor our affiliate has previously offered franchises of any type. has not offered franchises in this line or any other line of business.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Customer accounts receivable are stated at the amount management expects to collect on balances. Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks.

For the year ended December 31, 2023, no allowance for credit losses was recorded. This determination reflects consistent collection patterns, minimal historical losses, and no significant indicators of increased credit risk. Should circumstances change, management will adjust the allowance accordingly in future periods.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years. At December 31, 2023, the Company did not own any fixed assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets as of December 31, 2023, no impairment of the carrying values of its long-lived assets existed.

Advertising

Advertising costs are expensed as incurred. For the years ended December 31, 2023 advertising costs were $4,500.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the year ended December 31, 2023. The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP") 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 the reported amounts of revenues and expenses during the reporting year. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise continuing license fees and national marketing fund fees on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

The following services are provided by the Company prior to the opening of a franchised location:

- Approval of location and territory surrounding the site.
- Provide standard facility layout and other setup information.
- Provide lists of approved and suggested suppliers.
- Provide a copy of confidential operation manual.
- Provide Pre-opening virtual support and assistance.
- Provide initial operational training for 5 days (30 total hours of on-site or virtual training).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 *Quoted prices in active markets for identical assets or liabilities.*

Level 2 *Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.*

Level 3 *Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.*

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued Accounting Pronouncements

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective April 24, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company’s management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2023.

NOTE 3 – DEFERRED REVENUE

Deferred revenue represents initial franchise sales for which substantially all the services to be provided by the Company have not yet been performed. These revenues are fully recognized when Franchisees open their doors. A portion of the initial franchise fee is allocated to the license fee and amortized over the life of the contact. The total amount deferred as of December 31, 2023 was $0

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company obtained a promissory note on July 24, 2023 from its parent company, Fictiv Inc. for cash flow purposes. The note bears interest at the annual rate of 6.12%. Total unpaid principal and accrued interest is due and payable on July 24, 2026. There is no prepayment penalty and the note payable balance as of December 31, 2023, was $74,457.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the company.

NOTE 6 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through December 9, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

EXHIBIT "B" TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

List of Current Franchisees

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of December 31, 2025:

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all Fictiv Local franchisees as of December 31, 2025 who are operational:

Maryland:

FRANCHISEE	ADDRESS	PHONE
Michael Song	6350 C S Hanover Road, Elkridge, MD 21075	(443) 845-1448

Nevada:

FRANCHISEE	ADDRESS	PHONE
Vegas Machine Works LLC	409 Max Court Henderson, NV 89011	(702) 381-9035

North Carolina:

FRANCHISEE	ADDRESS	PHONE
TLC CNC	105 Creek Ridge Road, Suite E Greensboro, NC 27406	(919) 473-3054

Oklahoma:

FRANCHISEE	ADDRESS	PHONE
Pax CNC	19917 Slick Road, Kellyville, OK 74039	(539) 325-5898

Texas:

FRANCHISEE	ADDRESS	PHONE

Conner McDaniel	24468 State Hwy 6 South Navasota, TX 77868	(209) 277-2082
Desert West CNC LLC	11394 James Watt, Suite 313 El Paso, TX 79936	(915) 740-4937
Alliance Machine LLC	2641 Blue Mound Road W., Suite 201, Haslet, TX 76052	sphrasounonh@hotmail.com
Bear MFG Corporation	16321 Locj Katrine Lane, #B-3, Houston, TX 77084	(832) 272-1245

(b) **Franchise Agreements Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all Fictiv Local franchisees as of December 31, 2025 who are not yet operational but have signed a Franchise Agreement:

FRANCHISEE	ADDRESS	PHONE
None		

EXHIBIT "C" TO THE DISCLOSURE DOCUMENT

FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following are the names, last known home addresses and home telephone numbers of all Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Fictiv Franchise Agreement during the most recently completed fiscal year (January 1, 2025 to December 31, 2025) or who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document:

FRANCHISEE	ADDRESS	PHONE
None		

EXHIBIT "D" TO THE DISCLOSURE DOCUMENT

FORM OF

CONFIDENTIAL OPERATING MANUAL

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FICTIV LOCAL LLC

Operations Manual Table of Contents

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EXHIBIT "E" TO THE DISCLOSURE DOCUMENT

FORM OF

KEY-EMPLOYEE MANAGER CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT AND
ANCILLARY COVENANTS NOT TO COMPETE
FICTIV LOCAL LLC

This Agreement is made and entered into _____, 20__, between Fictiv Local LLC a Delaware limited liability company ("Franchisor"), and if applicable, _____ ("Franchisee") and _____ ("Employee").

RECITALS

WHEREAS, Franchisor, as a result of the expenditure of time, skill, and money, has developed and is continuing to develop a system (the "System") for the development and operation of franchises under the name and Mark "Fictiv" (hereinafter "Business" or sometimes "Franchised Business"); and

WHEREAS, Franchisor identifies the System through certain trade names, trademarks, services marks, symbols, logos, emblems and indicia of origin, including, without limitation, the name "Fictiv" and other such trade names, trademarks and service marks as Franchisor may develop in the future for the purpose of identifying for the public the sources of services and products marketed under such marks and under the System and representing the System's high standards of quality, appearance and service, all of which may be changed, improved and further developed by Franchisor from time to time (collectively, the "Trade Secrets"); and

WHEREAS, the Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means by Franchisor's competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, Franchisor has granted Franchisee a limited right pursuant to a Franchise Agreement to operate a Fictiv Local franchised Business using the System and the Trade Secrets for the period defined in the Franchise Agreement; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to the Franchisee and other licensed users of the System of restricting use, access and dissemination of the Trade Secrets; and

WHEREAS, it will be necessary for certain employees of Franchisee to have access to and use some or all of the Trade Secrets in the management and operation of Franchisee's Business using the System; and

WHEREAS, Franchisee has agreed to obtain from those employees written agreements protecting the Trade Secrets and System against unfair competition; and

WHEREAS, Employee wishes to remain, or wishes to become, an employee of Franchisee; and

WHEREAS, Employee wishes and needs to receive and use the Trade Secrets in the course of his/her employment to effectively perform his/her services for Franchisee; and

WHEREAS, Employee acknowledges that receipt of and the right to use the Trade Secrets in the course of his/her employment to effectively perform his/her services for Franchisee; and

NOW THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Franchisor and/or Franchisee shall disclose to Employee some or all of the Trade Secrets relating to the System.

2. Employee shall receive the Trade Secrets in confidence, maintain them in confidence and use them only in the course of his/her employment by Franchisee and only in connection with the management and/or operation by Franchisee of the Franchised Business using the System for so long as Franchisee is licensed by Franchisor to use the System.

3. Employee shall not at any time make copies of any documents or compilations containing some or all the Trade Secrets without Franchisor's express written permission.

4. Employee shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and then only to the limited extent necessary to train or assist other employees of Franchisee in the management or operation of a Franchised Business using the System.

5. Any and all information, know-how, knowledge, techniques and materials made available by Franchisor or by Franchisee under the Franchise Agreement, including without limitation, specifications, guidelines, procedures, computer software, forms and compilations of data all of which shall be deemed confidential Trade Secrets for the purposes of this Agreement.

6. Employee shall surrender the Confidential Operations Manual and such other manuals and written materials as Franchisor shall have developed ("Manual") described in the Franchise Agreement and any other written material containing some or all of the Trade Secrets to the Franchisee or Franchisor upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which the Manual or other information or material may have been furnished to the Employee.

7. Employee shall not, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

8. The Manual is loaned by Franchisor to Franchisee for limited purposes only and remains the property of Franchisor and may not be reproduced, in whole or in part, without the Franchisor's written consent.

Covenants Not to Compete:

1. To protect the goodwill and unique qualities of the System and confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Employee further undertakes and covenants that while he/she is employed by Franchisee, he/she will not:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer or any Franchisor business to any competitor.

b. Own, maintain, engage in or have any interest in any business (other than

the Franchised Business) which is the same as or similar to the Franchised Business including, but not limited to, any business that provides CNC machining, additive manufacturing and/or associated processes, or that offers or sells any service or product or component thereof which comprises part of the Fictiv System.

2. In further consideration for the disclosure to Employee of the Trade Secrets and to protect the uniqueness of the System, Employee agrees that for two (2) years following the earlier of the expiration, termination or transfer of all Franchisee's interest in the Franchise Agreement or the termination of his/her relationship with Franchisee, the Employee will not, without prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of any Franchisor business to any competitor.

b. Own, maintain, engage in or have any interest in any business which is the same or similar to the Franchised Business including, but not limited to, any business that provides CNC machining, additive manufacturing and/or associated processes or that offer or sell any service or product or component thereof which comprises part of the Fictiv Local System, or that offers or sells any service or product or component thereof which comprises part of the Fictiv System which is located within twenty-five (25) miles of the Franchised Business, or provides such services to customers within ten (10) miles of the perimeter of any Protected Territory of any franchisee operating under the System.

3. Divulge any trade secrets or proprietary information of the Franchisor or Franchised Business.

Miscellaneous

1. Franchisee undertakes to use his/her/its best efforts to ensure that Employee acts as required by this Agreement.

2. Employee agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce this Agreement and shall be entitled, in addition to any other remedies which are available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Employee agrees to pay all expenses (including court costs and reasonable attorney fees) incurred by Franchisor or the Franchisee in enforcing this Agreement.

4. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of this Agreement by Employee shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Employee.

5. **EXCEPT AS STATED BELOW, EMPLOYEE HEREBY IRREVOCABLY SUBMITS HIMSELF/HERSELF TO THE JURISDICTION OF THE STATE COURTS OF ALAMEDA COUNTY, CALIFORNIA AND THE FEDERAL DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA. EMPLOYEE HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. EMPLOYEE HEREBY AGREES THAT SERVICE OF**

PROCESS MAY BE MADE UPON HIM/HER IN ANY LEGAL PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. EMPLOYEE FURTHER AGREES THAT VENUE FOR ANY LEGAL OR EQUITABLE PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ALAMEDA COUNTY, CALIFORNIA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION. WITH RESPECT TO ALL CLAIMS, CONTROVERSIES, DISPUTES OR ACTIONS, THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUCTED UNDER DELAWARE LAW.

6. The parties agree that each of the above covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Employee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separated, stated in, and made a part of this Agreement.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage pre-paid or commercial airborne carrier service for next day delivery to the respective parties.

If directed to Franchisor, the notice shall be addressed to:

Fictiv Local LLC

1611 Telegraph Avenue, Floor 12

Oakland, California 94612

If directed to the Franchisee, the notice shall be addressed to:

_____

_____

_____

If directed to the Employee, the notice shall be addressed to:

_____

_____

_____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by commercial airborne carrier service for next day delivery shall be deemed delivered 2 business days after being placed in the hands of the commercial airborne carrier service. Any notices sent by certified or registered mail shall be deemed given three (3) business days after the time of mailing. Any change in the above addresses shall be affected by giving fifteen (15) days written notice of such change to the other party. Business day shall be defined as any day other than Saturday, Sunday or any recognized U.S. national holiday.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its successors, assigns and transferees. The respective obligations of the Franchisee and the Employee hereunder may not be assigned by the Franchisee or Employee, as applicable, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by signatures below.

FRANCHISOR:
Fictiv Local LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

_____

_____

_____

_____

EMPLOYEE:

_____ **(**Legal Seal)
Signature

Name: _____

EXHIBIT "F" TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES/AGENTS

FOR SERVICE OF PROCESS

LIST OF ADMINISTRATORS		
STATE	**ADDRESS**	**PHONE**
California - Los Angeles Department/Commissioner of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344	866-275-2677
California - Sacramento Department/Commissioner of Financial Protection and Innovation	2101 Arena Blvd. Sacramento, CA 95834	866-275-2677
California - San Diego Department/Commissioner of Financial Protection and Innovation	1455 Frazee Road, Suite 315 San Diego, CA 92108	866-275-2677
California - San Francisco Department/Commissioner of Financial Protection and Innovation	One Sansome Street, Suite 600 San Francisco, CA 94104-4428	866-275-2677
Hawaii	335 Merchant Street, Room 203 Honolulu, HI 9813-2921	808-586-2722
Illinois	500 South Second Street Springfield, IL 62701	217-782-4465
Indiana	200 W. Washington Street, Room 201 Indianapolis, IN 46204	317-232-6681
Maryland Office of the Attorney General Securities Division	200 St. Paul Place, 20th Floor Baltimore, MD 21202-2020	410-576-6360
Michigan	525 W. Ottawa Street Lansing, MI 48909	517-335-7622
Minnesota	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	651-539-1600
New York New York State Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005	212-416-8222
North Dakota	600 East Boulevard Avenue, 5th Floor Bismarck, ND 58505	701-328-4712
Rhode Island	1511 Pontiac Avenue Cranston, RI 02920	401-462-9587
South Dakota	124 S. Euclid, Suite 104 Pierre, SD 57501	605-773-3563
Virginia State Corporation Commission, Division of Securities and Retail Franchising	1300 E. Main Street, 9th Floor Richmond, VA 23219	804-371-9051
Washington Department of Financial Institutions Securities Division	P.O. Box 41200 Olympia, WA 98504-1200	360-902-8760
Wisconsin	4822 Madison Yards, Way, North Tower Madison, WI 53705	608-261-9555

AGENTS FOR SERVICE OF PROCESS		
STATE	**ADDRESS**	**PHONE**
California Commissioner of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105	866-275-2677
California Commissioner of Financial Protection and Innovation	One Sansome Street, Suite 600 San Francisco, CA 94104-4428	866-275-2677
Hawaii Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 9813-2921	808-586-2722
Illinois Illinois Attorney General	500 South Second Street Springfield, IL 62701	217-782-4465
Indiana Indiana Secretary of State	200 W. Washington Street, Room 201 Indianapolis, IN 46204	317-232-6681
Maryland Maryland Securities Commissioner	200 St. Paul Place, 20th Floor Baltimore, MD 21202-2020	410-576-6360
Michigan Michigan Department of Commerce, Corporations and Securities Bureau	525 W. Ottawa Street Lansing, MI 48909	517-335-7622
Minnesota Commissioner of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	651-539-1600
New York Secretary of State of the State of New York	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001	518-473-2492
North Dakota Securities Commissioner	600 East Boulevard Avenue, 5th Floor Bismarck, ND 58505	701-328-4712
Rhode Island Director of Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920	401-462-9587
South Dakota Director of Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501	605-773-3563
Virginia Clerk of the State Corporation Commission	1300 E. Main Street, 1st Floor Richmond, VA 23219	804-371-9051
Washington	150 Israel Road, SW Tumwater, WA 98501	360-902-8760

Securities Administrator, Department of Financial Institutions		
Wisconsin Wisconsin Division of Securities	4822 Madison Way, North Tower Madison, WI 53705	608-261-9555

EXHIBIT "G" TO THE DISCLOSURE DOCUMENT

FORM OF

FRANCHISE AGREEMENT

FICTIV LOCAL LLC

FRANCHISE AGREEMENT

FICTIV LOCAL LLC

FRANCHISE AGREEMENT

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EXHIBITS

Exhibit “G-One” Center And Site Selection Area

Exhibit “G-Two” Protected Territory

Exhibit “G-Three” Spousal Consent

Exhibit “G-Four” State Amendment to Franchise Agreement

FICTIV LOCAL LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is effective as of the _____ day of _____, 20___ (the "Agreement Date"). The parties to this Agreement are **Fictiv Local LLC,** a Delaware limited liability company, with its principal business address at 1611 Telegraph Avenue, Floor 12, Oakland, California 94612 (referred to in this Agreement as "Franchisor," "we," "us" or "our"), and _____, whose principal business address is _____ (referred to in this Agreement as "Franchisee," "you" or "your").

1. Introduction.

1.1 Fictiv Local LLC. We and our affiliate have expended considerable time and effort in developing the Fictiv Local franchise system featuring among other services and items, the operation of one Fictiv Local facility that provides CNC machining and/or associated processes or that offer or sell any service or product or component thereof which comprises part of the Fictiv Local System as defined herein ("Fictiv Local"). We offer the rights to operate a Fictiv Local through either a startup new build or converting an existing business to a Fictiv Local. We operate under the Marks (defined below) and under distinctive business formats, methods, procedures, designs, layouts, signs, equipment, trade dress, standards and specifications, all of which we may improve, further develop or otherwise modify from time to time (collectively, the "System").

We use, promote and license certain trademarks, services marks and other commercial symbols in the operation of our Fictiv Local facilities, including the trade name, trademarks and service marks "Fictiv" and other associated designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of a Fictiv Local franchise (collectively, the "Marks"). We grant to persons who meet our qualifications and are willing to undertake the investment and effort, a franchise to own and operate one franchised Fictiv Local facility offering the products and services we authorize and approve and utilizing the System. You have applied for a franchise to own and operate one Fictiv Local facility.

1.2 Acknowledgments. You acknowledge and agree that:

a. you have read this Agreement and our Franchise Disclosure Document;

b. you understand and accept the terms, conditions and covenants contained in this Agreement as being necessary to maintain our high standards of quality and service and the uniformity of those standards for each franchised Fictiv Local facility and to protect and preserve the goodwill of the Marks;

c. you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a franchised Fictiv Local facility may evolve and change over time;

d. an investment in a franchised Fictiv Local facility involves business risks and that your business abilities and efforts are vital to the success of the venture;

e. any information you acquire from other Fictiv Local franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information;

f. in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such person as a result of this Agreement are solely between you and us;

g. we have advised you to have this Agreement reviewed and explained to you by an attorney; and

h. we have provided to you a copy of our Franchise Disclosure Document at least 14 calendar days prior to the execution of the Franchise Agreement or our receipt of any consideration from you.

1.3 Representations. You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved your request to purchase a franchise partially in reliance on all of your representations.

1.4 No Warranties. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of Fictiv Local Franchises. You acknowledge and understand the following:

a. any statement regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document delivered to you prior to signing this Agreement;

b. any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Fictiv Local facility owned by us or our affiliate or that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately; and

c. you have not received or relied on any representations about us or our franchising program or policies made by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. If there are any exceptions to any of the foregoing, you agree to: (i) immediately notify our chief executive officer; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it.

1.5 Business Organization and Ownership Information. If you have obtained our prior approval and Franchisee is a corporation, partnership, limited liability company or other form of legal entity, Franchisee and the owners agree, represent, and warrant and covenant that:

a. you have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

b. your organizational or governing documents will recite that the issuance and transfer of any ownership interests by you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

c. Franchisee shall provide to Franchisor prior to the execution of this Agreement, true and correct copies, as applicable, of Franchisee's articles of incorporation, bylaws, partnership agreement, articles of organization and limited liability company operating agreement, or limited liability company agreement and other governing documents and amendments thereto, as well as resolutions of the Board of Directors, partners or members authorizing entry into and performance of this Agreement. During the term of this Agreement, Franchisee shall promptly provide to Franchisor true and correct copies of any amendments or other changes to such governing documents. No such documents shall contain any provision that is contrary to or inconsistent with any provision of this Agreement;

d. you and your owners agree to revise the Principal Owner's Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request (no ownership changes may be made without our approval, which shall not be unreasonably withheld);

e. a Principal Owner of the Business Entity (with ownership of at least 10% of its voting securities) must: (i) have management responsibility and authority over the franchised Fictiv Local facility on a day-to-day basis; (ii) oversee the franchised Fictiv Local facility operations; (iii) be bound by our then-current form of Confidentiality Agreement (or other form satisfactory to us); and (iv) satisfactorily complete our initial training program and any other training programs we request during the term; and

f. each of your owners during the term of this Agreement will sign and deliver to us our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by the payment of all monetary obligations. A copy of our current form of Principal Owner's Guaranty is attached to the Franchise Disclosure Document. The spouse of each of your owners will execute a spousal consent in the form attached hereto as Exhibit G-Three.

2. Grant and Term.

2.1 Term. The term of the Franchise and this Agreement begins on the Agreement Date and expires 10 years from the Agreement Date. This Agreement may be terminated before it expires in accordance with its terms.

2.2 Grant. Subject to the terms of and upon the conditions contained in this Agreement, we grant you a franchise (the "Franchise") to: (a) operate one Fictiv Local facility, either as a new start up Fictiv Local or as a conversion of an existing business, at the Site, and at no other location (temporary or permanent); (b) use the Marks solely in connection with operating the Fictiv Local facility ; and (c) use the System in its operation. Except as set forth in Paragraph 2.4 and its sub-paragraphs below, as long as you are in compliance with this Agreement, we will not grant a franchise to anyone else to operate, or ourselves operate, a Fictiv Local franchise location within the Protected Territory.

2.3 Performance. You agree that you will at all times faithfully, honestly and diligently perform your obligations, continuously exert your best efforts to promote and enhance the franchised Fictiv Local facility and not engage in any other business or activity that conflicts with your obligations to operate the franchised Fictiv Local facility in compliance with this Agreement. You may not operate the franchised Fictiv Local facility from any location other than the Site without our prior written consent; provided, however, that you may relocate your franchised Fictiv Local facility within the Protected Territory after providing us with at least 45 days' prior written notice. At all times, either you or one of your Principal Owners must meet our qualifications for management

responsibility and authority over the operations of the franchised Fictiv Local facility. In addition, at all times the franchised Fictiv Local facility must be managed by an operations/general manager who has satisfactorily completed our Initial Training program.

2.4 Rights We Reserve. Notwithstanding any of the foregoing, we (and our affiliate) retain the right in our sole discretion to:

a. establish, and grant to other franchisees the right to establish, Fictiv Local facilities anywhere outside the Protected Territory, on such terms and conditions as we deem appropriate (even immediately outside the border of the Protected Territory), but not within the Protected Territory of your franchised Fictiv Local facility you open under this Agreement and continue to operate under it;

b. operate, and grant franchises to others to operate, businesses, whether inside or outside the Protected Territory, specializing in the sale of products or provisions of services, without restriction of any kind, using certain of the Marks and pursuant to such terms and conditions as we deem appropriate;

c. operate, and grant franchises to others to operate businesses or provide other services, whether inside or outside the Protected Territory, that do not use any of the Marks;

d. market and sell, inside and outside of the Protected Territory, through channels of distribution other than franchised Fictiv Local facilities (like mail order, Internet or Intranet, website or other forms of e-commerce or retail stores), or through special purpose sites including military bases, public transportation facilities, airports, student unions or similar buildings on college or university campuses, and through sites which are covered or closed traffic, malls, or other similar sites, all of which are designated ("Special Sites"). Such Sites We Reserve are not protected and are not part of your Protected Territory;

e. you agree that we have the right, now, or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "Fictiv", and/or Fictiv Local facilities operating under the Marks or any proprietary marks or any of their marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within the "Protected Territory" or proximate thereto, or proximate to any Franchisee location); and

f. You acknowledge and agree that we own all business records and databases, whether in print, electronic or other form, related to the Fictiv Local franchised business, including without limitation, Customer List, Customer Data and all other Business Records Franchisee creates and maintains. Franchisor has the right to contact Franchisee's former and current customers to ascertain their level of satisfaction. We hereby grant Franchisee a license to use the Business Records during the term of this Agreement. Franchisee may not use the Business Records for any purpose whatsoever other than in the normal conduct of the Fictiv Local franchised business, and Franchisee may not sell, loan or give the Business Records, including without limitation, Customer Data, to anyone without Franchisor's written permission. Upon termination or expiration of this Agreement, Franchisee must promptly deliver to Franchisor all Business Records in Franchisee's possession, including without limitation, any hard or electronic copies.

We will have the right to assign this agreement, and all of its rights and privileges under this agreement, to any person, firm, corporation or other entity.

You agree and affirm that we may sell our self, our assets, Marks or other proprietary marks and/or our System to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or other entities, or be acquired by another corporation or other entity, and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's license to use the name(s), Marks, proprietary marks (or any variation thereof) and system and/or the loss of association with or identification of "Fictiv" or "Fictiv Local" under this Agreement. You specifically release any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

If we assign our rights in this Agreement, nothing herein shall be deemed to require us to remain in the same business or any business which we now conduct or to offer to sell any items, products or services to you.

3. Successor Terms.

3.1 Your Right to Acquire a Successor Franchise. This Agreement expires 10 years from the Agreement Date. Upon expiration, if you (and each of your owners) have substantially complied with this Agreement during its term, and provided that:

a. you maintain possession of and agree to remodel and/or expand the franchised Fictiv Local facility, add or replace improvements, equipment and signs and otherwise modify the franchised Fictiv Local facility as we require to bring it into compliance with specifications and standards then applicable for Fictiv Local facility Franchises; or

b. if you are unable to maintain possession of the Site, or if in our judgment the Fictiv Local facility should be relocated, you secure substitute premises accepted by us, you develop such premises in compliance with specifications and standards then applicable for franchised Fictiv Local facilities and continue to operate the franchised Fictiv Local facility at the Site until operations are transferred to the substitute premises, then, subject to the terms and conditions set forth in this Section 3, you will have the privilege to apply for successor franchise agreements to operate the then existing Fictiv Local facility as a franchised Fictiv Local (a "Successor Franchise"), for additional ten (10) year periods for each successor franchise agreement, on the terms and conditions of the franchise agreement we are then using in granting Successor Fictiv Local Franchises for franchised Fictiv Local facilities, which may contain materially different terms and conditions than this Agreement.

3.2 Grant of a Successor Franchise.

a. Your Election: You agree to give us written notice of your election to acquire a Successor Franchise during the first 90 days of the 9th year of this Agreement or during the first 90 days of the 10th year of the term of any 10-year Successor Franchise. We agree to give you written notice ("Response Notice"), not more than 90 days after we receive your notice, of our decision:

(i) to grant you a Successor Franchise; or

(ii) to grant you a Successor Franchise on the condition that deficiencies of the franchised Fictiv Local facility, or in your operation of the franchised Fictiv Local facility, are corrected; or

(iii) not grant you a Successor Franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term.

b. Response Notice: If applicable, our Response Notice will:

(i) describe the remodeling and/or expansion of the franchised Fictiv Local facility and other improvements or modifications required to bring the franchised Fictiv Local facility into compliance with the applicable specifications and standards for franchised Fictiv Local facilities; and

(ii) state the actions you have to take to correct operating deficiencies and the time period in which such deficiencies must be corrected.

If we elect not to grant a Successor Franchise, the Response Notice will describe the reasons for our decision. Your right to acquire a Successor Franchise is subject to your continued compliance with all of your terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice.

c. Deficiencies: If our Notice states that you must cure certain deficiencies of the franchised Fictiv Local facility or its operation as a condition to the grant of a Successor Franchise, we will give you written notice of a decision not to grant a Successor Franchise unless you cure such deficiencies, not less than 90 days prior to the expiration of this Agreement. However, we will not be required to give you such notice if we decide not to grant you a Successor Franchise due to your breach of this Agreement during the 90-day period prior to its expiration. If we fail to give you:

(i) notice of deficiencies pertaining to the franchised Fictiv Local facility, or in your operation of the franchised Fictiv Local facility, within 90 days after we receive your timely election to acquire a Successor Franchise; or

(ii) notice of our decision not to grant a Successor Franchise at least 90 days prior to the expiration of this Agreement, if such notice is required.

Fictiv Local LLC may extend the term of this Agreement for such period of time as is necessary in order to provide you with either reasonable time to correct deficiencies or 90 days' notice of our refusal to grant a Successor Franchise.

3.3 Agreements/Releases. If you satisfy all of the other conditions to the grant of a Successor Franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Successor Franchises. You and your owners further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and execution within 60 days after their delivery to you will be deemed an election not to acquire a Successor Franchise.

3.4 Training and Refresher Programs. Our grant of a Successor Franchise is also conditioned on the satisfactory completion by you (or an Operating Partner and Operations Manager of yours approved by us) of any new training and refresher programs as we may reasonably require. You are responsible for travel, living and compensation costs of attendees.

3.5 Fees and Expenses. There is no successor franchise fee.

3.6 Subsequent Successor Franchises. The fees and other conditions for any later granting of subsequent Successor Franchises will be governed by the Successor Franchise agreement (then in existence).

4. Site Selection and Development.

4.1 Site/Protected Territory. You have applied for a franchise to own and operate one franchised Fictiv Local facility only and at a location for which you have obtained our guidance (the "Site"). During the period ending on the 90th day following the date you sign this Franchise Agreement (the "Site Selection Period"), you must identify and submit to us for guidance the Site. During the Site Selection Period, we will not ourselves, nor grant a franchise to someone else to, open and operate a franchised Fictiv Local facility at a fixed location inside the Site Selection Area. During the Site Selection Period, you must adhere to the following time schedule:

a. Site Selection Area: During the first thirty (30) days of the Site Selection Period, you must obtain our guidance on an intersection of streets or other landmark that will form the center (the "Center") of the Site Selection Area. Your Protected Territory will be defined by protected zip codes determined by the franchisor, provided that your Protected Territory zip codes will vary from other Fictiv Local franchisees based on the location and demographics surrounding your Fictiv Local facility. A single Protected Territory will consist of a minimum size of any territory will be at least one zip code and the maximum size not to exceed one (1) entire state, subject to Franchisor guidance. When the Center and Site Selection Area is determined, we will complete Exhibit "G-One" and provide a copy of it to you.

b. Site Identification: Prior to the 90th day following the Agreement Date, you must identify your proposed Site (which must be located within the Site Selection Area) and submit it to us for our guidance. If we advise against a proposed Site, you should consider our guidance when selecting a Site within the Site Selection Area.

c. Site Selection: We are not obligated to provide guidance on any proposed Site submitted to us after the expiration of the Site Selection Period or outside the Site Selection Area. Once you have identified the Site and obtained our guidance, and the lease has been reviewed, we will complete Exhibit G-Two and provide it to you. If you have not identified a Site and obtained our guidance prior to signing this Agreement, you (with or without our assistance) must, within the Site Selection Period, identify a Site for your franchised Fictiv Local facility located within the Site Selection Area and submit it to us for guidance.

d. Protected Territory: Upon your selection of the Site with our guidance, we will designate the "Protected Territory" which will be defined by protected zip codes determined by us, in our sole discretion provided that your Protected Territory zip codes will vary from other System franchisees based on the location and demographics surrounding your Fictiv Local facility. A single Protected Territory will consist of a minimum size of one zip code and a maximum size of one state. Our designation of a Protected Territory is not a representation or warranty that your franchise will be profitable. After your selection of the Site with our guidance, and the lease has been reviewed, we will insert that Site and the Protected Territory into Exhibit "G-Two" and send a copy to you.

4.2 Site Evaluation. Each proposed Site should be evaluated with our guidance or by a professional site analyst. The Site should meet our recommended criteria, which we will provide you, for demographic characteristics, traffic patterns, parking, competition from and proximity to other businesses and other Fictiv Local facilities, the nature of other businesses in proximity to the

site and other commercial characteristics and the size, appearance and other physical characteristics of the proposed site. We will provide guidance on a Site you propose for a franchised Fictiv Local facility within 30 days. You acknowledge and agree that:

a. our guidance on the Site, the Site Selection Area, or the Protected Territory does not imply, guaranty, assure, warrant or predict profitability or success, express or implied;

b. our guidance on the Site indicates only that we believe that the Site, the Site Selection Area and the Protected Territory fall within the recommended demographic and other criteria for site selection areas, sites and premises or protected territories that we have established as of the time of our guidance on the Site, Site Selection Area or Protected Territory;

c. application of criteria that we have developed for our System or have appeared effective with respect to other sites and premises may not accurately reflect the potential for all sites and premises, and, after our acceptance of a site, demographic and/or other factors included in or excluded from our criteria could change or alter the potential of a site and premises; and

d. the uncertainty and instability of such criteria are beyond our control, and we will not be responsible for the failure of a premises, Site and Protected Territory on which we provide guidance.

4.3 Lease Agreement.

a. Lease of Site: You agree that you must enter into an acceptable lease agreement for the approved site within 180 days from the execution of this Franchise Agreement. In order for us to accept the lease, you agree to deliver copies of the proposed lease agreement and related documents to us prior to signing them. You agree not to sign any lease agreement or related documents (or any renewal of it) unless we have previously approved them. Our approval, which will not be unreasonably withheld, will be limited to ensuring that the lease is consistent with this Agreement. If we approve the lease, you agree to deliver a copy of the signed lease to us within 15 days after its execution along with the Lease Assignment.

b. Lease Assignment: When entering into such a lease, you and the lessor must sign our then-current form of Conditional Assignment and Assumption of Lease Agreement (the "Lease Assignment"). You will give the lessor our form of the Lease Assignment when you begin discussions with the prospective lessor. You agree not to sign any lease or renewal of a lease unless you have also obtained the Lease Assignment signed by the lessor.

c. Mandatory Lease Terms: We may require that the lease or any renewal contain certain provisions, including the following:

(i) a provision which requires the lessor to contemporaneously provide us with copies of any written notice of default under the lease sent to you and which grants to us, at our option, the right (but not the obligation) to cure any default under the lease (should you fail to do so) within 15 days after the expiration of the period in which you may cure the default;

(ii) a provision which evidences your right to display the Marks in accordance with the specifications required by the Confidential Operating Manual(s), subject only to the provisions of applicable law;

(iii) a provision which requires that any lender or other person will not disturb your possession of the Site so long as the lease term continues and you are not in default (along with such documents as are necessary to ensure that such lenders and other persons are bound);

(iv) a provision which expressly states that any default under the lease which is not cured within any applicable cure period also constitutes grounds for termination of this Agreement;

(v) a lease term which is at least equal to the initial term of this Agreement, either through an initial term of that length or right, at your option, to renew the lease for the full term of this Agreement; and

(vi) the premises must be operated as a franchised "Fictiv Local" location.

d. No Warranty: You acknowledge that our approval of the lease for the Site does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a franchised Fictiv Local facility operated at the Site. Such approval indicates only that we believe that the Site and the terms of the lease fall within the acceptable criteria we have established as of the time of our approval. You further acknowledge that we have advised you to have an attorney review and evaluate the lease.

4.4 Ownership and Financing. Instead of leasing a Site, you may propose to purchase, construct, own and operate a franchised Fictiv Local facility on real property owned by you or through an affiliate. You must meet certain conditions if you or an affiliate own a Site or at any time prior to acquisition, or subsequently, you or your affiliates propose to obtain any financing with respect to the Site or for your franchised Fictiv location or for any Operating Assets in which any of such items are pledged as collateral securing your performance. The form of any purchase contract with the seller of a Site and any related documents, and the form of any loan agreement with or mortgage in favor of any lender and any related documents, must be approved by us before you sign them. Our consent to them may be conditioned upon the inclusion of various terms and conditions, including the following:

a. a provision which requires any lender or mortgagee concurrently to provide us with a copy of any written notice of deficiency or default under the terms of the loan or mortgage sent to you or your affiliates or the purchaser;

b. a provision granting us, at our option, the right (but not the obligation) to cure any deficiency or default under the loan or mortgage (should you fail to do so) within 15 days after the expiration of a period in which you may cure such default or deficiency; and

c. a provision which expressly states that any default under the loan or mortgage, if not cured within the applicable time period, constitutes grounds for termination of this Agreement and any default under this Agreement, if not cured within the applicable time period, also constitutes a default under the loan or mortgage.

5. Development, Décor and Operating Assets.

You are responsible for developing your franchised Fictiv Local facility. We will furnish you with access to prototype design plans, specifications, décor and layout including requirements for design, color scheme, image, interior, layout and Operating Assets (which include fixtures, equipment, signs, and furnishings). The floor plan layout you receive from us can be adapted to most spaces. You are obligated to have prepared all required construction plans and specifications to suit

the shape and dimensions of the Site and to ensure that such plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. At your request, to the extent we deem necessary, we will assist you in developing the franchised Fictiv Local facility by recommending contractors and architects and otherwise furnishing information to assist you in developing the franchised Fictiv Local facility.

5.2 Development Expenses. You agree, at your own expense, to do the following with respect to developing the franchised Fictiv Local facility at the Site:

have complete and detailed construction drawings approved by an architect;

b. secure all financing required to develop and operate the franchised Fictiv Local facility;

c. obtain all building, utility, sign, health, sanitation, business and other permits and licenses required to construct and operate the franchised Fictiv Local facility and pay all assessed impact fees;

construct all required improvements to the Site and decorate the franchised Fictiv Local facility;

e. purchase or lease and install all Operating Assets required for the franchised Fictiv Local facility; and

f. purchase an opening inventory of authorized and approved products, materials and supplies.

5.3 Operating Assets and Materials. You agree to acquire all services, supplies, items and products for use in connection with your franchised Fictiv Local facility (collectively "Materials") and all fixtures, furnishings, equipment, signs and electronic or computerized devices and services (including cash registers, computers, manufacturing equipment and machines, tools, uniforms, supplies, software operations systems, e-mail, internet services, hardware and software) (the "Operating Assets") from suppliers we expressly approve, except for generic supply purchases for office consumables which shall be permitted to be purchased from any business in good standing. We will only approve suppliers whose Materials and Operating Assets meet the quality standards that we establish from time to time. We may require that you purchase or lease Operating Assets and Materials through any affiliate supplier and/or any form of a "business to business," e-commerce, Internet supply network that we may designate, establish or participate in from time to time. You also agree that we or our agents, at any reasonable time, may remove any Operating Asset from the franchised Fictiv Local facility, without compensation to you, if such Operating Assets are deemed by us or our agents to not be approved for use at the franchised Fictiv Local facility or be deemed to be a public health and/or safety risk. In the event such Operating Asset is removed, we may replace such Operating Asset or make arrangements to have such Operating Asset Serviced, repaired and/or cleaned at your expense. Any expense we incur will be due and payable by you to us upon demand.

5.4 Changes to Approved Suppliers. If you want to propose a new supplier of Materials or Operating Assets, you agree to submit to us, on our "Supplier Approval Form", sufficient written information about the proposed new supplier to enable us to approve or reject either the supplier or the particular item and to be responsible for any expenses incurred in the process by us or you. We will have 30 days from receipt of the information to approve or reject the proposed new supplier or items. We may consider in providing such approval not just the quality standards of the products or services, but their delivery capabilities, financing terms and ability to service our

franchise system as a whole. We may terminate or withhold approval of any Materials or Operating Assets, or any supplier of such item, that do not meet our quality standards by giving you written notice. If we do so, you agree to immediately stop purchasing from such supplier or using such Materials or Operating Assets in your franchised Fictiv Local facility until we notify you that such supplier or such Materials or Operating Assets meet our quality standards.

At our request, you agree to submit to us sufficient information about a proposed supplier and samples of the proposed Fictiv Local Materials or Operating Assets for our examination so that we can determine whether they meet our quality standards. We also have the right to require our representatives to be permitted to inspect the proposed supplier's facilities at your expense. We reserve the right, at our option, to re-inspect or re-test from time to time the facilities and products, Operating Assets or other items of any approved supplier and to revoke approval upon a supplier's failure to meet any of our then-current criteria. Nothing hereinabove shall be construed to require us to approve any particular supplier. Your failure to comply with the provisions of Section 5.5 shall be deemed a material breach under this Agreement. We have and reserve the right to receive compensation or other consideration from approved suppliers and service providers based on our or our franchisees' purchases from these suppliers and on our designating the supplier as an approved supplier even if these suppliers include these fees in their prices to us or our franchisees.

5.6 Opening.

You agree not to open the franchised Fictiv Local facility for business until:

a. the franchised Fictiv Local facility is developed in accordance with applicable laws and permit requirements;

b. pre-opening training of you and your personnel has been completed to our satisfaction including operator certification at our approved training site or virtually;

c. the Franchise Fee and all other amounts then due to us have been paid;

d. we have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept;

e. we have received signed counterparts of all required documents pertaining to your lease or acquisition of the Site;

f. if we, in our sole discretion approve you to be a business entity, we have received your Articles of Incorporation, Partnership Agreements and/or other organizational documents; and

g. any pre-opening marketing requirements have been completed to our satisfaction.

You agree to commence construction of (or remodeling in the case of your purchase of an existing building) the franchised Fictiv Local facility within 90 days after the date of this Franchise Agreement. You also agree that time is of the essence and except for unavoidable delay or failure to perform [Force Majeure] you must complete all Site Selection, Development and Opening obligations within 180 days from the date of this Franchise Agreement.

6. Fees.

In consideration of our granting you a Fictiv Local franchise, you agree to pay us a nonrefundable and fully earned Initial Franchise Fee. For a new startup Fictiv Local, you will pay us an Initial Franchise Fee of One Hundred Fifteen Thousand Dollars ($115,000), payable on the Agreement Date. If you are converting an existing business into a Fictiv Local, you will pay us an Initial Franchise Fee of Ten Thousand Dollars ($10,000), payable on the Agreement Date.

You must pay a monthly Continuing License Fee of 8% of your monthly Gross Revenue for new customers and 0% of your monthly Gross Revenue from your existing customers as of the date of this Agreement. For purposes of this Section, an "Existing Customer" means a customer with whom you had an active business relationship as of the Agreement Date, solely with respect to the same scope of products, services, and projects in place with that customer as of the Agreement Date. Revenue derived from new products, new projects, or an expanded scope of work with an Existing Customer shall be treated as new customer revenue subject to the 8% Continuing License Fee. We must receive the Continuing License Fee on or before the Payment Day (defined in 6.3 below) of each month for the immediately preceding month.

6.3 Electronic Funds Transfer and Payment Procedure. We require you to pay all payments of the Continuing License Fee or any other amounts due us under this Agreement to us by electronic funds transfer. We will designate the date of each month (the "Payment Day") for the Continuing License Fee payment or payment of other amounts due us under this Agreement. We may designate different Payment Days for different amounts due to us under this Agreement (e.g. Continuing License Fee, etc.). You agree to comply with the procedures we specify in our Confidential Operating Manual(s) and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. You will give us authorization, in a form that we designate, to initiate debit entries or credit correction entries to the franchised Fictiv Local facility's bank operating account (the "Account") for payments of Continuing License Fees, and other amounts due under this Agreement, including any applicable interest charges. You will make the funds available in the Account for withdrawal by electronic transfer no later than the Payment Day. The amount actually transferred from the Account to pay Continuing License Fees, will be based on your franchised Fictiv Local facility's Gross Revenue reported to us. If you have not reported your franchised Fictiv Local facility's Gross Revenue for any reporting period, we will transfer from your Account an amount calculated in accordance with our reasonable estimate of your franchised Fictiv Local facility's Gross Revenue during any such reporting period, provided, however that the minimum amount will be five hundred dollars ($500) per week for the Continuing License Fees that we will debit if you have not reported Gross Revenue in the reporting period. If we determine at any time that you have under-reported Gross Revenue or underpaid Continuing License Fees or other amounts due to us, we will be authorized to immediately initiate a transfer from the Account in the appropriate amount in accordance with the foregoing procedures, including applicable interest and late charges. Any overpayment will be credited to the Account through a credit, effective as of the first reporting date after you and we determine that such credit is due. A fee of one hundred dollars ($100) per occurrence will be due to us for each insufficient electronic funds transfer.

6.4 Definition of "Gross Revenue". As used in this Agreement, the term "Gross Revenue" means all revenue you derive from operating your franchised Fictiv Local facility, including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the Marks, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone

else; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits and allowances actually made by your franchised Fictiv Local facility. Gross Revenue also includes the aggregate of revenues from the sale of goods, wares, services and products from all sources in connection with the franchise business whether from delivery service sales, retail, special functions, etc. and sales of all products whether associated with the Marks or not.

6.5 Interest on Late Payments. All amounts which you owe us will bear interest after their due date at the annual rate of 18% or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that we do not agree to accept any payments after they are due nor commit to extend credit to, or otherwise finance your operation of, the franchised Fictiv Local facility. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 16 of this Agreement.

6.6 Late Payment Penalties. All Continuing License Fees and amounts due for purchases by you from us, and any interest accrued thereon, and any other amounts which you owe us, or our affiliate, are subject to a late payment fee of 1.5% per month of the amount due, but not to exceed the maximum allowed by law. The late payment fee is due immediately on any delinquent payments. The provision in this Agreement concerning late payment fees survives termination or expiration of this Agreement and does not mean that we accept or condone late payments, nor does it indicate that we are willing to extend credit to, or otherwise finance the operation of, your franchised Fictiv Local facility.

6.7 Application of Payments. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you or your owners owe us against any amounts we might owe you or your owners.

6.8 Payment Offsets. We may setoff from any amounts that we may owe you any amount that you owe to us for any reason whatsoever, including without limitation, Continuing License Fees, late payment penalties and late payment interest, amounts owed to us for purchases or services or for any other reason. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us from time to time. In particular, we may retain any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us at any time. We will notify you monthly if we do so.

6.9 Discontinuance of Service. If you do not pay amounts due to us timely under this Agreement, we may discontinue any services to you, without limiting any of our other rights in this Agreement.

6.10 Franchise Operations System. We may in our sole and absolute discretion activate the Fictiv Local Franchise Operations System ("FOS") to be the company-wide communication system provided by Franchisor through software platform and/or website to enable transfer of information, instruction, training, conferences, management and communication with franchisees. Thirty (30) days after activation, you will pay a fee set by us to be paid by Electronic Funds Transfer pursuant to Paragraph 6.3. We may in the future require you to enter into a separate data sharing agreement governing the collection, use, and sharing of operational data (including, but not limited to, machine capacity, production metrics, and order fulfillment data) generated through the FOS or other required software systems, which data may be shared with Fictiv Local LLC and Fictiv Inc.

7. Training and Assistance.

7.1 Training. Before the franchised Fictiv Local facility opens, we or our designee will furnish the initial 48-hour Training Program ("Initial Training") to you and/or your Operating Manager (or, if you are a Business Entity, your primary operating manager (the "Operating Manager"). The Operating Manager of the franchised Fictiv Local facility must successfully and fully complete the Initial Training and pass the Training Program (the "Training Certificate") conducted virtually or at our Regional Training Center designated by us. Although we, or our designee, will furnish the Initial Training to the Operating Manager and you at no additional fee or other charge, you will be responsible for all travel and living expenses which the Operating Manager and you incur in connection with the training. There is no fee for training replacement trainees or additional persons.

7.2 Ongoing Assistance. We will provide continuing advisory assistance to you in the operation, and promotion of the franchised Fictiv Local facility as we deem necessary. We, or our designee, will also provide additional or refresher training programs for you and your employees as we deem appropriate. We will provide you, from time to time with advice and materials concerning techniques of managing and operating the franchised Fictiv Local facility. At your request, we will make additional or refresher training in form and content as we deem appropriate available at your franchised Fictiv Local facility or at other locations we designate at no charge. You are responsible for travel and living expenses.

7.3 Additional Training. If, at any time after the franchised Fictiv Local facility opens, you hire additional management personnel or replace one or more of your Operating Partners/Principals, you must ensure that such new employees are satisfactorily trained and certified at an approved training Fictiv Local facility at your expense. We may require the Trainees and/or other previously trained and experienced managers or employees attend periodic refresher training courses at such times and locations that we designate. There is no charge for such training.

7.4 General Guidance. We will advise you from time to time regarding the operation of the franchised Fictiv Local facility based upon reports you submit to us or inspections we make. In addition, we will furnish guidance to you with respect to:

a. standards, specifications and operating procedures and methods utilized for the franchised Fictiv Local facilities;

b. purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies;

c. use of suppliers, approved products, volume buying;

d. advertising and marketing programs;

e. employee training; and

f. administrative, bookkeeping and accounting procedures.

Such guidance will, at our discretion, be furnished in our Confidential Operating Manual(s), bulletins or other written materials and/or during telephone consultations and/or additional training.

7.5 Seminars and Conferences. You or your Manager are required to attend up to two (2) Conferences every year. If you have multiple territories, the Manager of each territory must attend up to two (2) Conferences every year. The Conferences shall be at such times and places and for the duration we designate. There is no fee for such conventions. Upon your request, we may agree to

allow additional attendees. You will be responsible for all travel and living expenses incurred in attending any conference.

8. Marks.

8.1 Ownership and Goodwill of Marks. Your right to use the Marks is derived solely from this Agreement and limited to your operation of the franchised Fictiv Local facility at the Site pursuant to and in compliance with this Agreement and all System Standards we prescribe from time to time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the franchised Fictiv Local facility in compliance with this Agreement). All provisions of this Agreement apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

8.2 Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the franchised Fictiv Local facility, except that you agree to identify yourself as the independent owner in the manner we prescribe in the Confidential Operating Manual(s) or otherwise. We may place a conspicuous notice at a place we designate in your franchised Fictiv Local facility identifying you as its independent owner and operator. You agree not to remove, destroy, cover or alter that notice without our prior consent. If you do not do so, we may accomplish the notice or identification as we see fit, and you agree to reimburse us for doing so. You may not use any Mark as part of any registered corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, except that we may permit you to operate using the "Fictiv Local" name as a "DBA" or fictitious name, but only to the extent agreed in writing. Nor may you use any Mark in connection with any social media networking, including but not limited to, any postings on a social media site or social media network sites nor with the performance or sale of any unauthorized services or products or in any other manner except as we have expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of the franchised Fictiv Local facility or an ownership interest in you. You agree to display the Marks prominently in the manner we prescribe at the franchised Fictiv Local facility, on supplies or materials we designate and in connection with forms and advertising and marketing materials. You agree to give such notices of trade and service mark registrations as we specify and to obtain any fictitious or assumed name registrations required under applicable law. If you utilize the Marks in any way that does not comply with this Agreement, you will be in material breach of this Agreement, and it will be your express responsibility to achieve any written or other approvals necessary to utilize the Marks as set forth herein.

8.3 Notification of Infringements and Claims. You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our

interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

8.4 Discontinuance of Use of Marks. If we deem it advisable at any time in our sole control for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will not be obligated to reimburse you for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

8.5 Signage. Signage must comply with all state and local laws, ordinances and any covenants agreed to within your lease. You must limit your signage to "**Fictiv Local**". The use of any other language is forbidden. For your Fictiv Local or Fictiv branded signage, if you employ any signage that does not comply with this Agreement, you will be in material breach of this Agreement. The signage must also incorporate the specific letter style/color and curvature associated with "Fictiv" logo or other mark or logo we may, in our sole discretion, designate in writing from time to time. You must not use a sign that deviates from the standard logo unless and until you have submitted a request for such deviation to us in writing with drawings and we have approved such deviation in writing.

8.6 Social Media. You may not use the Marks on any social media or networking platform without our prior written consent. You may otherwise promote your franchised Fictiv Local facility on social media platforms, provided that such promotion does not utilize the Marks or misrepresent your relationship with us or the System.

8.7 Copyrights. All right, title and interest in and to all materials, artwork, and designs used with the Marks or in association with the System are our sole and exclusive property and cannot be replaced or replicated either during or after this Agreement. You have no right to make any direct or indirect use of Copyright Materials except as permitted under this Agreement.

9. Confidential Information.

9.1 Types of Confidential information. We possess (and will continue to develop and acquire) certain confidential information (the "Confidential Information") relating to the development and operation of franchised Fictiv Local facilities which includes (without limitation):

a. the System and the know-how related to its use;

b. plans, specifications, size and physical characteristics of franchised Fictiv Local facilities;

c. site selection criteria;

d. methods in obtaining licensing and meeting regulatory requirements;

e. sources, design and methods of use of equipment, furniture, forms, materials, supplies, websites, Internet, "business to business" or "business to customer" networks or communities and other e-commerce methods of business;

f. any marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), advertising and promotional programs for franchised Fictiv Local facilities;

g. staffing and delivery methods and techniques for personal services;

h. the selection, and training of managers for franchised Fictiv Local facilities;

i. the recruitment, qualification and investigation methods to secure employment for employment candidates;

j. any computer software we make available in the future or recommend for franchised Fictiv Local facilities;

k. methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation, advertising, marketing and franchising of Fictiv Local facilities;

l. knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment;

m. preparation and service techniques and methods; and

n. pricing recommendations, purchase agreement and contracts.

9.2 Disclosure and Limitations on Use. We will disclose much of the Confidential Information to you and personnel of the franchised Fictiv Local facility by furnishing the Confidential Operating Manual(s) to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your franchised Fictiv Local facility, you or your employees may develop ideas, concepts, methods, techniques or improvements ("Improvements") relating to your franchised Fictiv Local facility or the System, which you hereby agree to disclose to us. We will be deemed to own the Improvements, and the Improvements will constitute Confidential Information. We may use the Improvements and authorize you and others to use them in the operation of franchised Fictiv Local facilities or any other aspect of the System.

9.3 Confidentiality Obligations. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of your franchised Fictiv Local facility as we see fit, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you:

a. will not use the Confidential Information in any other business or capacity;

b. will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

c. will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Confidential Operating Manual(s); and

d. will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the Confidential Information.

9.4 Exceptions to Confidentiality. The restrictions on your disclosure and use of the Confidential Information will not apply to the following:

a. disclosure or use of information, processes, or techniques which are generally known and used in business (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; and

b. disclosure of the Confidential Information in judicial, administrative or arbitration proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

10. Exclusive Relationship.

You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among franchised Fictiv Local facilities if franchisees of Fictiv Local facilities were permitted to hold interests in or perform services for a Competitive Business (defined below). You agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners' spouses or children) will:

a. have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, other than the franchised Fictiv Local facility;

b. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, wherever located; or

c. perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located.

The term "Competitive Business" as used in this Agreement means any business or facility owning, operating or managing, or granting franchises or licenses to others for the sale of goods, products or services similar to any of the goods, products or services offered by the franchised Fictiv Local facility, including, but not limited to any business which provides CNC machining, additive-manufacturing, and/or associative processes or that offer or sale any service or product or component thereof which comprises part of the Fictiv Local System as defined herein; provided, however, that the term "Competitive Business" shall not include any independent manufacturing or machining operation conducted by you or your owners that (i) does not utilize the Marks, the System or the Confidential Information, and (ii) does not operate under or as part of any other franchise or license system featuring CNC machining, additive manufacturing and/or associated processes.

11. Operation and System Standards.

11.1 Confidential Operating Manual(s). During the term of this Agreement, we will allow you access, in electronic or in another format we designate, to our manuals (the "Manuals"), consisting of such materials that we generally furnish to franchisees from time to time for use in operating a franchised Fictiv Local facility. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") that we prescribe from time to time for the operation of a franchised Fictiv Local facility and information relating to your other obligations under this Agreement and related agreements. You agree to follow the System Standards and other standards, specifications and operating procedures we establish periodically for the System that are described in the Manuals. We also reserve the right to make the Manuals accessible to you on-line via computer systems or other electronic formats (like Internet, CD-ROM, websites or e-mail). You also must comply with all updates and amendments to the System as described in newsletters or notices we distribute, including via computer systems e.g., internet, CD or other media we select. Any form of the Manuals we make accessible to you on-line will be deemed

our Confidential Information. You agree to maintain the Manuals as confidential and maintain the information in the Manuals as secret and confidential. The Manuals may be modified, updated and revised (in written or electronic format) by us from time to time to reflect changes in System Standards. You agree to keep your copy of the Manuals, if any, current and in a secure location at the franchised Fictiv Local facility. In the event of a dispute relating to its contents, the master copy of the Manuals we maintain at our principal office will be controlling. However, in the event we utilize on-line Manuals, the most recent on-line Manuals will control any disputes between the on-line version and printed copies of the Manuals. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals. If your copy of the Manuals is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge (unless we have made on-line Manuals accessible to you. If so, you may utilize the on-line Manuals instead of purchasing other printed Manuals.)

11.2 Compliance with System Standards. You acknowledge and agree that your operation and maintenance of the franchised Fictiv Local facility in accordance with System Standards is essential to preserve the goodwill of the Marks at all Fictiv Local facilities. Therefore, at all times during the term of this Agreement, you agree to operate and maintain the franchised Fictiv Local facility in accordance with each and every System Standard, as we periodically modify and supplement them during the term of this Agreement. System Standards may regulate any one or more of the following with respect to the franchised Fictiv Local facility:

a. periodic maintenance, cleaning and sanitation; replacement of obsolete or worn-out leasehold improvements, fixtures, furnishings, equipment and signs; televisions; and music and other entertainment services;

b. types, models and brands of required fixtures, furnishings, equipment, tools, machines, software, operations systems, signs, software, materials and supplies;

c. types, content, size, materials and standards for signage;

d. required or authorized products and product categories including each supplier of products;

e. designated or approved suppliers of fixtures, furnishings, equipment, signs, software, products, materials and supplies including for all approved distributors and/or distribution systems and approved trade accounts;

f. terms and conditions of the sale and delivery of, and terms and methods of payment for, products, materials, supplies and services, including direct labor, that you obtain from us, unaffiliated suppliers or others;

g. sales, marketing (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), advertising and promotional programs and materials and media used in such programs;

h. use and display of the Marks;

i. staffing levels for the franchised Fictiv Local facility, and qualifications, training, dress and appearance of employees;

j. days and hours of operation at the franchised Fictiv Local facility;

k. participation in market research and testing and product and service development programs and customer satisfaction programs;

l. acceptance of credit cards, corporate and other franchisee issued gift certificates, coupons (including those from other franchisees), frequent user programs, gift cards and payment systems and check verification services;

m. bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;

n. types, amounts, terms and conditions of insurance coverage required to be carried for the franchised Fictiv Local facility and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the franchised Fictiv Local facility at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;

o. complying with all applicable federal, state, and local laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the franchised Fictiv Local facility;

p. regulation of such other aspects of the operation and maintenance of the franchised Fictiv Local facility that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Fictiv Local facilities;

q. your use of, or mandatory or recommended participation in any e-commerce, Intranet, Internet or website communities, systems or processes, website and compliance with any Internet, Intranet or e-commerce policies or procedures which we may establish from time to time; and

You agree that System Standards prescribed from time to time in the Manuals, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as periodically modified.

11.3 Modification of System Standards. We may periodically modify System Standards, which may accommodate regional or local variations as we determine. Such modifications may obligate you to invest additional capital in the franchised Fictiv Local facility ("Capital Modifications") and/or incur higher operating costs. However, such modifications will not alter your fundamental status and rights under this Agreement. We will not obligate you to make any Capital Modifications when such investment cannot in our reasonable judgment be amortized during the remaining term of this Agreement, plus all eligible successor periods, unless we agree to extend the term of your franchise so that such additional investment, in our reasonable judgment, may be amortized; unless such investment is necessary in order to comply with applicable laws. We agree to give you up to 90 days to comply with Capital Modifications we require. However, if a Capital Modification requires an expenditure of more than $20,000 we agree to give you up to 180 days from the date such request is made to comply with such Capital Modification. You are obligated to comply with all modifications to System Standards, including Capital Modification, within the time period we specify. In no event will we require you to spend in any 12-month period in excess of 40% of our

high estimate of the cost of the sum of leasehold improvements and furniture, fixtures, and/or Manufacturing Equipment/or Machines from our Franchise Disclosure Document during the term of this Agreement in connection with Capital Modifications.

11.4 Interior and Exterior Upkeep. You agree at all times to maintain the franchised Fictiv Local facility's interior and exterior and the surrounding area in the highest degree of cleanliness, orderliness and sanitation and comply with requirements regarding the upkeep of the franchised Fictiv Local facility established in the Manuals and by federal, state and local laws.

You agree at the end of the fifth year from the Agreement Date, you will spend during the following six months an amount of no less than $15,000 on the upkeep of the franchised Fictiv Local facility.

11.5 Hours of Operation. Unless we have otherwise approved in advance in writing, you agree to operate the franchised Fictiv Local facility, at a minimum, between the hours of 8 a.m. to 4 p.m., Monday through Friday. Franchise locations must be open for operation for at least 40 hours per week (Monday through Friday).

11.6 Accounting, Computers and Records. It is your responsibility to obtain accounting services and any required hardware or software related to them. You will at all times maintain the records reasonably specified in the Manuals, including, without limitation, sales, inventory and expense information and in compliance with applicable Laws. To the extent we require support for accounting software used by you, such support will only be provided with respect to the accounting software then used by us in the operation of our own (or our affiliate's own) Fictiv Local facilities.

11.7 Computer System. You agree to use in developing and operating the franchised Fictiv Local facility the computer equipment and operating software (and related training and periodic software support) (the "Computer System") that we periodically specify. We may require you to obtain specified computer hardware or software and may modify specifications for and components of the Computer System from time to time. We currently require you to use the Business Software system based on GSuite and we recommend QuickBooks and Fusion360 You must also pay the vendor a monthly service fee for each Fictiv Local facility. Our modifications and specifications for components of the Computer System may require you to incur cost to purchase, lease or license new or modified computer hardware or software and to obtain service and support for the Computer System during the term of this Agreement. You agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (any additions or modifications). Within 60 days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require. We have the right to charge you for any computer usage costs that we incur as a result of your use of the Computer System. The Computer System must be capable of connecting with our Computer System so that we can review the results of your franchised Fictiv Local facility's operations. We also have the right to charge you a reasonable systems fee for modifications of and enhancements made to any proprietary software that we license to you and other maintenance and support services that we or our affiliate may furnish to you related to the Computer System. You are responsible for all ISP and other connectivity related fees and costs relating to your use of the Computer System. You agree to maintain an active e-mail address at all times and inform us of it. If we adopt a different computer system or other system in the future, you must adopt it at your expense. You must maintain, modify and upgrade all such items at your sole expense and as we may require from time to time. You must provide us full 24-hour, 7-day-a-week access including online access, and the right to "upload" or "download" information to

and from all computer and other systems (except for Your customer's proprietary information to which Fictiv Local is not a permitted recipient under applicable non-disclosure agreement(s)), and to the information through your computer or other systems. You must use software we designate from time to time. You agree that you will not make any claim against us or our affiliates for any loss, damage, liability or expense caused by or related to failures, errors, acts, omissions, or otherwise of any computer, hardware or software system.

11.8 Trade Accounts and Taxes. You agree to maintain your trade accounts in a current status and seek to resolve any disputes with trade suppliers promptly. You agree to timely pay all taxes incurred in connection with your franchised Fictiv Local facility operations. If you fail to maintain your trade accounts in a current status, timely pay such taxes or any other amounts owing to any third parties or perform any non-monetary obligations to third parties, we may, but are not required to, pay any and all such amounts and perform such obligations on your behalf. If we elect to do so, then you agree to reimburse us for such amounts. You agree to repay us immediately upon receipt of our invoice. We may also set-off the amount of any such reimbursement obligations against all amounts which we may owe you.

11.9 Proprietary Materials. You agree to purchase from us or approved manufacturers or suppliers all items used in operating the franchised Fictiv Local facility, some of which may bear the Marks. These items include, but are not limited to, employee clothing (such as shirts) (collectively, the "Proprietary Materials"), at then prevailing prices, plus freight, taxes and delivery costs. The items may also include products like clothing, hats, tee shirts, etc. for retail sale to customers.

11.10 Approved Products. When you are using the Fictiv Local system, branding, trademarks or name, you agree not to sell any products or other items at the franchised Fictiv Local facility that we have not previously approved for sale. You agree to only use and display those services that have been prescribed or approved (except for prices) in advance by us. You agree to sell all the products and services that are authorized by us and no others. You agree not to, without our prior written consent, sell, dispense, give away or otherwise provide products or other items except by means of retail sales at the franchised Fictiv Local facility, a program of charitable giving or under an approved service in accordance with this Agreement. You will immediately implement changes to the products, service or other items requested by us. You agree to maintain an inventory of products and/or raw material(s), either on hand or able to be ordered in a commercially reasonable time period, sufficient to meet the demands of the franchised Fictiv Local facility for all services offered in the Confidential Operating Manual. We will suggest pricing to you for your Fictiv Local facility services and products.

Under the Fictiv Local or Fictiv branding, you may not produce High Risk Products, and any Products that are illegal or designed to harm human beings, or which Fictiv Local otherwise deems inappropriate in its sole discretion, without express written approval from Fictiv Local. For purposes of this Agreement, "High Risk Products" include but are not limited to Products designed for use or integration into medical devices (including Personal Protective Equipment), weaponry (including firearms), automobiles, aeronautics or for such Products that require any special federal, state or local licenses to manufacture. Without the express written approval of Fictiv Local, you may not sell products for use as critical components in life support devices or systems. As used herein: (i) life support devices or systems are devices or systems which, (a) are intended for surgical implant into the body, or (b) support or sustain life and whose failure to perform can be reasonably expected to

result in a significant injury to the user; and, (ii) a critical component is any component of a life support device or system whose failure to perform can be reasonably expected to cause the failure of the life support device or system, or to affect its safety or effectiveness.

11.11 Management. You (or your Operating Partner) and one of your managerial employees that has satisfactorily completed our training program must assume responsibility for the franchised Fictiv Local facility's day-to-day management and operation and supervision of the franchised Fictiv Local facility personnel. You or your Operating Partner/Principal must work a minimum of 40 hours per week (other than vacation periods). During all hours of operations, the franchised Fictiv Local facility must be under the direct supervision of you (or your Operating Partner/Principal) and a management-level employee who has satisfactorily completed our Initial Training Program or otherwise been trained by you if you have received our Training Certificate for Initial Training and meets our qualifications for a franchised Fictiv Local facility Manager. Each of your managerial employees must sign our Confidentiality Agreement attached to the Franchise Disclosure Document, or other agreements satisfactory to us.

11.12 Personnel. All employees must be trained and supervised in accordance with the specifications set forth in the Manuals. All personnel must meet every requirement imposed by applicable federal, state and local law as a condition to their employment.

11.13 Insurance. You shall carry statutory limits for Workers Compensation insurance as required by law in the state in which your franchised Fictiv Local facility is located.

You shall carry and maintain in force, comprehensive general liability insurance, employer's liability insurance, product liability insurance, personal and advertising injury insurance, and professional liability insurance with limits of One Million Dollars ($1,000,000) limit including the following coverages: broad form contractual liability, personal injury (employee and contractual exclusion); insuring us and you against all claims suits, obligations, liabilities and damages, including attorneys' fees, for actual or alleged personal injuries or property damage relating to your franchised Fictiv Local facility franchised business, provided that the required amounts herein may be modified from time to time by us to reflect inflation or future experience with claims; automobile liability insurance on company vehicles, including owned, hired and non-owned vehicle coverage, with a limit of at least One Million Dollars ($1,000,000); Cyber Liability insurance with a limit of at least One Million Dollars ($1,000,000); Director & Officer / Employer Practices Liability insurance with a limit of at least One Million Dollars ($1,000,000); and, additional insurance and types of coverage as may be required by the terms of any lease for your franchised Fictiv Local facility, or as may be required by us, including an umbrella policy with limits of One Million Dollars ($1,000,000). You shall also carry and maintain in force, loss of income insurance (in an amount sufficient to cover the Continuing License Fees and other fees due under the Franchise Agreement, for a period of at least six months); and rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or Merchants' Association under the lease, if any, during any period of business interruption or inability to operate the Fictiv Local facility) or such greater amounts of insurance as required by the lease for the Fictiv Local facility.

All insurance policies must be issued by carriers who are authorized to do business in the state where the franchised Fictiv Local facility is located, must contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time, must name us as additional insured, must provide for 30 days prior written notice to us of any material modification, cancellation or expiration of such policy and must include all other provisions we may require from time to time. These policies shall indemnify both the Franchisee (as named insured), the

Franchisor and any other party having an insurable interest in either your operations or our operations as an Additional Insured from an actual or alleged claim by a third party caused by or occurring in conjunction with the operation of the franchised Fictiv Local facility or otherwise in conjunction with the conduct of business by you pursuant to this Franchise Agreement. We reserve the right to adjust the limits of indemnification (up or down) or to require you to procure and maintain other additional coverage prescribed from time to time by us and issued by insurance carriers we have approved. You shall submit to us annually a copy of the certificate of, or other evidence of, the renewal or extension of such insurance policy or policies. We reserve the right to reject any policy with exclusions or sub limits that are not satisfactory to us.

You shall also provide Business Interruption and Extra Expense on a One Hundred Percent (100%) co-insurance basis. We shall be named as loss Payee on the Business Interruption coverage on a primary basis so as to enable you to provide us with an uninterrupted stream of payments (as if you were still in operation) for a period of a minimum of six months.

You shall further carry any additional insurance covering such additional risks or providing higher limits as we may reasonably request.

If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence thereof, we at our option and in addition to its other rights and remedies hereunder, may, but shall not be required to, obtain such insurance coverage on behalf of you, and you shall promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us, on demand, any costs and premiums incurred by us plus an administrative fee of 15% of the amount paid.

11.14 Adequate Reserves and Working Capital. You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the franchised business for at least three months. These reserves may be in the form of cash deposits or lines of credit.

11.15 Variation of Terms. You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any franchised Fictiv Local facility, based on the timing of the grant of the franchise, the peculiarities of the particular protected territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised Fictiv Local facility. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

11.16 Customer Complaints. In the event your customer(s) contact(s) us to report a complaint about your franchised Fictiv Local facility, you agree that we may in our sole discretion, compensate your customer in a manner we determine to be appropriate, and you agree to reimburse us for such compensation. Payment of such amount paid to the customer (the "Customer Comment Reimbursement Fee") is due upon demand by us.

11.17 Your Purchases. We or an affiliate may derive revenue from the sale of required purchases of products, items, goods and services through mark-ups in prices charged by us or our affiliate. We or an affiliate may receive compensation and discounts from suppliers for your purchase of items. You agree that we and/or our affiliates are entitled to such fees and/or other consideration. Any monies paid to us for products, goods or services are non-refundable.

12. Marketing and Promotion.

12.1 Local Advertising. After 120 days of continuous operations, you are required to provide proof of marketing and advertising campaigns to Franchisor. If you fail to provide such proof, Franchisor may mandate that you dedicate 1% of annual Gross Revenue to advertising under the Fictiv Local brand. You agree that all Local Advertising will comply with the standards set by us and as established in the Confidential Operations Manual. Local Advertising may include, without limitation, placing a certain number and/or type(s) of media advertisements. We may request that and if we do, you are to provide us quarterly reports of your Local Advertising expenditures and at the beginning of each new year, you must provide us with an annual budget for your Local Advertising expenditures within thirty (30) days of the beginning of each new calendar year. All advertising and promotional materials must be previously approved by us and you shall report all advertising expenditures to us upon our request, within ten (10) days. You agree that we shall have the right to require you to spend a minimum on local advertising which can be combined with one or more franchisees in an area designated by us, and we shall have the sole right to approve the media selection format.

12.2 Directory Listings. You agree to obtain telephone directory listing online commercial directories (ex. like Google, Google Maps, Yelp, etc.) as approved by us. If other franchisees operate Fictiv Local facilities in the market area serviced by the online directories, then you will participate in and pay your pro rata share (based on number of franchised Fictiv Local facilities) of the cost of such listings and advertising.

12.3 Websites. You acknowledge and agree that any website constitutes "advertising" under this Agreement. Any website you develop or utilize must meet all other terms and conditions for advertising described in this Agreement. For this purpose, a "website" means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate that refers to your franchised Fictiv Local facility, The Marks, us, and/or the System. The term website also includes Internet, Intranet and World Wide Web home pages or e-mail address sites. You must not establish any website without our prior written approval of its form, content and information presented due to our substantial interest in protecting the Marks, the System and the Confidential Information. We may require you to participate in a centralized website operated by us, without any compensation to you. We may refuse to permit you to operate or establish any website. We reserve the right to establish one or more Internet, Intranet or other forms of e-commerce websites, networks or communities for purposes of: promoting the development, growth, sales and solicitation of franchises; our establishing or participating in, and requiring or authorizing your participation in, or in connection with: e-commerce; establishing purchasing, supply or referral programs, networks or communities in which you must participate; or monitoring your performance under this Agreement and other purpose we designate from time to time which we deem to promote the development and operation of the Fictiv Local System. From time to time we will establish and notify you of our establishment of website policies and other forms of e-commerce policies, which will become part of our System Standards and be provided in the Operations Manual or other written communication by you. We own all right, title and interest in and to information compiled from, derived from or obtained by us via your or our use of websites or our establishment of an Intranet, Internet or other forms of e-commerce networks or communities. Furthermore, you agree to the following:

a. you agree that we may establish electronic links from our website to your website (if we agree that you may have your own website), and that other franchisees may establish

electronic links to your website from their websites; without any compensation to you. We may prohibit you from linking any website to your website for any reason without compensation to you;

b. you must not use any mark as part of any URL domain name, Internet or e-mail address, or any other identification of you in any electronic medium or with any prefix, suffix or other modifying words, terms, designs, or symbols, or in any modified form, without our written consent;

c. if this Agreement expires or terminates for any reason, you must immediately stop using any website that utilizes any of the Marks or the System, or that are linked to any of our websites or the website of any of our franchisees. You must also then remove and change any website, domain names, Internet or Intranet addresses, e-mail addresses or other identification that utilize any of the Marks;

d. you agree to establish, maintain and notify us of your active e-mail address, and notify us of any change in your e-mail address within 3 business days of the change; and

e. you agree that we have the right (but no obligation) to develop an Intranet which we and our franchisees can communicate by e-mail or similar electronic means. If we develop an Intranet, you agree to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that we include in the Manuals (including, without limitation, standards, protocols, and restrictions relating to encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements). There is no fee for Intranet usage.

13. Records, Reports and Financial Statements.

13.1 Accounting System. You agree to establish and maintain at your own expense a bookkeeping and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use approved computer hardware, software and websites in order to maintain certain sales data and other information we designate from time to time. This may include the updating of Manuals and for communication purposes. You agree that we may have access to such sales data and other information through the computer system at all times.

13.2 Reports. You agree to furnish to us on such forms that we prescribe from time to time:

a. following the Agreement Date, and weekly thereafter until your franchised Fictiv Local facility opens, a report of your progress in the development and opening of your franchised Fictiv Local facility;

b. at our request, within 5 days after their filing, copies of all sales tax returns, for the franchised Fictiv Local facility and copies of the canceled checks for the required sales taxes and surtaxes;

c. on Monday of each calendar week, a report on the franchised Fictiv Local facility's Gross Revenue during the immediately preceding calendar week (Monday through Sunday);

d. within 15 days after the end of each calendar quarter, a profit and loss statement for the franchised Fictiv Local facility for the immediately preceding calendar month and year-to-date and a balance sheet as of the end of such month;

e. within 15 days after the end of the franchised Fictiv Local facility's fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the franchised Fictiv Local facility as of the end of such fiscal year; and

f. within 10 days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other information we may periodically require.

We may require that any of the reports described in this Section 13.2 or any information you are required to provide us under this Agreement or our System Standards be provided to us in electronic format via a secure website (internet or Intranet) at times and in the manner we designate, from time to time.

13.3 Access to Information. You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you. We also have the right to require you to have reviewed or audited financial statements prepared on a calendar year (12 month) basis if we reasonably believe that the reports are incorrect. Moreover, we have the right as often as we deem appropriate (including on a daily basis) to access, electronically or otherwise, all computer registers and other computer systems that you are required to maintain in connection with the operation of the franchised Fictiv Local facility and to retrieve electronically or otherwise, all information (including sales, product mix, or other information) relating to the Fictiv Local facility's operations.

13.4 Copies of Reports. You agree to furnish us with a copy of all sales, income and other tax returns relating to your franchised Fictiv Local facility, at our request. You will also send us copies of any sales or other reports sent to any landlord or governmental agency, at our request.

14. Inspections and Audits.

14.1 Our Right to Inspect the Fictiv Local facility. To determine whether you and the franchised Fictiv Local facility are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours without prior notice, to:

a. inspect the franchised Fictiv Local facility;

b. observe, photograph and videotape the operations of the franchised Fictiv Local facility for such consecutive or intermittent periods as we deem necessary;

c. remove samples of any products, materials or supplies for testing and analysis;

d. interview personnel and customers of the franchised Fictiv Local facilities; and

e. inspect and copy any books, records and documents relating to your operation of the franchised Fictiv Local facility, including any storage locations (physical or electronic) where confidential or proprietary information is stored (to the extent legally permitted).

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal, interviews and electronic (Internet or Intranet) record access. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. You agree to correct or repair any unsatisfactory conditions we specify within 5 days.

14.2 Our Right to Audit. We have the right at any time during your business hours to inspect and audit, or cause to be inspected and audited, your (if you are a Business Entity) and the franchised Fictiv Local facility's business, bookkeeping and accounting records, purchasing records, advertising and marketing records and expenditures, sales and income tax records and returns and other records. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (i.e., your Gross Revenue is understated by 2% or more), you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. You also must pay us any shortfall in the amounts you owe us, including late fees and interest, within 10 days of our notice. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law, which may include termination of this Agreement.

15. Transfer.

15.1 By Us. This Agreement is fully transferable by us, and inures to the benefit of any transferee or other legal successor to our interests, as long as such transferee or successor agrees to be bound by, and assumes all of our continuing obligations under, this Agreement.

15.2 By You. You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (nor any interest in it) nor any ownership or other interest in you or the franchised Fictiv Local facility may be transferred without our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) you; (b) this Agreement; or (c) the franchised Fictiv Local facility.

An assignment, sale, gift or other disposition includes the following events:

i. transfer of ownership of capital stock, any ownership interest in the legal entity, or a partnership interest;

ii. merger or consolidation or issuance of additional securities or interest representing an ownership interest in you:

iii. any issuance or sale of your stock or any security convertible to your stock;

iv. transfer of an interest in you, this Agreement or the franchised Fictiv Local facility in a divorce, insolvency or corporate or any legal entity or partnership dissolution proceeding or otherwise by operation of law;

v. transfer of an interest in you, this Agreement or the franchised Fictiv Local facility, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

vi. pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the franchised Fictiv Local facility or your transfer, surrender or loss of possession, control or management of the franchised Fictiv Local facility.

15.3 Conditions for Approval of Transfer. If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Section 15, we will not unreasonably withhold approval of a transfer that meets all the applicable requirements of this Section. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for franchised Fictiv Local facility franchisees. A transfer of ownership, possession or control of the franchised Fictiv Local facility may only be made if the transferee enters into a new Franchise Agreement. If the transfer is of your franchised Fictiv Local facility or a controlling interest in you, or is one of a series of transfers which in the aggregate constitutes the transfer of your franchised Fictiv Local facility(s) or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of any transfer:

a. the transferee has sufficient business experience, aptitude and financial resources to operate the franchised Fictiv Local facility and has been approved as a franchisee;

b. you have paid all Continuing License Fees, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;

c. the transferee (or its Operating Partner) and its managerial employee (if different from your manager) have completed our training program;

d. the transferee has agreed to enter into a new Franchise Agreement;

e. the transferee agrees to pay the costs required to bring the franchised Fictiv Local facility into compliance with the then current System Standards;

f. you (and your transferring owners) have executed a general release, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees and agents;

g. we have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the franchised Fictiv Local facility;

h. if you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the Fictiv Local facility are subordinate to the transferee's obligation to pay Continuing License Fees and other amounts due to us and otherwise to comply with this Agreement;

i. you and your transferring owners have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the post-term competitive restrictions otherwise contained in this Agreement; and

j. you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other franchised Fictiv Local facilities you own and operate) identify yourself or themselves or any business as a current or former franchisee or franchised Fictiv Local facility, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of a Fictiv Local facility in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

15.4 Transfer to a Business Entity. Notwithstanding the foregoing, if you are in full compliance with this Agreement, we may permit you to transfer this Agreement to a Business Entity that conducts no business other than the franchised Fictiv Local facility and, if applicable, other franchised Fictiv Local facilities so long as you own, control and have the right to vote all issued and outstanding ownership interests (like stock or partnership interests) and you guarantee its performance under this Agreement. All other owners are subject to our approval. The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval, and all certificates or other documents representing ownership interest in the Business Entity must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or transfer of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner execute an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of all your obligations under this Agreement.

15.5 Transfer Upon Death or Disability. Upon your death or disability or, if you are a Business Entity, the death or disability of the owner of a controlling interest in you, you or such owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or such owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 6 months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the franchised Fictiv Local facility.

15.6 Operation Upon Death or Disability. If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the franchised Fictiv Local facility is not being managed by a trained manager, you or such owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or disability, appoint a manager to operate the franchised Fictiv Local facility, such manager will be required to complete training at your expense. Pending the appointment of a manager as provided above or if, in our judgment, the franchised Fictiv Local facility is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a manager for the franchised Fictiv Local facility. All funds from the operation of the franchised Fictiv Local facility during the management by our appointed manager will be kept in a separate account, and all expenses of the franchised Fictiv Local facility, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to the Continuing License Fees payable under this Agreement) during the period that our appointed manager manages the franchised Fictiv Local facility. Operation of the franchised Fictiv Local facility during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the franchised Fictiv Local facility or to

any of your creditors for any products, materials, supplies or services the Fictiv Local facility purchases during any period it is managed by our appointed manager.

15.7 Effect of Consent to Transfer. Our consent to a transfer of your franchised Fictiv Local facility or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the franchised Fictiv Local facility or transferee or a waiver of any claims we may have against you (or your owners).

15.8 Our Right of First Refusal. If you (or any of your owners) at any time determine to sell, assign, or transfer for consideration an interest in your franchised Fictiv Local facility or an ownership interest in you, you (or such owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale and the sources and terms of any financing of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in the franchised Fictiv Local facility and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or the franchised Fictiv Local facility must reflect the bona fide price offered and reflect any value for any other property or rights.

We have the right, exercisable by written notice delivered to you or your selling owner(s) within 30 days from the date of the delivery to us of both an exact copy of such offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that:

a. we may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments);

b. our credit will be deemed equal to the credit of any proposed purchaser;

c. we will have not less than 60 days after giving notice of our election to purchase to prepare for closing; and

d. we are entitled to receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

(i) ownership and condition of and title to stock or other forms of ownership interest and/or assets;

(ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and

(iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of 2 years commencing on the date of the closing, you and they will be bound by the post-term competitive restrictions otherwise described in this Agreement.

If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of such offer, subject to our approval of the transfer as otherwise provided in this Agreement, provided that, if the sale to such purchaser is not completed within 120 days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the 30-day period following either the expiration of such 120-day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms at our option.

16. Termination of Agreement.

16.1. By Us. We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if we, in our sole discretion, determine to cease all franchise operations or if:

a. you (or any of your owners) have made any material misrepresentation or omission in connection with your purchase of the Franchise; or

b. you or, if applicable, the required Operating Manager or franchised Fictiv Local facility Manager fail to successfully complete the required training program(s) to our satisfaction or you have not fulfilled all of the conditions for management of the franchised Fictiv Local facility; or

c. you (i) fail to obtain our guidance on the Site within the required time periods or fail to open the franchised Fictiv Local facility to the public within 180 days from the execution of this Franchise Agreement, or (ii) fail to provide a Conditional Assignment and Assumption of Lease clearly signed by the Landlord or fail to commence construction of the franchised Fictiv Local facility within 90 days of the Agreement Date; or

d. you abandon or fail to actively operate the franchised Fictiv Local facility for 2 or more consecutive business days, unless the Fictiv Local facility has been closed for a purpose we have approved or because of casualty or government order; or

e. you surrender or transfer control of the operation of the franchised Fictiv Local facility without our prior written consent; or

f. you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest, or guilty, to, a felony or other serious crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other franchised Fictiv Local facility; or

g. you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the franchised Fictiv Local facility or another Fictiv Local facility or the goodwill associated with the Marks; or

h. you (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the franchised Fictiv Local facility; or

i. in the event of your death or disability or the death or disability of the owner of a controlling interest in you, this Agreement or such owner's interest in you is not assigned as required under this Agreement; or

j. you lose the right to possession of the Site; or

k. you (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Manuals in violation of this Agreement; or

l. you violate any health, safety or sanitation law, ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and correct such noncompliance or violation within 5 days, after written notice is delivered to you, except we may require the immediate shut down of your franchised Fictiv Local facility in the event we deem such violation to be a health or safety threat to anyone; or

m. you fail to make payments of any amounts due to us or our affiliate under this Agreement or any other agreement that you have with us, and do not correct such failure within 10 days after written notice of such failure is delivered to you; or

n. you fail to make payments of any amounts due to approved suppliers of products or services and do not correct such failure within 10 days after written notice of such failure is delivered to you by such supplier; or

o. you fail to pay when due any federal or state income, service, sales or other taxes due on the operations of the franchised Fictiv Local facility, unless you are in good faith contesting your liability for such taxes; or

p. you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct such failure within 30 days after written notice of such failure to comply is delivered to you; or

q. you (or any of your owners) fail on 2 or more separate occasions within any period of 12 consecutive months or on 3 occasions during the term of this Agreement to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you; or

r. you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the franchised Fictiv Local facility is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you or the franchised Fictiv Local facility is not vacated within 30 days following the entry of such order. You are required to notify us in writing within 10 days of any of the above events; or

s. you misuse or make an unauthorized use of the Marks or materially impair the goodwill associated with the Marks.

Notwithstanding the provisions described in Paragraph 16.1 and sub-sections "a-s", if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over the Franchise and the parties to this Franchise Agreement shall limit our rights of termination or shall

require a longer notice period than set forth above, this Franchise Agreement is deemed amended to conform to such rules and regulations.

16.2. Your Failure to Pay Constitutes Your Termination of This Agreement. Your failure to timely cure any breach of your obligation to make payments of Continuing License Fees or any other monies due and owing to us under this Agreement, or to timely cure any other material breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach, will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our affiliate, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

16.3. Cross-Default. Any default or breach by you, an affiliate which has been approved by us, and/or any guarantor of yours of any other agreement between us and you and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by you and/or such other parties will be deemed a default or breach under any and all such other agreements between us and you, your affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, then we will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof. Your "affiliates" means any persons or entities controlling, controlled by or under common control with you.

16.4. Options Prior to Termination.

Prior to the termination of this Agreement, if you fail to pay any amounts owed to us or our affiliate, or fail to comply with any term of this Agreement, then in addition to any right we may have to terminate this Agreement or to bring a claim for damages, we will have the option to:

a. Remove the listing of the franchised Fictiv Local facility from all advertising we may publish or approve;

b. Remove the listing of the franchised Fictiv Local facility from our Website;

c. Prohibit you from attending any meetings or seminars we hold or sponsor or that take place on our premises; and/or

d. Suspend all services we provide to you under this Agreement or otherwise, including, but not limited to inspections, training, marketing assistance, and sale of products and supplies.

Our actions, as outlined in this Paragraph 16.4, may continue until you have brought your accounts current, cured any default, and complied with our requirements, and we have acknowledged the same in writing. You acknowledge that our taking of any of these actions would not prevent you from continuing to operate the franchised Fictiv Local facility (unless and until this Agreement has been terminated), and therefore would not constitute constructive termination of this Agreement. The taking of any of the actions permitted in this paragraph will not suspend or release you from any obligation that would otherwise be owed to us or our affiliate under the terms of this Agreement or otherwise.

17. Rights and Obligations Upon Termination.

17.1. Payment of Amounts Owed to Us. You agree to pay us within 15 days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts

due to us are determined, such Continuing License Fees, amounts owed for purchases from us, interest due on any of the foregoing and all other amounts owed to us which are then unpaid.

17.2. Marks and De-Identification. Upon the termination or expiration of this Agreement:

a. You may not directly or indirectly at any time or in any manner (except with respect to other franchised Fictiv Local facilities you own and operate) identify yourself or any business as a current or former franchised Fictiv Local facility, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark or other indicia of a franchised Fictiv Local facility in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us. Within thirty (30) days of termination or expiration you are to deliver to us, at your own expense, all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any mark or otherwise identifying or relating to a franchised Fictiv Local facility. In our sole judgment, we may waive this requirement in writing provided that you provide a sworn Certificate of Destruction/De-identification detailing your compliance with these terms;

b. You agree to take such action as may be required to cancel all fictitious or assumed name or equivalent registrations or licenses relating to your use of any Mark;

c. If we do not have or do not exercise an option to purchase the franchised Fictiv Local facility, you agree to deliver to us within 30 days after, as applicable, the effective date of expiration/termination of this Agreement or the Notification Date all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any Mark or otherwise identifying or relating to a franchised Fictiv Local facility and allow us, without liability to you or third parties, to remove all such items from the franchised Fictiv Local facility;

d. If we do not have or do not exercise an option to purchase the franchised Fictiv Local facility, you agree that, after, as applicable, the effective date of expiration/terminations of this Agreement or the Notification Date, you will promptly and at your own expense make such alterations we specify to distinguish the franchised Fictiv Local facility clearly from its former appearance and from other franchised Fictiv Local facilities so as to prevent confusion by the public, including, without limitation, removing all exterior and interior signage bearing the franchised Fictiv Local facility's name or logo; removing all furnishings bearing the franchised Fictiv Local facility's name or logo; removing all memorabilia and décor items including pictures or any notation of any type that includes the franchised Fictiv Local facility's name or logo; removing all retail merchandise bearing the franchised Fictiv Local facility's name or logo; repainting of the interior of the franchised Fictiv Local facility to reflect a change in the basic color scheme so as to clearly distinguish from its former appearance/concept and from other franchised Fictiv Local facilities so as to prevent confusion by the public and all other alterations we specify to distinguish the franchised Fictiv Local facility clearly from its former appearance and from other franchised Fictiv Local facilities;

e. If we do not have or do not exercise an option to purchase the franchised Fictiv Local facility, you must return to us all proprietary manuals including the Confidential Operations Manual. These items are to be returned to us via ground delivery service, shipped no later than the day of closing, and a copy of the bill of lading/shipping order provided to us;

f. If we do not have or do not exercise an option to purchase the franchised Fictiv Local facility, you must destroy all remaining unused gift certificates, gift cards and coupons. You must provide a signed and notarized statement attesting to the quantity (dollar amount) of

unredeemed gift certificates, gift cards and coupons outstanding and a method for reimbursement to franchisees of the Fictiv Local facility system for a period of one year from date of Fictiv Local facility closing. Reimbursement must be guaranteed by funds held in escrow or other form acceptable to us in our sole discretion;

g. If we do not have or do not exercise an option to purchase the franchised Fictiv Local facility you agree that, after, as applicable, the effective date of expiration/termination of this Agreement or the Notification Date, you will notify the telephone company and assign all telephone, facsimile or other numbers and any regular, classified or other telephone directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify. You further appoint an officer of Franchisor as your attorney in fact, to direct the telephone company and any listing agencies to transfer any telephone numbers and listing to us should you fail to voluntarily do so, and the telephone company and all listing agencies shall accept such direction of this Agreement as conclusive of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer; and

h. You agree to furnish us, within 30 days after, as applicable, the effective date of expiration or termination of this Agreement or the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

17.3. Confidential Information. You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Manuals and any other confidential materials that we have loaned to you.

17.4. Competitive Restrictions. Upon termination or expiration of this Agreement for any reason whatsoever, you agree that, for a period of 2 years commencing on the Effective Date of termination or expiration neither you nor any of your owners will have any direct or indirect interest (including through a spouse, child or other family member) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any Competitive Business operating:

a. At the Site or within the Protected Territory; or

b. Within 10 miles of the Site or Protected Territory; or

c. Within 25 miles of any other franchised Fictiv Local facility in operation or under construction on the later of the effective date of the termination or expiration.

In addition to the above competitive restrictions, you also agree that you will not solicit any former customers of your franchise to perform similar services, including any former customers referred to you by Franchisor or its affiliate(s), for the term set forth above. If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the 2-year period will commence with the entry of an order of an arbitrator, or court if necessary, enforcing this provision. You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive you or your owners of your or their personal goodwill or ability to earn a living.

All persons with an ownership or voting interest in you if you are a Business Entity franchisee, all individual franchisees if you are not a Business Entity and any person employed by or

under an independent contractor relationship with you who receives or will receive any training by us or you which is directly or indirectly related to the System or involves any of the Confidential Information must execute the Confidentiality, Non-solicitation and Non-competition Agreement attached to the Franchise Disclosure Document no later than ten days following the effective date of this Agreement (or, if any individual or entity attains such status after the effective date of this Agreement, within ten days following such individual or entity's attaining such status).

17.5. Our Right to Purchase.

a. Exercise of Option. Upon our termination of this Agreement in accordance with its terms and conditions, we have the option, exercisable by giving written notice to you within 60 days from the date of such termination, to purchase the Fictiv Local facility from you, including the leasehold right to the Site. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date"). We have the unrestricted right to assign this option to purchase the Fictiv Local facility. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

b. Leasehold Rights. You agree at our election:

(i) To assign your leasehold interest in the Site to us; to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease; or

(ii) To lease to us if you own the Site in accordance with the Agreement to Lease.

c. Purchase Price. The purchase price for the Fictiv Local facility will be its fair market value, determined in a manner consistent with reasonable depreciation of the Fictiv Local facility's equipment, signs, inventory, materials and supplies provided that the Fictiv Local facility will be valued as an independent business and its value will not include any value for:

(i) the Franchise or any rights granted by the Agreement;

(ii) the Marks; or

(iii) participation in the network of Fictiv Local facilities.

Your franchised Fictiv Local facility's fair market value will include the goodwill you developed in the market of the franchised Fictiv Local facility that exists independent of the goodwill of the Marks and the System. The length of the remaining term of the lease for the Site will also be considered in determining the franchised Fictiv Local facility's fair market value.

We may exclude from the assets purchased cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the franchised Fictiv Local facility's operation or that we have not approved as meeting standards for a Fictiv Local facility, and the purchase price will reflect such exclusions.

The purchase price will be paid at the closing of the purchase, which will take place not later than 90 days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners owe to us. At the closing, you agree to deliver instruments transferring to us the following:

(i) Good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interest acceptable to us), with all sales and other transfer taxes paid by you;

(ii) All licenses and permits of the franchised Fictiv Local facility which may be assigned or transferred; and

(iii) The leasehold interest and improvements in the Site.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your owners further agree to execute general releases, in the form attached to the Franchise Disclosure Document, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

18. Relationship of the Parties/Indemnification.

18.1. Independent Contractors. You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, Fictiv Local facility personnel and others as the owner of the franchised Fictiv Local facility under a franchise we have granted and to place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time to time. If you do not do so, we may place the notices and accomplish the foregoing as we see fit, and you must reimburse us for doing so.

18.2. No Liability for Acts of Other Party. You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Fictiv Local facility's operation or the business you conduct pursuant to this Agreement.

18.3. Taxes. We will have no liability for any sales, use, surcharge, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or the Fictiv Local facility, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

18.4. Compliance with Laws. You agree to comply fully with all applicable federal, state, and local statutes, ordinances, rules, and regulations applicable in connection with the operation of your Franchise(s), this Agreement, and any related agreements.

18.5. Indemnification. You agree to indemnify, defend and hold us, our affiliate and our respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") harmless from and to reimburse any one or more of the Indemnified Parties

for all claims, obligations and damages described in this Section, any and all taxes arising from the operation of your franchised Fictiv Local facility, and any and all claims and liabilities directly or indirectly arising out of the franchised Fictiv Local facility's operation (even if our negligence is alleged, but not proven); any element of your development, opening and operation of your franchised Fictiv Local facility, including (without limitation) any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the franchised Fictiv Local facility; crimes committed on or near your franchised Fictiv Local facility or vehicles used by your franchised Fictiv Local facility; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your franchised Fictiv Local facility, whether or not any of the foregoing was approved by us; defects in any franchised Fictiv Local facility you construct and/or operate, whether or not discoverable by you or by us; all acts, errors, neglects or omissions of you or the franchised Fictiv Local facility and/or the owners, officers, directors, management, employees, agent, servants, contractors, partners, proprietors, affiliates or representatives of you or the franchised Fictiv Local facility (or any third party acting on your behalf or at your direction), whether in connection with the franchised Fictiv Local facility or otherwise; all liabilities arising from or related to your offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and, any action by any customer of yours or visitor to your franchised Fictiv Local facility or any other facility of your franchised business; or your breach of this Agreement.

For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant's, arbitrator's, attorney's and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

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

19. Enforcement.

19.1. Severability and Substitution of Valid Provisions. Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, un-appealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and binding upon the parties hereto, although any portion held to be invalid shall be deemed not to be part of this Agreement from the date the time for appeal expires, if you are a party thereto, or upon your receipt of a notice of non-enforcement thereof from us. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to allow you a Successor Franchise to this Agreement than is

required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operation procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the notice requirements hereof, and we shall have the right, in our sole discretion to modify such invalid or unenforceable provision, specification, standard or operation procedure to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction unless we elect to give them greater applicability and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

19.2. Waiver of Obligations. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you by granting any waiver, approval or consent to you, or by reason of any neglect, delay or denial of any request therefor. Any wavier granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us and may be revoked, in our sole discretion, at any time and for any reason, effective upon receipt by you of ten (10) days prior written notice. We shall not be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, our right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Franchise prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof; any failure by us or you to demand strict compliance with this Agreement, any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature against other franchisees of us or the acceptance by us of any payments due from you after failure to comply with any provision of this Agreement, nor acceptance by us of any payment by you or failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations, hereunder, including without limitation, any mandatory specification, standard or operating procedure, shall not constitute a waiver of any provision of this Agreement.

19.3. Franchisee May Not Withhold Payment Due Franchisor. You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations hereunder, withhold payment of any Continuing License Fees, and amounts due to us for items or products purchased by you or any other amounts due from you to us.

19.4. Force Majeure. If the performance of any obligation under this Franchise Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

19.5. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051, *et seq*.) and the United States Arbitration Act which may also be designated the Federal Arbitration Act, this Agreement and the franchise shall be governed by the laws of Delaware.

Franchisee waives any and all rights, actions or claims for relief under the Federal Act entitled “Racketeer Influenced And Corrupt Organizations”, 18 U.S.C. Section 1961, *et seq*.

19.6. Binding Effect. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, legal representatives, assigns and successors in interest.

The parties hereto agree that this Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

19.7. Construction. The preambles are a part of this Agreement, and together with the Manuals, all exhibits, attachments and addenda constitute the entire agreement of the parties, and, with the exception, if applicable, of a lease or sublease for the premise of the franchised Fictiv Local facility between us and you, there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. The headings of the Sections and Paragraphs hereof are for convenience only and do not define, limit or construe the contents of such Sections or Paragraphs. The term "you", "your" or "Franchisee" as used herein is applicable to one or more persons, a corporation, partnership, limited liability company or other legal entity, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. Reference to Franchisee, and "assignees" and "transferees" which are applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation, partnership, limited liability company or other legal entity. This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence of this Agreement.

19.8. Judicial Enforcement, Injunction and Specific Performance. Notwithstanding the provisions of Paragraphs 19.9 and 19.10, we shall be entitled, without bond, to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to Franchisee's use of the Marks, the obligations of Franchisee upon termination or expiration of the franchise, and assignment of the Franchise and ownership of Franchisee. If we secure any such injunction or order of specific performance, Franchisee agrees to pay to us an amount equal to the aggregate of our costs of obtaining such relief, including, without limitations, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, and any damages incurred by us as a result of the breach of any such provision.

19.9. Mediation. The parties hereto agree that before resorting to binding arbitration, that if any dispute arises between the parties hereto, any affiliated companies thereof or any of their officers, directors, partners, joint ventures, employees, agents, representatives or those in active concert with any of such parties, relating to anything other than the matters set forth in Section 10 and Paragraphs 17.4 or 19.8, the parties hereto agree to first try in good faith before resorting to arbitration, to settle the dispute by mediation in Alameda County, California, administered by the American Arbitration Association under its Commercial Mediation Rules and initiated at and supervised by the American Arbitration Association unless agreed otherwise by the parties. Disputes subject to mediation shall be all controversies, claims, and matters from the beginning of time, whether contractual or tort in nature, except for those matters specifically excluded in Section 10 and Paragraphs 17.4 and 19.8. The party who seeks resolution of a controversy, claim or dispute or other

matter in question shall notify the other party and the American Arbitration Association office in writing of the existence and subject matter of such controversy, claim or dispute. Unless mutually agreed otherwise, the parties shall meet with the mediator within thirty (30) days after the recipient party has received notice of the dispute, and agree to utilize their best efforts and all expediency to resolve the matters in dispute. The mediation shall not continue longer than one (1) hearing day without the written approval of both parties. Neither party shall be bound by any recommendation of the mediator; however, any agreement reached during mediation shall be final and conclusive. The expense of mediation shall be shared equally by both parties. The parties' obligation to mediate will be deemed to be satisfied after one (1) hearing day or 60 days after a mediation demand has been made if any party fails to appear or participate in good faith in the mediation.

Franchisor and the Franchisee each agree that the mediation process is negotiation for the purpose of compromise. All offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation process by any of the parties, their agents, employees, experts and attorneys, shall be confidential. Franchisee acknowledges that Franchisor may require the Franchisee to execute a confidentiality agreement pertaining to the mediation process. Notwithstanding the foregoing, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or not discoverable as a result of its use in the mediation process.

In the event the parties are unable to reach an agreement by mediation, then in that event all disputes, controversies, claims or causes of action shall be submitted to binding arbitration pursuant to Paragraph 19.10 hereinafter.

19.10. Arbitration. All disputes and claims relating to any provision of this Franchise Agreement (other than as set forth in Section 19, Paragraph 19.8 above, Franchisee's use of the Marks or the parties' Exclusive Relationship or the obligations of Franchisee upon termination or expiration of the franchise, and assignment of the Franchise and ownership of Franchisee), any specification, standard, operating procedure, or rule or any other obligation of Franchisee prescribed by Franchisor or any obligation of Franchisor, or the breach thereof (including, without limitation, any claim that this Agreement, any provision hereof, any specification, standard, operating procedure or rule or any other obligation of Franchisee or Franchisor is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by arbitration in Alameda County, California, or if Franchisor shall no longer maintain an office in Alameda County, California, then the home office of Franchisor. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1, *et seq*.), if applicable, and the Rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration), provided that the arbitrator shall award, or include in his/her award, the specific performance of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. If a claim for amounts owed by Franchisee to Franchisor is asserted in the arbitration proceeding and if Franchisor shall prevail on such claim, Franchisor shall be entitled to so much of its cost and expenses including accounting and legal fees, as are attributable to the prosecution thereof. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of Franchisor or of Franchisee. During the pendency of an arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform and comply with the provisions of this Agreement. The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act and the arbitration shall be held as provided in Paragraph 19.10.

19.11. Third Party Beneficiaries. Our officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the arbitration provisions in Paragraph 19.10, each having authority to specifically enforce the right to arbitrate claims asserted against such person(s) by Franchisee.

19.12. Class Claims. Franchisee agrees that any arbitration between Franchisee and Franchisor will be Franchisee's individual claim and that the claim or claims subject to arbitration shall not be arbitrated on a class-wide basis.

19.13. Entire Agreement. This Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. Notwithstanding the foregoing, nothing in the Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by both you and us.

19.14. Certain Definitions. The term "family member" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "affiliate" means any Business Entity directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The terms "franchisee," "franchise owner," "you" and "your" are applicable to one or more persons, or a Business Entity, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "person" includes individuals, corporations, partnerships (general or limited), limited liability companies, and all artificial or legal entities. The term "Section" refers to a Section or Subsection of this Agreement. The word "control" means the power to direct or cause the direction of management and policies. The word "owner" means any person holding a direct or indirect, legal or beneficial ownership interest or voting right in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.

19.15. Time Is of the Essence. It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words "from "and "commencing on" (and the like) mean "from and including"; and the words "to", "until" and "ending on" (and the like) mean "to but excluding." Indications of time of day mean Alameda County, California time.

19.16. Anti-Terrorism Compliance. You agree to comply with, and/or assist us to the fullest extent possible in our efforts to comply with, Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, the Foreign Terrorist Organizations Sanctions Regulations, the Cuban Assets Control Regulations 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 (the "Anti-Terrorism Laws"). In connection with such compliance you certify, represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you are not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by you or your employees or any "blocking" of your assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements you

have entered into with us or any of our affiliate, in accordance with the termination provisions of this Agreement.

19.17. Our Withholding of Consent, Your Exclusive Remedy. In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Franchise Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be mediation and arbitration proceedings in accordance with Paragraphs 19.9 and 19.10 respectively to enforce the Agreement provisions, for specific performance or for declaratory judgment.

19.18. Notices. All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered:

a. 2 business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or

b. 3 business days after placement in the United States mail by certified mail, return receipt requested, postage prepaid.

All such notices must be addressed to the parties as follows:

If to Us: Fictiv Local LLC
1611 Telegraph Avenue, Floor 12
Oakland, California 94612

If to You:
_____
_____
_____
Attention: _____

Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within 10 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least 2 days prior to such date, or in which the receipt from the commercial courier service is not dated prior to 2 days prior to such date) will be deemed delinquent.

20. Spousal Consent.

If you have obtained our approval and the Franchisee is a corporation, partnership, limited liability company or other form of legal entity, then the spouse of each of your owners, or, for, an individual(s), or subsequent to execution hereof you marry or you assign this Agreement to an individual(s), then in either event, the spouse(s) hereby jointly and severally personally and unconditionally guarantee(s) without notice, demand or presentment, the payment of all of your monetary obligations under this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses further agree to be bound by restrictions upon your activities upon transfer, termination or expiration of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such spouses must execute a spousal consent in the form attached hereto as Exhibit G-Three. In the event of divorce and re-marriage, or subsequent

marriage, you covenant and agree to provide Franchisor with a properly executed spousal consent and guarantee, in the form prescribed by Franchisor.

[Signatures on page that follows.]

Intending to be bound, you and we sign and deliver this Agreement effective on the Agreement Date, regardless of the actual date of signature.

Dated: _____

"You"; "Your"; "Franchisee"
If a corporation or other entity:

_____
(Name of Corporation or Other Entity)

Attest: _____
(Signature)

_____
(Print Name)

By: _____
(Signature)

_____
(Print Name)

Its: _____
(Title)

Dated: _____

If an individual:

_____
Witness

_____
(Print Name)

_____
Witness

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Dated: _____

"We"; "Us"; "Our"; "Franchisor"
Fictiv Local LLC

_____
Witness

_____
(Print Name)

By: _____
(Signature)

_____
(Print Name)

Its: _____
(Title)

EXHIBIT "G-ONE" TO THE FRANCHISE AGREEMENT

CENTER AND SITE SELECTION AREA

EXHIBIT "G-ONE" TO THE FRANCHISE AGREEMENT

CENTER AND SITE SELECTION AREA

1. Your Site Selection Area prior to approval of the Site is the geographic area described below (the "Center"):

2. If the Site Selection Area is to be determined after the Agreement Date, check this box ☐.

When we accept the Center, we will complete the description of the Site Selection Area at that time.

EXHIBIT "G-TWO" TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

EXHIBIT "G-TWO" TO THE FRANCHISE AGREEMENT

PROTECTED TERRITORY

Your Site is located at:

_____

_____

_____

_____

Your Protected Territory is the geographic area consisting of the following zip codes:

_____

_____

_____

_____

If map is attached check box:

☐

EXHIBIT "G-THREE" TO THE FRANCHISE AGREEMENT

SPOUSAL CONSENT

EXHIBIT "G-THREE" TO THE FRANCHISE AGREEMENT

SPOUSAL CONSENT

The undersigned person(s) hereby represent(s) to Fictiv Local LLC that he/she is the spouse of the individual franchisee(s) who has executed a Fictiv Local LLC Franchise Agreement dated the __ day of _____, 20__ or that he/she is the spouse of one of the Owners of the legal entity who executed the Fictiv Local LLC Franchise Agreement of the same date. In consideration of the grant by Fictiv Local LLC to the Franchisee as herein provided, each of the undersigned spouses agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they and each of them jointly and severally do hereby unconditionally guarantee the full and timely payment of all monetary obligations of the Franchisee under the aforesaid Franchise Agreement. The undersigned jointly and severally further agree(s) to be bound by the in-term and post-term covenants set forth in Section 10 and in Paragraph 17.4 of the aforesaid Franchise Agreement.

WITNESS: Signature: _____

_____ Printed Name: _____

EXHIBIT "G-FOUR" TO THE FRANCHISE AGREEMENT

STATE AMENDMENT TO FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.2.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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 with the franchise.

California's Franchise Investment Law (Corporation Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you (ii) your ability to rely on any representation it makes to you, or (iii) any violations of the law.

FRANCHISEE:	**FICTIV LOCAL LLC**
By: _____	By: _____
Date: _____	Date: _____

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

6. Section 1.2 of the Franchise Agreement does not apply to Maryland franchisees.

7. Section 1.4 of the Franchise Agreement does not apply to Maryland franchisees.

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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 with the franchise.

FRANCHISEE:	**FICTIV LOCAL LLC**
By: _____	By: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO THE
FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be

adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisees has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business.

Section 1.2 of the Franchise Agreement does not apply to Washington franchisees.

Section 1.4 of the Franchise Agreement does not apply to Washington franchisees.

Section 5.6 of the Franchise Agreement is amended as follows: "You also agree that time is of the essence and except for unavoidable delay or failure to perform [Force Majeure] you must complete all Site Selection, Development and Opening obligations within ~~180~~ 240 days from the date of this Franchise Agreement."

FRANCHISEE: **FICTIV LOCAL LLC**

By: _____ By: _____

Date: _____ Date: _____

EXHIBIT "H" TO THE DISCLOSURE DOCUMENT

FORM OF

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this "**Assignment")** is effective as of _____, 20__, between **Fictiv Local LLC,** a Delaware limited liability company, with its principal place of business at 1611 Telegraph Avenue, Floor 12, Oakland, California **94612** ("**Franchisor**," "**Assignee**," "**we**," "**us**" or "**our**") and _____ whose current place of business is _____ ("**Franchisee**," "**Assignor**," "**you**" **or "your**"). You and we are sometimes referred to collectively as the "**parties"** or individually as a "**party".**

BACKGROUND INFORMATION

We have simultaneously entered into a Franchise Agreement (the "**Franchise Agreement"**) dated as of _____, 20__ with you, pursuant to which you plan to own and operate a franchise to operate as a Fictiv Local franchise. We use, among other things, certain proprietary, procedures, formats, systems forms, printed materials, applications, methods, specifications, standards and techniques we authorize or develop (collectively the "**System**"). We identify Fictiv Local LLC franchises and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the "**Marks**"). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and internet listings, such as Google Business, Yelp, etc., of the Fictiv Local LLC franchise if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.

2. **Conditional Assignment**: You assign to us, all of your right, title and interest in and to the following telephone numbers _____ (specified when obtained) and any other telephone numbers and regular, classified or other telephone directory listings (collectively, the "**Numbers and Listings**") associated with the Marks and used from time to time in connection with the operation of the Fictiv Local LLC Franchised Business. We will have no liability or obligation of any kind whatsoever arising from or in connection with the Assignment, unless we notify the telephone company and/or the listing companies with which you have placed telephone directory listings (collectively, the "**Telephone Company**") to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between the parties, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.

3. **Power of Attorney**: You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be

necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification**: You will indemnify and hold us and our affiliate, stockholders, directors, officers, members, and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect**: This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

The parties hereto agree that this Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

6. **Assignment to Control**: This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorneys' Fees, Etc**.: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal

assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability**: If any of the provisions of this Assignment or any section or subsection of this Assignment or any section or subsection of this Assignment is held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law Forum**: This Assignment is governed by Delaware Law. The parties will not institute any action arising out of this Assignment against any of the other parties to this Assignment except in the state or federal court of competent jurisdiction in Alameda County, California, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

ASSIGNOR:	**ASSIGNEE:**
	FICTIV LOCAL LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by:

(TELEPHONE COMPANY)

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT "I" TO THE DISCLOSURE DOCUMENT

FORM OF

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "**Assignment"**) is made, entered into and effective as of the effective date of the Lease (as defined hereinbelow), by, between and among **Fictiv Local LLC,** a Delaware limited liability company with its principal business address located at 1611 Telegraph Avenue, Floor 12, Oakland, California 94612 ("**Franchisor,**" "**we**," "**us**" or "**our**"), and _____ whose current principal place of business is _____ ("**Franchisee,**" "**you"** or "**your**").

BACKGROUND INFORMATION

We entered into that certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20__ with you, pursuant to which you plan to own and operate a franchised Fictiv Local facility approved by us pursuant to the Franchise Agreement between you and us dated _____, 20__ (the "**Approved Office Location**" or "**Site**"). In addition, pursuant to that certain Lease Agreement (the "Lease"), you have leased or will lease certain space containing the Fictiv franchise described therein from _____ (the "**Lessor**"). The Franchise Agreement requires you to deliver this Assignment to us as a condition to the grant of a franchise.

We and you agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the lease.

3. **Indemnification of Us:** You agree to indemnify and hold us and our affiliate, if any, our members, directors, officers and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Assignment**: You grant to us a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Approved Location and the franchise relating to the Fictiv franchise, and all of your rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by you or your affiliates (if permitted by us) to the Lessor arising under the Lease and for any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by you under the terms of the Lease, or, in the event we make any payment to the Lessor as a result of your breach of the Lease, then such payment by us, or such breach or default by you, will at our option be deemed to be an immediate default under the Franchise Agreement, and we will be entitled to the possession of the Site and to all of your rights, title and interest in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any of our other rights or remedies under any other Agreements or under other applicable laws or equities. This Assignment will constitute a lien on your interest in and to the Lease until satisfaction in full of all amounts owed by you to us. In addition, our rights to assume all obligations under the Lease provided in this Assignment are totally optional on our part. You agree to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by us

to perfect or document the interests and assignments granted herein.

5. **No Subordination:** You will not permit the Lease to become subordinate to any lien without first obtaining our written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for your operations on the Site and the agreements and other instruments referenced herein. You will not terminate, modify or amend any of the provisions or terms of the Lease without our prior written consent. Any attempt at termination, modification or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by you under the terms of the Lease or under the Franchise Agreement, we will be entitled to exercise any one or more of the following remedies:

(a) to take possession of the Approved Location, or any part thereof, personally, or by our agents or attorneys;

(b) to, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Approved Location, together with all your furniture, fixtures, inventory, books, records, papers and accounts;

(c) to exclude you, your agents or employees from the Approved Location;

(d) as your attorney-in-fact or in our own name, and under the powers herein granted, to hold, operate, manage and control the franchised Fictiv location and conduct the business, if any thereof, either personally or by our agents, with full power to use such measures, legally rectifiable, as we may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to us to exercise each and every right or the rights, privileges and powers herein granted at any and all times hereafter;

(e) to cancel or terminate any unauthorized agreements or subleases entered into by you, for any cause or ground which would entitle us to cancel the same;

(f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site that may seem judicious;

(g) to insure and reinsure the same for all risks incidental to our possession, operation and management thereof; and/or

(h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of your rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of your default under the Lease.

7. **Power of Attorney**: You do hereby irrevocably appoint us as your true and lawful attorney-in-fact in your name and stead and hereby authorize us, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to manage and operate the Site and/or rent or lease the Site to any person, firm, corporation or entity, upon such terms and conditions as we may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as we would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon us pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our written consent.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to us and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the parties, but are deemed an

additional remedy and are cumulative with the remedies therein and elsewhere granted to us, all of which remedies are enforceable concurrently or successively. No exercise by us or any of the rights hereunder will cure, waive or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by us will be construed as a waiver of any of our rights and remedies and no waiver by us of any such rights and remedies will be construed as a waiver by us of any future rights and remedies.

9. **Binding Agreements**: This assignment and all provisions are binding upon the parties, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "we", "us" or "our" or "you" and "your "includes all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate or other legal entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder or member authorizations and approvals.

10. **Assignment to Control**. This Assignment governs and controls over any conflicting provisions in the lease.

11. **Attorney's Fees, Etc**. In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing Party.

12. **Severability**. If any of the provisions of this Assignment or any section or subsection of this Assignment is to be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

"FRANCHISEE", "YOU" AND "YOUR":	**"FRANCHISOR", "US" AND "OUR"**
_____	**FICTIV LOCAL LLC**
Name of Entity	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE is accepted and agreed to by:

"**Lessor**"

By: _____

Name: _____

Its: _____

Date: _____

EXHIBIT "J" TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNER'S GUARANTY

PRINCIPAL OWNER'S GUARANTY

This Guaranty must be signed by each of the principal owners (referred to as "**you**" or "**your**" for purposes of this Guaranty only) of _____ (the "**Business Entity**") under the Franchise Agreement dated _____, 20__ (the "**Agreement**") with **Fictiv Local LLC** ("**Franchisor**," "**we**," "**us**" or "**our**").

1. **Incorporation of Terms**. Each term of the Agreement is incorporated into this Guaranty.

2. **Guaranty**. In consideration of and as an inducement to us signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: guarantees to us and our successors and assigns that (a) the Business Entity will punctually pay all monetary obligations and obey every restriction and covenant set forth in the Agreement and each and every Agreement entered into by and between Us and the Business Entity; and (b) each of you jointly and severally agrees to be personally bound by, and personally liable for the breach of, payment of all monetary obligations.

3. **Payment**. If the Business Entity fails to make any payment when due, immediately upon demand, you will pay to us the full amount owed, plus any interest or penalty allowed under the Agreement. All payments are made without set-off, deduction or withholding for any reason, and are final and free from any defense, claim or counterclaim of you, except the defense that the Business Entity has paid all monetary obligations in full.

4. **Waivers**. Each of you waives: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

5. **Consents and Agreements**. Each of you consents and agrees that: (a) your direct and immediate liability under this Guaranty is joint and several; (b) you must render any payment required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to the Business Entity or to any other person, including without limitation, the acceptance of any partial payment or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

6. **Enforcement Costs**. If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, 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 this Guaranty.

7. **Effectiveness**. Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Each of you agrees that this "Principal Owners Guaranty" may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature with regard to this "Principal Owners Guaranty." You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not an original. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Delaware law and we may enforce our rights regarding it by arbitration in Alameda County, California, or if we no longer maintain an office in Alameda County, California then our home office. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1, *et seq*.), if applicable, The Rules of the American Arbitration Association relating to the Arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration, provided that the arbitrator shall award, or include in his/her award, the specific performance of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. If a claim for amounts owed by you to us is asserted in the arbitration proceeding and if we shall prevail on such claim, we shall be entitled to so much of our cost and expenses including accounting and legal fees, as are attributable to the prosecution thereof. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of us or of you.

Each of you now signs and delivers this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

PERCENTAGE OF OWNERSHIP	**GUARANTORS**
_____	_____
_____	_____
_____	_____
	DATE _____

EXHIBIT "K" TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNER'S STATEMENT

PRINCIPAL OWNER'S STATEMENT

This form must be completed by you if you have multiple owners or if you, or your franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). We are relying on the truth and accuracy of this form in awarding the Franchise Agreement to you.

1. **Form of Owner.** Franchisee is a (check one):

   (a) General Partnership

   (b) Corporation

   (c) Limited Partnership

   (d) Limited Liability Company

   (e) Other

   Specify: _____

Franchisee was formed under the laws of _____.

(State)

2. **Business Entity**. Franchisee was incorporated or formed on _____, 20__, under the laws of the State of _____. Franchisee has not conducted business under any name other than your corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, authorized signatories, agents, etc.) and their positions are listed below:

Name of Person	**Position**
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners**. The following list includes the full name and mailing address of each person who is one of your owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name and Address	**Description of Interest**
_____	_____
_____	_____
_____	_____
_____	_____

4. **Governing Documents**. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., operating agreement, certificate of formation, articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____, 20__. You agree that this document may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this document. You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not the original.

OWNER

INDIVIDUALS

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

_____

[Name]

By: _____

Title: _____

EXHIBIT "L" TO THE DISCLOSURE DOCUMENT

FORM OF

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT FOR FRANCHISE AGREEMENT

CONFIDENTIALITY, NON-SOLICITATION AND

NON-COMPETITION AGREEMENT

NAME: _____

FRANCHISEE: _____

HOME ADDRESS: _____

_____

HOME TELEPHONE: _____

CLASSIFICATION: _____

(Owner, Shareholder, Officer, Director, Attorney, Employee, Etc.)

_____ ("Franchisee") is a franchisee of Fictiv Local LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated _____, 20__ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to, Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, otherwise maintain physical or electronic copies of Confidential Information, nor otherwise make them available to any unauthorized person. Upon the expiration or termination for any reason of my employment, or ownership participation in, association with or service to Franchisee, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment, association, service or ownership participation, and under the circumstances set forth in the following paragraph, for a period of two years immediately following its expiration or termination for any reason, I will not, directly or indirectly engage or participate in any Competitive Business, as defined below. I agree that I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant, including by

soliciting any customers referred to Franchisee by Fictiv Local or its affiliate(s).

The term "Competitive Business" as used in this Agreement means any business or facility owning, operating or managing, or granting franchises or licenses to others, for the sale of goods, products or services similar to any of the goods, products or services offered by the franchised Fictiv Local facility, including but not limited to any business that CNC machining, additive manufacturing and/or associated processes or that offer or sell any service or product or component thereof which comprises part of the Fictiv System; provided, however, that the term "Competitive Business" shall not include any independent manufacturing or machining operation conducted by Franchisee or its owners that (i) does not utilize the Marks, the System or the Confidential Information, and (ii) does not operate under or as part of any other franchise or license system featuring CNC machining, additive manufacturing and/or associated processes. This "exclusivity" is construed in accordance with and/or is governed by (as applicable) the law of the State of Delaware without recourse to Delaware (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Delaware, and if the franchised Business is located outside of Delaware and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Delaware or any other state, which would not otherwise apply.

I further agree that all disputes and claims relating to this Agreement and of the Franchise Agreement (other than your engaging in a Competitive Business, as defined above, upon termination or expiration of the Franchise Agreement, the use of our name or trademarks) shall be settled by Arbitration in Alameda County, California, or if Franchisor shall no longer maintain an office in Alameda County, California, then the home office of Franchisor. Arbitration shall be conducted in accordance with the United States Arbitration Act (9 U.S.C. Section 1, *et seq*.), if applicable, and the Rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise and license agreements, if any, otherwise, the general rules of commercial arbitration), provided that the arbitrator shall award, or include in his/her award, the specific performance or injunction remedies of this Agreement, and the arbitrator shall issue a written opinion explaining the reasons for his/her decision and award. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof or of Franchisor, Franchisee or me as an owner, shareholder, officer, director, attorney, employee or any other relationship I have with the Franchisee. During the pendency of an arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform and comply with the provisions of this Agreement.

I hereby waive and covenant never to assert or claim that arbitration is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

I hereto agree that this document may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this document. You are not entitled to challenge the validation or authenticity of the electronic signature or this document on the ground that it is not the original.

Witness:

_____ _____

(Signature)

_____	_____
Date	**(Printed Name)**

EXHIBIT "M" TO THE DISCLOSURE DOCUMENT

FORM OF

FRANCHISEE QUESTIONNAIRE

FICTIV LOCAL LLC

FRANCHISEE QUESTIONNAIRE

Washington Franchisees: Do not sign this Questionnaire

California franchisee should not complete this Statement. If any California franchisee completes this Statement, it is against California public policy and will be void and unenforceable, and we will destroy, disregard, and will not rely on such Statement.

Maryland Franchises: Do not sign this Questionnaire.

Prior to the final execution of a Franchise Agreement, this questionnaire must be completed in its entirety. Completion of this questionnaire confirms that Fictiv Local LLC, its employees and representatives have fully complied with all applicable franchise registration and disclosure laws relating to the purchase of your franchise.

1. **Full Name of Franchisee:**

_____

2. **Franchisee Office Location:**

_____

3. **Franchisee is: (check applicable box)**

[ ] Individual [ ] Corporation [ ] General Partnership [ ] Limited Partnership

[ ] Limited Liability Company [ ] Other _____

4. **If Franchisee is other than an individual, indicate the capacity in which the undersigned is authorized to act on behalf of the Franchisee: (check applicable box)**

[ ] Officer (insert title): _____

[ ] General Partner

[ ] Other (please explain): _____

5. **Did Franchisee receive a Franchise Disclosure Document?** [ ] Yes [ ] No

6. **On what date was the Franchise Disclosure Document received, and by whom?**

Date: _____ Recipient: _____

7. **Name of our Company Representative who primarily worked with you on this sale:**

_____

8. **Have you discussed the benefits and risks of operating a Fictiv Local LLC Franchise with an attorney, accountant or other professional advisor?**

_____ Yes / No

9. **Has any Fictiv Local LLC employee or representative speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Fictiv Local LLC Franchise that we or our franchisees operate?**

_____ Yes / No

If you have answered "Yes" to the above question 9 , please provide a full explanation of your answer in the following blank lines. Attach additional pages, if necessary. If you answered "No", leave the following lines blank.

_____

_____

_____

_____

EXHIBIT "N" TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC AND OTHER

ADDENDA AND RIDERS

CALIFORNIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 6 of the Disclosure Document is amended by adding the following:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60-day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

Item 19 of the Disclosure Document: The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your franchised business. Franchisees or former Franchisees, listed in the Disclosure Document, may be one source of this information.

The Franchise Agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Alameda County, California with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.fictivlocal.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

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

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

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

Registered agent in the state authorized to receive service of process:

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

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.w. is modified to provide that Illinois law applies.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

3. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

4. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a Franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

4. The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

5. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a Franchisee to assent to a general release.

- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

- The Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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 with the franchise.

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities,

antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the

franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New

York.

6. Franchise Questionnaires and Acknowledgements—No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance om 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.

7. Receipts—Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 *et. seq*.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the Franchise Agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the Franchise Agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the Franchisee sign a general release upon renewal of the Franchise Agreement does not apply to Franchise Agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the Franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 17(i) of the Disclosure Document is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

Item 17(r) of the Disclosure Document is amended to also provide as follows: “Covenants not to compete are generally considered unenforceable in the State of North Dakota.”

Item 17(u) of the Disclosure Document is amended to also provide as follows: “All arbitration or mediation required under the Franchise Agreement and Development Rights Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee’s Franchised Business.”

Item 17(v) of the Disclosure Document is amended to provide as follows: “You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of the Franchise Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.”

Item 17(w) of the Disclosure Document is amended to provide: “North Dakota law governs any cause of action under the Franchise Agreement.”

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a Franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all Franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

WASHINGTON ADDENDUM
TO THE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise

Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisees has (a) received all pre-

opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business.

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

   If the Franchise Agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, Franchise Agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT "O" TO THE DISCLOSURE DOCUMENT

FORM OF

RELEASE

FORM OF RELEASE

The following is our current general release form that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal, approved transfer or purchase by us of the assets of a franchised Fictiv location franchise. We may periodically modify the release.

THIS RELEASE is given by _____ and their predecessors, agents, affiliates, legal representatives, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, "**we**," "**us**" or "**ours**"), to Fictiv Local LLC and all of its predecessors, affiliates, owners, officers, employees, legal representatives, agents, directors, successors and assigns, their heirs, beneficiaries, executors and administrators (sometimes hereafter collectively referred to as "**you**" or "**your**"). Effective on the date of this Release, we forever release and discharge Fictiv Local LLC from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, which we now have or ever had against Fictiv Local LLC, including without limitation, anything arising out of that certain Franchise Agreement dated _____, 20__ (the "**Franchise Agreement**"), the franchise relationship between the parties, and any other relationships between you and us; except your obligations under the _____ Agreement. This Release is effective for: (a) any and all claims and obligations, including those of which we are not now aware; and (b) all claims we have from anything which has happened up to now; provided, however, that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law and/or the Minnesota Franchise Act are excluded from this release, and that all rights enjoyed by us under the Franchise Agreement and any causes of action arising in our favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this provision that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If we are domiciled or have our principal place of business in the State of California, then we hereby expressly waive and relinquish all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

We are bound by this Release. We freely and voluntarily give this Release to you for good and valuable consideration and we acknowledge its receipt and sufficiency.

We represent and warrant to you that we have not assigned or transferred to any other person any claim or right we had or now have relating to or against you.

In this Release, each pronoun includes the singular and plural as the context may require.

This Release is governed by Delaware law.

This Release does not apply to claims arising under Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

This Release is effective _____, 20__, notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned execute this Release:

By: _____
Name: _____

Title: _____
Date: _____

(STATE OF _____)

(COUNTY OF _____)

The foregoing instrument was acknowledged before me this the _____ day of _____, 20___, by _____, who is personally known to me or has produced _____ as identification.

_____

Signature of Notary

_____

Printed Name of Notary

My Commission Expires: _____

EXHIBIT "P" TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below.

State	Effective Date
California	Pending
Hawaii	
Illinois	
Indiana	
Maryland	Pending
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

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 "Q" TO THE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

(Retain this copy for your records)

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 Fictiv Local LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement for the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Fictiv Local LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency in Exhibit "F".

Issuance Date: April 20, 2026

The franchise seller for this offering is Steven Poullath, 1611 Telegraph Avenue, Floor 12, Oakland, California 94612 and telephone number is (817) 717-4512.

Fictiv Local LLC authorizes the respective state agencies identified in Exhibit "F" to receive service of process for it in their particular state.

I received a disclosure document dated April 20, 2026 that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	List of Franchisees
Exhibit C	List of Franchisees Who Have Left the System
Exhibit D	Form of Confidential Operating Manual Table of Contents
Exhibit E	Form of Key-Employee Manager Confidentiality Agreement
Exhibit F	List of State Agencies/Agents for Service of Process
Exhibit G	Form of Franchise Agreement
Exhibit H	Form of Conditional Assignment of Telephone Numbers and Listings
Exhibit I	Form of Conditional Assignment and Assumption of Lease
Exhibit J	Form of Principal Owner's Guaranty
Exhibit K	Form of Principal Owner's Statement
Exhibit L	Form of Confidentiality, Non-Solicitation and Non-Competition Agreement for Franchise Agreement
Exhibit M	Franchisee Questionnaire
Exhibit N	State Specific and other Addenda and Riders
Exhibit O	Form of Release
Exhibit P	State Effective Dates
Exhibit Q	Receipts

Individual:

_____
Date Received

_____
Prospective Franchisee Signature

_____
Print Name

OR

Legal Entity

By: _____

Name: _____

On behalf of the following entity:
Company Name:
_____

Title: _____

_____
Date Received

RECEIPT

(Sign, Date, and return this copy to us)

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 Fictiv Local LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement for the payment of any consideration that relates to the franchise relationship.

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If Fictiv Local LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency in Exhibit "F".

The franchisor seller is Steven Poullath, 1611 Telegraph Avenue, Floor 12, Oakland, California 94612. Its telephone number is (817) 717-4512.

Issuance Date: April 20, 2026

Fictiv Local LLC authorizes the respective state agencies identified in Exhibit "F" to receive service of process for it in their particular state.

I received a disclosure document dated April 20, 2026 that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	List of Franchisees and Area Developers
Exhibit C	List of Franchisees Who Have Left the System
Exhibit D	Form of Confidential Operating Manual Table of Contents
Exhibit E	Form of Key-Employee Manager Confidentiality Agreement
Exhibit F	List of State Agencies/Agents for Service of Process
Exhibit G	Form of Franchise Agreement
Exhibit H	Form of Conditional Assignment of Telephone Numbers and Listings
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Exhibit M	Franchisee Questionnaire
Exhibit N	State Specific and other Addenda and Riders
Exhibit O	Form of Release
Exhibit P	State Effective Dates
Exhibit Q	Receipts

Individual:

_____
Date Received

_____
Prospective Franchisee Signature

_____
Print Name

OR

Legal Entity

By: _____

Name: _____

On behalf of the following entity:
Company Name:
_____

Title: _____

_____
Date Received